COUNTY GOVERNMENT OF BOMET
BOMET MUNICIPALITY

BOARD PAPER 2 2023/24

SUB:	**INVESTMENT PLAN & BUDGET 2023/24**
DATE:	24TH MAY 2024
ACTION:	FOR APPROVAL
PROPONENT:	RICHARD KIRUI – MUNICIPAL MANAGER
PRESENTER:	FINANCE OFFICER

Draft Resolution

The Board of Municipality resolves to approve the Bomet municipal budget for the 2024/2025 financial year.

Executive Summary

This paper seeks a decision from the Board to approve the budget for the financial year 2024/25

Recommendation

It is recommended that the Board approve this resolution. Section 72 of the public finance management act outlines the following sources of finances to an urban area:

(a) Revenue arising from rates, fees, levies, charges and other revenue raising measures which is retained by the urban area or city for the purpose of defraying its costs for providing services;
(b) Revenue allocated by the county government to the urban area or city;
(c) Investment income;
(d) Grants and donations; or
(e) borrowing as provided for under section 140 of this Act

The municipality has received funding as per section 72 (b) with a ceiling of Ksh 69 million
This proposed budget will enable Bomet municipality to meet its recurrent expenditure, personnel emoluments as well as the budget

Background

Public Finance Management (PFM) Act section 175 (5-8) prescribes budget procedures for an urban area:
(5) The urban area or city shall on the basis of the instructions in subsection (3) and (4) prepare and submit budget requests to the County Treasury upon approval by the Board in sufficient time, in the case of cities and municipalities, for their approval as part of the annual county Appropriation Bill.
(6) The budget estimates in subsection (5) shall include the current services budget, representing the cost of maintaining the urban area or city services at current levels.
(7) The budget submission shall also contain new services requests, covering one-time expenditures for the construction and maintenance of facilities in the urban area or city.
(8) The County Treasury shall evaluate the budget proposal and make recommendations to the urban area or city to enable the preparation of the itemized annual budget for consideration and approval by its Board.
The approval of the budget is part of the procedures before public money is spend

Risks and Issues

We have identified the following risks:

Risk	Likelihood	Severity	Management Plan
Board may not approve the budget	Low	Significant	Will seek the County Executive Member (CECM) Finance to clarify why it is necessary for the budget to be approved The services to be performed by the urban department using the municipal vote.
Itemized budget is an estimate only. There is a risk that these may increase once we have firm quotes	Medium	Moderate	The real estimates for the works, goods and services will be realized after the tendering process is complete. However the estimates is based on the market rates.

We have identified the following issues:

1. The personnel emolument budget has not increased. This makes it difficult to carry out annual increases in staff salaries
2. The budget for the development should increase so that the recurrent expenditure is capped at 35%

Consultation

The annual development plan (ADP) was subjected to public participation; the CECM member subjected the estimates to the executive, which approved the budget ceilings

Financial Summary

SECTOR	DEPARTMENT	RECURRENT	DEVELOPMENT	SECTOR PRIORITIES
Municipality	Municipality	53,000,000	35,000,000	Improve Urban Infrastructure and Utilities in the Municipality
Total		53,000,000	35,000,000	

Alternatives Analysis

The following alternatives were considered:

The department of lands, housing and urban planning carrying out the functions. The department can carry out the municipal activities however, it is against the letter and spirit of the article 184 of the constitution and urban areas and cities act 2011 amended 2019; further, the donors like world bank through Kenya Urban Support Program will not qualify the municipal for KUSP II during the upcoming assessment.

REPUBLIC OF KENYA

BOMET MUNICIPALITY

BUDGET F/Y 2024/2025

BOMET MUNICIPALITY INVESTMENT PLAN & BUDGET FY 2024/2025

SECTION 1:

INTRODUCTION

The Board of the Municipality of Bomet and the County Government of Bomet will work towards implementing municipal plans that are prepared and implemented as per the County Governments Act of 2012 and the Urban areas and Cities Act of 2011 (amended 2019). The Integrated Urban Development Plan of Bomet will ensure the municipality is able to deal with the effects of urbanization such as urban sprawl, rise of informal settlements and uncontrolled developments. Below are the specific objectives:

1. To provide a framework to facilitate security of land tenure
2. To identify and analyze planning issues and challenges, harness existing opportunities and propose intervention measures for mitigating the planning issues and challenges
3. To propose appropriate land uses, locations and permissible densities
4. To provide a policy framework for socio-economic investments, economic use of space, infrastructure services and public facilities
5. To facilitate the implementation of County Urban Institutional Development Strategy

The municipal board and staff will ensure proper planning through the control of development, provide services to the residents and provide proper Governance structures. It will also develop the adequate policies and regulations that will govern the Municipality.

SUMMARY OF THE OBJECTIVES

a) Provision of modern market and improvement of other connectivity
b) Implement Bomet municipal urban integrated plan in provision infrastructure and other amenities
c) Enhance service delivery to the residents of Bomet Municipality
d) Build functional infrastructure for the residents of the municipality

During the first and second year of operationalization of Bomet Municipality, it was able to accomplish the following;

i. Construction of Storm Water Drains Within Municipality: this project has improved drainage within the Bomet town CBD.
ii. Parking bays have been increased and therefore revenue generation has been enhanced
iii. Re-carpeting of Selected Bomet Town Roads for Municipality. The numerous pot holes that had characterized Bomet town CBD has been fixed by this program
iv. Many residences of the municipality have been connected to receive sewer services. This has improved sanitation.
v. Upgrading of roads to bitumen standards which has improved accessibility to Chebirir and Longisa and enhanced connectivity to the towns within the municipality
vi. Construction of markets with additional stalls which has boