



REPUBLIC OF KENYA

HOMA BAY COUNTY GOVERNMENT  
**THE COUNTY TREASURY**



HOMA BAY COUNTY

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**2013/2014**

**FINAL SUPPLEMENTARY ESTIMATES**

**OF**

**RECURRENT AND DEVELOPMENT**

**EXPENDITURE**

**OF THE**

**COUNTY GOVERNMENT OF HOMA BAY**

**FOR THE YEAR ENDING 30<sup>TH</sup> JUNE, 2014**

**JUNE 2014**

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## FOREWORD

- I. The Constitution of Kenya 2010 established the County Government of Homa Bay, consisting of the County Assembly and the County Executive. The county was vested with functions to perform and powers to exercise including to decentralize functions and provide services to the extent that it is efficient and practicable to do so.
- II. The Public Finance Management Act, 2012 prescribes the manner in and the principles within which public finances are managed. In particular, the county government may spend money that has not been appropriated if the amount appropriated for any purpose under the County Appropriation Act is insufficient or a need has arisen for expenditure for a purpose for which no amount has been appropriated by that Act, or money has been withdrawn from the county government Emergency Fund.
- III. Pursuant to section 135(2) of the Public Finance Management Act, 2012; the county government shall submit a supplementary budget in support of the additional expenditure for authority for spending under subsection (1) as explained in II. Subsection (3) provides that in complying with subsection (2), a county government shall describe how the additional expenditure relates to the fiscal responsibility principles and financial objectives. Subsection (4) further provides that except as provided by subsection (5), the approval of the county assembly for any spending under this section shall be sought within two months after the first withdrawal of the money. And subsection (5) provides that if the county assembly is not sitting during the time contemplated in subsection (4), or is sitting but adjourns before approval has been sought, approval shall be sought within fourteen days after it next sits.
- IV. The policies prioritized by the County Treasury to lay a firm foundation for achievement of the county objectives set out in the First County Integrated Development Plan, 2013-2017 are being given prominence, including: (1) pro-poor expenditures in support of priorities set out in the CIDP; (2) shifting towards capital improvement; (3) setting up structures for improved mobilization and management of resources in Homa Bay County and; (4) creating a conducive framework for the growth of the private sector.
- V. Measures proposed in this second and final supplementary budget are subject to the Constitution of Kenya, 2010 and are pursuant to section 104 of the Public Finance Management Act, 2012 that empowers the County Treasury to monitor, evaluate and oversee the management of public finances and economic affairs of the County Government.
- VI. The estimated overall resource envelop of the County Government of Homa Bay for the financial year 2013/2014 has been revised downwards from **Kenya Shillings 4,330,200,000** to **KShs 4,256,011,978**. The amount consists of Kenya Shillings 4,121,471,644 expected as a grant from the National Government and Kenya Shillings 134,540,334 expected to be collected as internal revenue, including as Appropriation in Aid from County Departments.
- VII. The **Gross Recurrent Expenditure** is now estimated at **Kenya Shillings 3,172,388,630**, representing 74.54% of the total expenditure estimates whereas the **Gross Development Expenditure** is estimated at **Kenya Shillings 1,083,623,350**; representing 25.46% of the total expenditure estimates for the year 2013/2014.

- VIII. Draft estimates of expenditure also accompanied by budget notes explaining how recurrent estimates were arrived at. Reference was made to budget priorities captured in the printed and revised budgets approved previously. All estimates have subsequently been revised to reflect increased expenditures in health, agriculture and water sub-sectors. **Estimates for all other spending units have therefore been reduced including the County Assembly** to cater for revenue shortages and unforeseen legal commitments in the form of salaries. Care was however taken not to move funds from cost items where legal commitments had been made.
- IX. It is worth noting that the County Treasury is taking steps to structure our expenditure so that capital expenditure is increases in relative terms as recurrent expenditure decreases over the medium term. Presently, however, revenue shortfalls and inevitable increases in the wage bill have squeezed the fiscal space for capital improvement.
- X. The **wage bill** as provided for by devolved ministries were seriously understated leading to a budget for gross personnel emoluments of **KShs 1,715,997,268** against the expected gross actual expenditure of **KShs 2,232,935,223**. The biggest variance was in the department of health where initial computations from the National Headquarter indicated a budget of KShs 349,287,676 whereas the actual payments total to KShs 762,287,268. This unforeseen increase in the wage bill does not make it possible to keep development expenditure above 30 per centum of the total budget. However, the law provides that this must be achieved within three years.
- XI. The County Treasury will however strive to uphold principles of fiscal responsibility. It is expected that by next financial year, provisions for capital expenditure will be kept above 30 per cent as the county implements revenue enhancement measures and strengthen inflows from the extraordinary budget.
- XII. Requests for approval for **re-allocations within and between votes and sub-votes have been approved** for funds still available according to the budget notes provided under detailed estimates of each sub-sector. All variations are based on expenditure projections by the County Treasury based on absorptions up to June 18, 2014. **Funds allocated to sub-items in this estimate are strictly what has already been spent and in isolated cases committed** with small space for further expenditure explained in the budget notes.
- XIII. It is with much gratitude for the cooperation so far provided by all stakeholders especially Members of the County Assembly and the Cabinet that we are presenting this final supplementary estimates for further necessary action by the County Assembly.

**Hon. Nicholas Obuya K'Oriko**  
**CEC Member for Finance and Economic Planning**  
**Homa Bay County**

## EXECUTIVE SUMMARY

- I. Resource allocation has been aligned with the sectoral priorities derived from the County Integrated Development Plan 2013-2017 and ranked appropriately in terms of their contributions to achieving objectives set. However, the fiscal space for development has been decreased due to unforeseen increments in personal emoluments as well as internal revenue shortfalls

### Policy Priorities

- II. The broad strategic priorities of the County Government of Homa Bay over the medium term included, inter alia:
- (i) Maintaining stability and creating an enabling environment for attraction, growth and sustainability of businesses;
  - (ii) Setting up essential frameworks for the county to take off and stay on growth trajectory in line with Vision 2030 and the Constitution of Kenya, 2010;
  - (iii) Aligning expenditures with county priorities outlined in the County Integrated Development Plan, 2013-2017;
  - (iv) Expanding investments in physical infrastructure to improve access to public transport, energy, water, sanitation and housing; enhancing skills development and access to quality education in the county;
  - (v) Improving provision of health care with emphasis on reduction of mortality rates, broadening prevention and treatment and combating HIV/AIDS, malaria and other diseases.
  - (vi) Enhancing food security, protecting agro-based livelihoods and commercializing of selected agricultural enterprises;
  - (vii) Reducing and keeping crime levels down to support public safety and spur investment;
  - (viii) Supporting good governance and establishing structures that enhance transparency, accountability and other national values outlined in the constitution;
  - (ix) Strengthening public finance management systems and implementing procedures for enhanced access, efficiency and stability in the finance sector; and
  - (x) Undertaking additional measures to improve the entrepreneurial and investment climate in the county.
- III. It is incumbent upon the County Government of Homa Bay to allocate resources in a manner that would enable it hit growth targets envisaged in the CIDP by creating the necessary fiscal space and making available adequate resources to support priority programmes. In this endeavour, however, provision has first been made first for mandatory expenditures such as salaries, rent and utilities. This has been followed by on-going projects after which new projects have been considered. It is noteworthy that care has been taken to provide the basic minimum support to all programmes linked to gazetted functions.
- IV. The resource allocations reflect the broad strategic priorities of Homa Bay County. Allocations to recurrent expenditure have been increased in Finance and Economic Planning;

Health; Education and ICT; Agriculture, Livestock and Fisheries as well as Water and Environment. This has been done to levels where the current levels of service delivery will be maintained and expected personnel emoluments will be provided fully. Allocations to recurrent expenditure in County Departments of Energy and Natural Resources; Tourism, Culture, Social Development and Sports;; Trade, Industry and Investments; Transport and Infrastructure; Lands, Housing and Physical Planning as well as Office of the Governor have been decreased to reflect actual estimated personnel costs which are below the levels appropriated . Allocations to capital expenditure have been reduced to accommodate shortfalls in revenue as well as inevitable increases in the wage bill. Overall, the County Treasury has still ensured that devolved functions are funded at levels way beyond what the National Government allocated in the Financial Year 2012/2013 or even recommended for the financial year 2013/2013.

### **Cost Cutting Measures**

- V. The County Government of Homa Bay expects to expand its fiscal space for development over the medium term and achieve total appropriation to capital expenditure above 40% by instituting cost-cutting measures targeting domestic and foreign travel, catering and hospitality, advertising, consultancies, refurbishments and transport. Steps will also be taken to stem unsustainable increases on the wage bill and as well as reduce transfers to units and agencies that have capacity for self-support such as water and health boards.

### **Financing Strategies**

- VI. The County Government of Homa Bay may not be able to achieve a balance budget based purely on grants from the National Government and revenue collections through local sources provided for under Article 209 (3&4) of the Constitution of Kenya, 2010. Effort will therefore be made to attract extra-ordinary budget support and tap into innovative financing arrangements under the Public Private Partnership (PPP) framework from the financial year 2015/2016 onwards.

### **Conclusion**

- VII. The County Treasury has reasonable grounds to believe that Homa Bay County will be able to realize better budgetary outcomes over the medium term by pursuing sound budgetary positions with limited deficits. The focus will be on improving efficiency of public spending through improved monitoring and linking of resource allocation to performance as well as sound fiscal governance that will spur enhanced coordination among other benefits.
- VIII. The choices in this supplementary budget are being exercised in harmony with the fiscal responsibility principles provided for in sections 107 of the Public Finance Management Act. The County Government of Homa Bay is working to achieve a capital expenditure of 30 percent and above within the next three years. A debt management strategy is being worked on and once adopted, the county may proceed to borrow for development from the financial year 2016/2017. It is expected that all liabilities will be covered over the medium term.

## SUMMARY OF THE SECOND SUPPLEMENTARY EXPENDITURE ESTIMATES OF THE FINANCIAL YEAR 2013/2014

In the financial year 2013/2014, the County Government of Homa Bay expects its recurrent expenditure across all the spending units to amount to **Kenya Shillings 3,172,388,630** while development expenditure across all the spending units will amount to **Kenya Shillings 1,083,623,350**. In total, the County Government of **Homa Bay expects to spend a total of KShs 4,256,011,978 million in the financial year 2013/2015 in the final supplementary appropriations**. This budget represents a reduction from KShs 4,330, 200,000 occasioned by unforeseen increases in the form of personnel remuneration for devolved functions like health, agriculture and water.

The table (1) below provides a synthesis of expenditure variation of the county over the financial year based on variations on the projected revenue.

**Table 1: Expected Expenditure in the Final Supplementary Estimates 2013/2014**

	HEAD	RECURRENT			DEVELOPMENT		
		Last Printed 2013/2014	Previous Supplementary 2013/2014	Final Supplementary 2013/2014	Last Printed 2013/2014	Previous Supplementary 2013/2014	Final Supplementary 2013/2014
V01	Agriculture, Livestock and Fisheries Development	91,638,355	91,638,275	141,429,023	188,400,000	238,800,000	269,177,200
V02	Tourism, Culture, Social Development and Sports	20,502,842	22,502,842	5,865,000	36,200,000	44,600,000	34,411,300
V03	Transport and Infrastructure	81,861,380	81,837,041	18,036,680	560,000,000	317,000,000	222,608,102
V04	Energy and Mineral Resources	5,066,000	8,066,000	2,566,000	230,000,000	93,000,000	87,629,960
V05	Education and ICT	142,523,496	72,523,496	66,219,588	9,500,000	59,500,000	59,500,000
V06	Health	473,309,736	541,417,230	956,133,837	70,700,000	108,700,000	34,815,665
V07	Lands, Housing and Urban Development	16,310,776	18,310,776	11,751,580	596,300,000	127,700,000	122,061,784
V08	Trade, Industry and Investment	50,321,844	54,330,844	15,216,924	87,500,000	122,000,000	54,756,000
V09	Water and Environment	21,376,408	23,376,408	34,547,868	208,500,000	108,500,000	111,671,268
V10	Finance and Economic Planning	734,640,388	658,840,392	689,224,459	20,000,000	20,000,000	7,100,000
V11	County Executive Services	561,370,903	470,943,988	268,884,963	86,500,000	46,500,000	47,292,069
V13	County Assembly Services	984,562,708	962,512,708	962,512,708	37,600,000	37,600,000	37,600,000
<b>EXPENDITURE</b>		<b>3,183,484,836</b>	<b>3,006,300,000</b>	<b>3,172,388,630</b>	<b>2,131,200,000</b>	<b>1,323,900,000</b>	<b>1,083,623,350</b>
<b>TOTAL EXPENDITURE</b>							<b>4,256,011,978</b>
<b>PROJECTED REVENUE</b>							<b>4,256,011,978</b>
<b>SURPLUS/ (DEFICIT)</b>							<b>0</b>

## **VOTE 01: DEPARTMENT OF AGRICULTURE, LIVESTOCK AND FISHERIES**

### **A. Mandate**

To enable it deliver on its mandate, the department has three divisions, namely: Agriculture, Livestock and Fisheries. All the divisions work closely with National and County government units/public agencies and other stakeholders to achieve their mandates.

#### **Agriculture**

The division is mandated to ensure sustainable agricultural production for food security, wealth and income creation by providing extension services, formulation and monitoring of agricultural legislations, regulations and policies, supporting agricultural research and promoting technology delivery, developing, implementing and coordinating agricultural sub-programmes, managing and controlling pests and diseases in crops, promoting management and conservation of the natural base for agriculture and collecting, maintaining and managing information on agriculture.

#### **Livestock Development**

To formulate and implement county-specific and national policies, programmes, and agreements; the division will develop, promote and enforce national and county livestock production standards in line with national guidelines; develop county livestock production disaster preparedness, management and mitigation strategies ;provide extension services; collaborate and liaise with mandated research centers in setting county research agenda; collect and manage livestock production data and information; develop and promote sustainable use of natural resources (including rehabilitation of range lands) for livestock development; promote commercially oriented livestock production, value addition and marketing; monitoring and evaluation of livestock production based programmes and projects and promotion of good livestock production practices.

#### **Veterinary Services**

The division is mandated to prevent and control animal diseases and pests to safeguard human welfare, increase livestock productivity, ensure high quality livestock and their products and facilitate domestic and international trade.

#### **Fisheries Development**

The mandate of the division is to facilitate the exploration, exploitation, utilization, management, development and conservation of fisheries resources as well as aquaculture development.

### **B. Budget Context**

The budget for 2013/14 has been prepared within the context of a number of challenges identified in the CIDP including low productivity, poor market access, inadequate agricultural, livestock and fisheries infrastructure, poor transport and communication network, limited use of appropriate technology, lack of fish farming input supply chains and aquaculture products marketing structures,



livestock and crop pests and diseases, unfavourable environmental/climatic conditions, high cost of production, weak monitoring and evaluation, inadequate supply of affordable credit and trained personnel, high poverty levels, inadequate/poor irrigation infrastructures , inadequate participation of locals in projects planning and implementation. Consequently, the budget draws heavily from the flagship projects and opportunities stipulated in the CIDP and the Sectoral Plan, including the establishment of agriculture mechanization station; provision of inputs and equipment for improved crop and animal husbandry, improved extension and promotion of early maturing and disease resistant varieties.

### C. Detailed Estimates

ITEM DESCRIPTION	PRINTED (KSHS)	SUPPLEM. I (KSHS)	SUPPLEM. 2 (KSHS)
Provision of Farm Inputs <ul style="list-style-type: none"> <li>○ Mobilization of beneficiaries</li> <li>○ Establishment of agrovets</li> </ul>	36,000,000	36,000,000	0
Promotion of Tissue Culture Bananas and Potatoes	2,400,000	2,400,000	2,400,000
Improved Extension Service Delivery <ul style="list-style-type: none"> <li>○ Environmental conservation and soil fertility improvement</li> <li>○ Promotion of green house technology</li> <li>○ Provision of food aid</li> <li>○ Celebration of Annual Food Day</li> <li>○ Agricultural show</li> </ul>	30,000,000	30,000,000	82,950,000
Fisheries Development	12,000,000	12,000,000	0
Livestock Development	108,000,000	108,000,000	133,663,200
Provision of Tractors and Allied in each sub-county	0	50,400,000	50,164,000
<b>Sub-Total Development</b>	<b>188,400,000</b>	<b>238,800,000</b>	<b>269,177,200</b>
Salaries <sup>1</sup>	63,589,500	63,589,500	<b>128,380,248</b>
Other <sup>2</sup>	28,048,855	28,048,775	13,048,775
<b>Sub-Total Recurrent</b>	<b>91,638,355</b>	<b>91,638,275</b>	<b>141,429,023</b>
<b>Total Estimates</b>	<b>280,038,355</b>	<b>330,438,275</b>	<b>410,606,223</b>

#### Budget Notes:

1. The figure for salaries includes what the payroll section estimates as necessary to complete the remainder of the year.
2. Only KShs 3,183, 362 is remaining for other recurrent/operations under the department for the remainder of the year.

## VOTE 02: DEPARTMENT OF TOURISM, CULTURE AND SPORTS

### A. Mandate

The Vision of the County Department of Tourism, Culture and Sports is of ‘*sustainable and equitable socio-cultural and economic empowerment of all in the county.*’

The Mission is ‘*to formulate, mainstream and implement responsive policies through coordinated strategies for sustained and balanced socio-cultural and economic development of the Country and empowerment of vulnerable and marginalized groups and areas.*’

### B. Context of the Budget Intervention

The strategic objectives to be addressed by 2013/2014 included tourism development and marketing by mapping, developing, branding and promoting niche products in tourism for improved earnings from the tourism division; development and empowerment of the women and other vulnerable populations by mainstreaming them in socio-economic development; identifying, developing and marketing local talents for improved earnings from sport and; development of heritage, arts and cultural services.

In the financial year 2013/2014, the budget is focused on developing and promotion tourism at beaches, managing and developing sports and sports facilities, constructing a child protection center, supporting cultural exchange as well as welfare grants and capacity building of marginalized groups. The thrust of these proposed interventions is the recognition that there exists great potential for development in the sector and with smart targeting and mobilization of resources the impact of these intervention could be immense. That explains why it has been important to develop a strategic plan for the sector.

### C. Detailed Estimates

ITEM DESCRIPTION	PRINTED (KSHS)	SUPPLEM. 1 (KSHS)	SUPPLEM. 2 (KSHS)
Culture Exchange Programmes	3,200,000	3,200,000	5,179,300
County Sports Day	2,000,000	2,000,000	1,566,500
Upgrading of Homa Bay County Stadium	10,000,000	10,000,000	3,659,000
Establishment of Child Protection Centre	7,000,000	6,000,000	0
Development of Tourism at Beaches and Islands	10,000,000	10,000,000	0
Establishment of Women and Youth Capacity Development Fund	2,500,000	2,500,000	0
Establishment of Disability Welfare Fund	1,500,000	1,500,000	0
Provision of Sewing Machines, Salon Equipment and Barber Machines	0	8,400,000	22,806,000
Development of Strategic Plan for Tourism	0	1,000,000	1,200,000
<b>Sub-Total Development</b>	<b>36,200,000</b>	<b>44,600,000</b>	<b>34,411,300</b>
Salaries <sup>1</sup>	18,237,842	18,237,842	4,000,920

Other <sup>2</sup>	2,265,000	4,265,000	1,865,000
<b>Sub-Total Recurrent</b>	<b>20,502,842</b>	<b>22,502,842</b>	<b>5,865,000</b>
<b>Total Estimates</b>	<b>56,702,842</b>	<b>67,102,842</b>	<b>40,476,300</b>

**Budget Notes (Tourism):**

1. The figure for salaries includes what the payroll section estimates as necessary to complete the remainder of the year. Part of the staff salaries are covered under the department of finance and economic planning.
2. Only KShs 732,950 is remaining for other recurrent/operations under the department for the remainder of the year.

## VOTE 03: DEPARTMENT OF TRANSPORT AND INFRASTRUCTURE

### A. Vision and Mission

The vision of the department is of ‘A world class provider of cost-effective, efficient and safe physical infrastructure facilities and services.’

The mission is “to provide efficient, safe, affordable and reliable infrastructure for sustainable economic growth and development through construction, modernization, rehabilitation and effective management of all infrastructure facilities.”

### B. Strategic Overview and Context for Budget Intervention

The expenditure trends have not been determined since the spending units were not within the county. However, a number of projects in the sub-sector have been implemented with the help of other relevant government agencies including KenHA, KURA, KeRRA, KSB, CDF and KWS. A number of challenges have been encountered ranging from weak enforcement on road regulation policies, limited equipment for transport and infrastructure works, unpreparedness for natural disasters, stalled / ongoing public projects and limited funding. The budgetary provision for the FY 2013/14 to cater for road works, construction of footbridges and completion of stalled and ongoing public projects has been significantly reduced in the previous supplementary estimates.

### C. Detailed Estimates

ITEM DESCRIPTION	PRINTED (KSHS)	SUPPLEM. 1 (KSHS)	SUPPLEM. 2 (KSHS)
Opening/Culverting/Grading/Gravelling of 12 Km Road in each ward	428,000,000	135,000,000	110,000,000
Bitumization of 204 Km Road using Turnkey Technology	0	150,000,000	50,000,000
Construction of Footbridges within Wards	32,000,000	32,000,000	0
Purchasing of Roads Equipment	100,000,000	0	0
Emergency Road Development Maintenance	0	0	42,608,102
Street Lighting of Homa Bay Town <sup>1</sup>	0	0	20,000,000
<b>Sub-Total Development</b>	<b>560,000,000</b>	<b>317,000,000</b>	<b>222,608,102</b>
Salaries	69,286,380	69,286,380	<b>11,476,680</b>
Other <sup>2</sup>	12,575,000	12,550,661	6,560,000
<b>Sub-Total Recurrent</b>	<b>81,861,380</b>	<b>81,837,041</b>	<b>18,036,680</b>
<b>Total Estimates</b>	<b>641,861,380</b>	<b>398,837,041</b>	<b>240,644,782</b>

#### Budget Notes:

1. Street lighting of Homa Bay Town is a new priority the proposed implementation of which is at advanced stage
2. Only KShs 1,409,353 is remaining for other recurrent/operations under the department for the remainder of the year.

## VOTE 04: DEPARTMENT OF ENERGY AND NATURAL RESOURCE

### A. Vision

A wealthy county sustainably leveraging its mineral resources and able to meet its energy needs for socio-economic development.

### B. Mission

To spur social and economic development through sustainable use of mineral and energy resources.

### C. Context for Budget Intervention

A number of challenges were encountered ranging from improving the quality, quantity and reliability of energy supply; high initial capital outlay and the long lead times from inception to completion; mobilizing adequate financial resources to undertake massive investment in the power sub-sector; high/ cost of energy, low per capita incomes; and low levels of industrialization. In the short term, the budgetary provision under this supplementary estimate has targeted improving lighting of strategic commercial centers as well as mapping of opportunities for development of mineral and energy resources.

### D. Detailed Estimates

ITEM DESCRIPTION	PRINTED (KSHS)	SUPPLEM. 1 (KSHS)	SUPPLEM. 2 (KSHS)
Market Street Solar Lighting	6,000,000	83,000,000	83,364,980
Power Installation in Public Schools	6,000,000	0	0
Power Installation in Beaches and Public Health Facilities	6,000,000	2,000,000	364,980
Power Installation along the beaches and school solar system	212,000,000	0	0
Mapping of Mineral Resources	0	3,000,000	2,900,000
Development of Construction Minerals	0	1,500,000	0
Development of the Energy Master Plan	0	2,000,000	0
Capacity Building, M&E	0	1,500,000	1,000,000
<b>Sub-Total Development</b>	<b>18,000,000</b>	<b>93,000,000</b>	<b>87,629,960</b>
Salaries <sup>1</sup>	0	3,000,000	0
Other <sup>2</sup>	5,066,000	5,066,000	2,566,000
<b>Sub-Total Recurrent</b>	<b>5,066,000</b>	<b>8,066,000</b>	<b>2,566,000</b>
<b>Total Estimates</b>	<b>23,066,000</b>	<b>101,066,000</b>	<b>90,195,960</b>

#### Budget Notes:

1. The department was not able to recruit into positions proposed.
2. Only KShs 1,121,612 is remaining for other recurrent/operations under the department for the remainder of the year.

## VOTE 05: COUNTY DEPARTMENT OF EDUCATION AND ICT

### A) Mandate

The mandate of the County Department of Education and ICT is to monitor, develop and improve the quality and relevance of teaching and learning in educational institutions; to supervise learning institutions by ensuring that every child receives education as a basic right and hence contribution is made to reducing illiteracy levels in the county and to promote and coordinate integration of Information, Communication, Technology and Innovation for sustainable socio-economic development.

The department's vision is of 'a globally competitive education, training and innovation for sustainable development. The mission is 'to provide, promote and coordinate quality education and training, integration of information, communication, technology and innovation in sustainable socio-economic development process.

### B) Context of the Budget Intervention

The focus of this department in the financial year has been mainly on payment of salaries to the ECDE teachers and improvement of ECDE centers in the county. The department also purposed to improve quality and standards by supporting examination, retention and digitalization initiatives of communities.

### C) Detailed Estimates

ITEM DESCRIPTION	PRINTED (KSHS)	SUPPLEM. 1 (KSHS)	SUPPLEM. 2 (KSHS)
Exam Centers at the County	5,000,000	5,000,000	5,000,000
Purchase of Computers for Data Collection	2,000,000	2,000,000	2,000,000
Additional Hostel at Sero Youth Polytechnic	2,500,000	4,300,000	4,300,000
Establishment of Digitals Resource Centers	0	7,200,000	7,200,000
Development of Strategic Plan	0	1,000,000	1,000,000
Establishment of Bursary Fund for 40 Wards @ 1m	0	40,000,000	40,000,000
<b>Sub-Total Development</b>	<b>9,500,000</b>	<b>59,500,000</b>	<b>59,500,000</b>
Salaries	132,009,496	62,009,496	<b>63,782,400</b>
Other <sup>1</sup>	10,514,000	10,514,000	2,437,188
<b>Sub-Total Recurrent</b>	<b>142,523,496</b>	<b>72,523,496</b>	<b>66,219,588</b>
<b>Total Estimates</b>	<b>152,023,496</b>	<b>132,023,496</b>	<b>125,719,588</b>

### Budget Notes:

1. Only KShs 1,050,255 is remaining for other recurrent/operations under the department for the remainder of the year.

## VOTE 06: COUNTY DEPARTMENT OF HEALTH SERVICES

### A. Vision and Mission

The Vision of the County Department of Health is of ‘A county free of preventable diseases and controllable health.’

The Mission is ‘to provide effective leadership and participate in sustainable, technologically driven, evidenced-based and client-centered health system.’

### B. Context of Budget Intervention

The strategic objectives that the 2013/14 budget has been seeking to achieve a healthier county by controlling preventable diseases through operationalization of community strategies, promotion of environmental health, prevention of HIV/AIDS, malaria control, control of vector borne diseases and carrying out disease surveillance. Focus has been on supply of medical drugs, purchase of non-pharms, purchasing laboratory, ambulances, medical and dental equipment. It has also included construction of various general wards and maternity blocks in various sub counties.

There are challenges anticipated over the medium term like a lack of sufficient personnel, and equipment such as MRI machine for better service delivery, which could undermine quality healthcare. For that reason, the ministry has entered into partnership with various NGO'S including USAID, EGPAF etc. which have put in a helping hand in terms of personnel and medical services. The money allocated to personnel emoluments has been inadequate with up to KShs 762,287,268 needed against a budgetary provision of KShs 349,287,676.

### C. Detailed Estimates

ITEM CODE	ITEM DESCRIPTION	PRINTED (KSHS)	SUPPLEM. 1 (KSHS)	SUPPLEM. 2 (KSHS)
3111100	Installation of Oxygen Plant at HBC Referral Hospital	9,000,000	10,000,000	970,030
2220200	Renovation of Building for Satellite Blood Transfusion Centre	500,000	500,000	0
3110202	Construction of Maternity Wards	20,000,000	0	0
3110202	Completion of Morgue at Sindo SC Hospital		4,000,000	0
3110202	Completion of 2 Wards at Mbita SC Hospital		9,500,000	0
3110202	Completion of Admin/OPD Block at Rachuonyo S (Oyugis) SCH		0	0
3110701	Purchase of 4 Fully-Equipped Ambulances	8,400,000	44,000,000	0
3111100	Equipment of Health Facilities	29,500,000	35,500,000	19,500,000
	Acquisition of Natural Foods	10,000,000	10,000,000	10,000,000
2210101	Installation of Electricity in 4 Health Facilities (Power Bill)	300,000	1,200,000	1,761,948
2210700	HIV/AIDS Behaviour Change and VMMC	3,000,000	3,000,000	2,583,687

	Campaigns			
2210711	Training of Medical Personnel under County Scholarships and Bursaries Programme	0	0	0
<b>Vote Sub-Total for Development</b>		<b>70,700</b>	<b>108,700,000</b>	<b>34,815,665</b>
2110100	Salaries <sup>1</sup>	326,151,836	349,287,676	<b>762,287,268</b>
2110000	Other <sup>2</sup>	147,157,900	192,129,554	193,846,569
<b>Vote Sub-Total for Recurrent</b>		<b>473,309,736</b>	<b>541,417,230</b>	<b>956,133,837</b>
<b>Total Estimates</b>		<b>554,009,736</b>	<b>650,117,230</b>	<b>990,949,502</b>

**Budget Notes:**

1. The figure for salaries includes what the payroll section estimates as necessary to complete the remainder of the year and includes wages for health professionals contracted under ESP.
2. Only KShs 2,340,260 is remaining for other recurrent/operations under the department for the remainder of the year.



## VOTE 07: DEPARTMENT OF LANDS, HOUSING AND PHYSICAL PLANNING

### D. Vision and Mission

The Vision of the County Department of Lands, Housing and Physical Planning is “Excellence in land management, proper housing and physical planning for sustainable development of Homa-Bay County.”

The Mission is “To facilitate improvement of the livelihood of Homa-Bay County residents through efficient administration, equitable access, secure tenure, proper housing and sustainable management of land resources”

### E. Context of Budget Intervention

The strategic objectives set to be addressed by the MTEF budget 2013/14-2015/16 included providing framework to guide and control development of the county, to improve housing conditions in the county, to create a conducive and enabling environment for land administration and management and to improve service delivery and coordination of department- wide functions, programmes and activities

The ministry aims to improve the living conditions of the poor through low-cost housing schemes that would be up-grades of existing slums and shanty houses. The priority for the sector include ensuring efficient and effective administration and management of land resources, developing and maintaining cost effective government buildings and other public works, facilitating development of quality and affordable housing, improving the livelihoods of people living and working in informal settlements and, enhancing Infrastructure connectivity and accessibility within urban areas.

The strategy focuses on clusterized settlements, registration and best use for land, development of modern housing units and improved safety and value for money in land development as well as fast-tracking the issuance of title deeds. Some of the medium-term priority projects include, among others.

### F. Detailed Estimates

ITEM DESCRIPTION	PRINTED (KSHS)	SUPPLEM. 1 (KSHS)	SUPPLEM. 2 (KSHS)
Rehabilitation of CEC/Staff Houses <sup>1</sup>	20,000,000	50,000,000	88,235,522
Establishment of Constituency Appropriate Building Technology Centre	9,500,000	9,500,000	4,835,522
Acquisition of Title Deeds for Oyugis and Homa Bay	2,800,000	2,800,000	0
Acquisition of Land for Expansion and Investment	273,000,000	10,000,000	25,990,740
Purchase of Land for Solar Park <sup>2</sup>	0	25,000,000	0
Construction of Low Cost Housing and Conference Facilities	280,000,000	26,400,000	0
Development of Spatial and Strategic Plans	0	4,000,000	3,000,000

<b>Sub-Total Development</b>	<b>596,300,000</b>	<b>127,700,000</b>	<b>122,061, 784</b>
Salaries	13,660,776	13,660,776	<b>9,701,580</b>
Other <sup>3</sup>	2,650,000	4,650,000	2,050,000
<b>Sub-Total Recurrent</b>	<b>16,310,776</b>	<b>18,310,776</b>	<b>11,751,580</b>
<b>Total Estimates</b>	<b>612,610,776</b>	<b>146,010,776</b>	<b>133,813,364</b>

**Budget Notes:**

1. KShs 12 million addition on renovation of government houses to be channeled to completing house of the MCEC Finance and Office of the MCEC Trade.
2. KShs 5 million retained for acquisition of land for solar park is expected to complete all preliminary processes towards the planned acquisition.
3. Only KShs 1,029,110 is remaining for other recurrent/operations under the department for the remainder of the year.

## **VOTE 08: DEPARTMENT OF TRADE, INDUSTRIALIZATION AND INVESTMENTS**

### **A. Mandate**

The vision of the department is for Homa-Bay County to become a leading industrialized county in the Republic of Kenya by 2030.

The mission of the department is to create wealth, reduce poverty and generate employment opportunities through industrialization and value addition.

The department's goals and objectives include, among others:

- To facilitate trade and investment.
- To promote industrial development and entrepreneurship.
- To promote creation and development of manufacturing micro, small and medium enterprises through technology development.
- To consolidate and strengthen existing cooperatives and form new one along the value chain

### **Department's Divisions and their Mandates**

#### **i) Trade**

- Formulation and monitoring the implementation of trade development policy
- Promotion of retail and wholesale trade
- Development of micro, small and medium enterprises
- Enforce fair trade practices and ensure consumer protection
- Promotion of private sector development
- Development of special economic zones

#### **ii) Enterprise Development (Micro and Small Enterprise Development)**

- Formulate and implement capacity building programmes for micro and small enterprises
- Promote access to markets through trade fairs and exhibitions
- Promote innovation and development of products by micro and small enterprises
- Facilitate technology development, acquisition and transfer by MSEs

#### **iii) Industrialization**

- Formulation and monitoring the implementation of the industrialization policies
- Safeguarding industrial property rights and settlement of industrial property rights disputes
- Quality control and standardization
- Capacity building for industrial development

- Infrastructure and business development services for micro, small and medium industries
- Industrial tooling and machining
- Financing and venture capital for industrial development
- Provision of market linkages and access to finance for micro, small and medium industries

#### iv) Cooperative Development

- Consolidate and strengthen the existing cooperatives
- Encourage the formation of new viable cooperatives along all the appropriate value chains to enhance their capacities to mobilize resources for production, value addition and marketing.
- Promote good corporate governance practices in the management of Co-operative Enterprises

### B. Context for Budget Intervention

The department will be implementing the following key projects during the period 2013-2018 as identified in the CIDP;

- Development of the Homa Bay County Fish Industrial Cluster
- Development of the Homa Bay County Cotton and Textile Industrial Cluster
- Development of the Homa Bay County Integrated Meat and Leather Processing Cluster
- Development of the Homa Bay County Pineapple Processing and Value Addition Cluster.
- Development of the Homa Bay County Potatoes Processing and Value Addition Cluster
- Development of the Homa Bay County Motor Cycle Transport Cluster.
- Establishment of the Homa Bay County Trade Fund
- Establishment of the Jua Kali revolving fund
- Establishment of the Homa Bay County Cooperative Development Fund

### C. Detailed Estimates

ITEM DESCRIPTION	PRINTED (KSHS)	SUPPLEM. 1 (KSHS)	SUPPLEM. 1 (KSHS)
Revolving Fund for Cotton Sector	3,000,000	3,000,000	1,188,457
Facilities for Fish Cold Storage	10,000,000	10,000,000	0
Promotion of Coffee Cluster	3,000,000	3,000,000	0
Promotion of Pineapple Cluster	3,000,000	3,000,000	1,000,000
Promotion of Dairy Cluster	2,000,000	2,000,000	1,000,000
Upgrading of SACCOs	2,500,000	0	0
Establishment of Revolving Fund for MSEs	9,000,000	9,000,000	0
Upgrading/Creation of Markets	3,000,000	0	0
Establishment of Animal Feed Factory	10,000,000	50,000,000	27,004,090
Small scale milk processing plant	5,000,000	0	0

Establishment of Pineapple Factory	5,000,000	4,000,000	500,000
Establishment of Potatoe Plant	5,000,000	2,500,000	1,413,365
Establishment of Ground Nut Plant	3,000,000	3,000,000	0
Mini Tannery for Hides & Skins	6,000,000	1,500,000	0
Establishment of Maize Plant	4,000,000	4,000,000	1,000,000
Establishment of Cassava Plant	0	4,500,000	1,000,000
Establishment of Honey Plant	0	1,000,000	703,726
Establishment of Rice Plant	0	1,000,000	1,000,000
Establishment of Water Bottling Plant	0	1,000,000	1,000,000
Establishment of Sunflower Plant	0	1,000,000	1,000,000
Development of the Investment Policy	2,500,000	2,500,000	2,500,000
Establishment of Revolving Fund for Boda Boda Cluster	6,000,000	6,000,000	1,500,000
Provision of equipment to Jua Kali Artisans	5,500,000	12,500,000	12,947,000
<b>Sub-Total Development</b>	<b>87,500,000</b>	<b>122,000,000</b>	<b>54,756,000</b>
Salaries <sup>1</sup>	47,451,844	47,451,844	<b>10,737,924</b>
Other <sup>2</sup>	2,870,000	6,879,000	4,479,000
<b>Sub-Total Recurrent</b>	<b>50,321,844</b>	<b>54,330,844</b>	<b>15,216,924</b>
<b>Total Estimates</b>	<b>127,821,844</b>	<b>176,330,844</b>	<b>69,972,924</b>

#### Budget Notes:

1. The figure for salaries includes what the payroll section estimates as necessary to complete the remainder of the year. Salaries for local authority staff under trade are still being covered under the department of finance.
2. Only KShs 1,201,398 is remaining for other recurrent/operations under the department for the remainder of the year.

## VOTE 09: DEPARTMENT OF WATER AND ENVIRONMENT

### A. Vision and Mission

The mission of the County Department of Water and Environment is ‘*Sustainable access to adequate water in a clean and secure environment.*’

The mission of the department is ‘*to promote, conserve and protect environment and improve access to water for sustainable national development.*’

### C. Strategic Overview and Context for Budget Intervention

The department of water and environment policy direction is to ensure adequate and reliable supply of water and sewerage services. Pursuant to this objective, the department’s priorities in resource allocation in 2013/2014 was directed towards increasing water and sanitation coverage through rehabilitation or construction of water and sewerage infrastructure, drilling of boreholes and construction of pans. This was not guided by the past experience as the expenditure trends for the last financial year were not established since the spending units were not within a county.

### D. Detailed Estimates

ITEM DESCRIPTION	PRINTED (KSHS)	SUPPLEM. 1 (KSHS)	SUPPLEM. 2 (KSHS)
Water Supply and Sewerage Installation	200,500,000	100,500,000	100,017,903
Establishment of 80 Tree Nurseries	1,500,000	1,500,000	0
Hilltop Re-Afforestation in 5 Hills	2,000,000	2,000,000	0
Road Side Tree Planting	2,000,000	2,000,000	840,000
Urban Planning Center	2,500,000	2,500,000	0
Provision of electricity to Water Supplies	0	0	10,813,365
<b>Sub-Total Development</b>	<b>208,500,000</b>	<b>108,500,000</b>	<b>111,671,268</b>
Salaries <sup>1</sup>	18,441,408	18,441,408	<b>32,612,868</b>
Other <sup>2</sup>	2,935,000	4,935,000	1,935,000
<b>Sub-Total Recurrent</b>	<b>21,376,408</b>	<b>23,376,408</b>	<b>34,547, 868</b>
<b>Total Estimates</b>	<b>229,876,408</b>	<b>131,876,408</b>	<b>156,219,136</b>

#### Budget Notes:

1. The figure for salaries includes what the payroll section estimates as necessary to complete the remainder of the year.
2. Only KShs 828,341 is remaining for other recurrent/operations under the department for the remainder of the year.

## VOTE 10: COUNTY DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

### A. Mandate

The Vision of the County Department of Finance and Economic Planning is of *‘excellence in economic planning and financial management for inclusive and sustainable prosperity.*

The Mission is *‘to build and preserve excellence in economic planning and financial management through optimal resource mobilization, allocation and utilization to ensure inclusive and sustainable development.’*

Subject to the Constitution and pursuant to section 104 of the Public Finance Management Act, 2012; the department is charged with monitoring, evaluating and overseeing the management of public finances and economic affairs of the County Government. The department is responsible for, among other functions –

- (a) Developing and implementing financial and economic policies in the county;
- (b) Preparing annual budget for the county and coordinating the preparation of estimates of revenue and expenditure of the County Government;
- (c) Coordinating the implementation of the budget of the County Government;
- (d) Mobilizing resources for funding of the budgetary requirements of the County Government and putting in place mechanisms to raise revenue and resources;
- (e) Managing the County Government’s public debt and other obligations and, developing a framework of debt control for the county;
- (f) Consolidating the annual appropriation accounts and other financial statements of the County Government in a format determined by the Accounting Standards Board;
- (g) Acting as custodian of the inventory of the County Government assets except where provided otherwise by other legislation or the Constitution;
- (h) Ensuring compliance with accounting standards prescribed and published by the Accounting Standards Board from time to time;
- (i) Ensuring proper management and control of, and accounting for the finances of the County Government and its entities in order to promote efficient and effective use of the county’s budgetary resources;
- (j) Maintaining proper accounts and other records in respect of the County Revenue Fund, the County Emergencies Fund and other public funds administered by the County Government;
- (k) Monitoring the County Government’s entities to ensure compliance with the Public Finance Management Act and effective management of their funds, efficiency and transparency and, in particular, proper accountability for the expenditure of those funds;
- (l) Assisting County Government entities in developing their capacity for efficient, effective and transparent financial management, upon request;
- (m) Providing the National Treasury with information which it may require to carry out its responsibilities under the Constitution and under the Public Finance Management Act;
- (n) Issuing circulars with respect to financial matters relating to the County Government entities;
- (o) Advising the County Government entities, the County Executive Committee and the County Assembly on financial matters;

- (p) Strengthening financial and fiscal relations between the National Government and the County Government in performing their functions;
- (q) Reporting regularly to the County Assembly on the implementation of the Annual County Budget; and
- (r) Taking any other action to further the implementation of the Public Finance Management Act in relation to Homa Bay County.

## B. Context of Budget Intervention

The department is working to provide overall policy and strategic direction that includes developing and implementing strategies for improved resource mobilization, allocation and utilization to achieve accelerated socio-economic transformation; enhancing coordination and implementation of programmes in the CIDP 2013-2017 and; enhancing economic management and ensuring prudent management of financial resources.

One of the challenges anticipated over the medium term included a weak national economy which could undermine revenue growth and delay exchequer releases. Funding the CIDP will also require a lot of resource mobilization effort. The onus is on the County Treasury to use its fiscal space to cost-effectively carry out its mandate without being bogged down or undermined by credibility or accountability issues.

## C. Detailed Estimates

ITEM DESCRIPTION	PRINTED (KSHS)	SUPPLEM. 1 (KSHS)	SUPPLEM. 2 (KSHS)
Development of the CIDP	20,000,000	14,000,000	7,100,000
Completion of Revenue Offices at Mbita <sup>1</sup>	0	6,000,000	0
<b>Sub-Total Development</b>	<b>20,000,000</b>	<b>20,000,000</b>	<b>7,100,000</b>
Salaries <sup>2</sup>	317,997,493	317,997,493	<b>352,179,356</b>
Other <sup>3</sup>	416,642,893	340,842,899	337,045,103
<b>Sub-Total Recurrent</b>	<b>734,640,386</b>	<b>658,840,392</b>	<b>689,224,459</b>
<b>Total Estimates</b>	<b>754,640,386</b>	<b>678,840,392</b>	<b>696,324,459</b>

### Budget Notes:

1. The figure of KShs 2 million is for preliminary processes towards completion of the revenue office at Mbita Point.
2. The figure for salaries includes salaries and allowances paid as part of salary for all staff inherited from the local authorities as well as ministry of devolution and planning. The figure includes remuneration for 12 months ending June 2014.
3. Only KShs 3,871,033 is remaining for other recurrent/operations under the department for the remainder of the year. The cost includes all domestic and foreign travel, group personal insurance, civil contingencies and capital transfers.



## VOTE 11: COUNTY EXECUTIVE SERVICES

### A. Vision and Mission

#### Vision

The Office of the Governor vision is of ‘*Excellence in leadership and coordination for effective service delivery in Homa Bay County.*’

#### Mission

The Office of the Governor mission is ‘*To provide strategic leadership and coordination that creates optimal conditions for accelerated, inclusive and sustainable development of Homa Bay County.*’

### B. Strategic Overview and Context for Budget Intervention

Office of the Governor is charged with providing strategic direction and coordination of all interventions by the County Government of Homa Bay. The policy thrust of the spending unit is to ensure services are delivered in line with established standards and objectives. The onus is to provide for sustainable investment and attendant productivity gains and, ensure all departments, units and agencies are operating at optimal and near-optimal levels.

In the financial year 2013/2014, the focus is on establishing platforms for improved service delivery, providing decent accommodation for improved operations of the office as well as facilitating coordination of functions of the county.

### C. Detailed Estimates

ITEM DESCRIPTION	PRINTED (KSHS)	SUPPLEM. 1 (KSHS)	SUPPLEM. 2 (KSHS)
Equipping ICT Offices	65,000,000	25,000,000	26,100,000
Renovation of Governor’s Residence	10,000,000	10,000,000	9,995,069
Renovation of Deputy Governor’s Residence	7,500,000	7,500,000	6,830,000
Office Rent and Staffing of Liaison Office in Nairobi	4,000,000	4,000,000	4,367,000
<b>Sub-Total Development</b>	<b>86,500,000</b>	<b>46,500,000</b>	<b>47,292,069</b>
Salaries <sup>1</sup>	434,611,725	342,184,810	<b>144,327,988</b>
Other <sup>2</sup>	126,759,178	128,759,178	124,556,975
<b>Sub-Total Recurrent</b>	<b>561,370,903</b>	<b>470,943,988</b>	<b>268,884,963</b>
<b>Total Estimates</b>	<b>647,870,903</b>	<b>517,443,988</b>	<b>316,177,032</b>

#### Budget Notes:

1. The figure for salaries includes remuneration for MCECs and general staff under OTG.
3. Only KShs 12,733,790 is remaining for other recurrent/operations under the OTG for the remainder of the year.

## VOTE 13: COUNTY ASSEMBLY SERVICE BOARD

### A. Vision

A respected, effective, efficient and self-sustaining county assembly that promotes excellence in public administration.

### B. Mission

To facilitate effective and efficient representation, legislation and oversight by upholding and ensuring adherence to constitutional principles including good governance and value for money.

### C. Strategic Overview and Context for Budget Intervention

The County Assembly exists with a broad constitutional mandate of legislation, representation and oversight. In order to achieve the foregoing roles, adequate facilitation is required to ensure that all structures, facilities, members and staff are fully supported. However it is important to realize that the mandate of the Assembly must continuously focus on the overall service delivery to citizens and value for money in the whole process of public resource management.

The assembly's budget will spend its resources in three areas:

- Administration and planning
- Legislative support services
- Finance Management Services

In implementing the budget there are challenges that occur in terms of shortfalls in item allocations in areas such as refurbishment of the assembly, mileage claims, foreign travels, domestic travels and hospitality which we intend to address through reallocation of various vote heads.

### D. Detailed Estimates

ITEM DESCRIPTION	PRINTED (KSHS)	SUPPLEM. 1 (KSHS)	SUPPLEM. 2 (KSHS)
Construction of Ward Offices	37,600,000	37,600,000	37,600,000
<b>Sub-Total Development</b>	<b>37,600,000</b>	<b>37,600,000</b>	<b>37,600,000</b>
Salaries	417,823,800	417,823,800	<b>417,823,800</b>
Other <sup>1</sup>	566,738,908	544,688,908	544,688,908
<b>Sub-Total Recurrent</b>	<b>984,562,708</b>	<b>962,512,708</b>	<b>962,512,708</b>
<b>Total Estimates</b>	<b>1,022,162,708</b>	<b>1,000,112,708</b>	<b>1,000,112,708</b>

#### Budget Notes:

1. Proposed re-allocations by the County Assembly budget have been approved. Details should be provided to the country treasury immediately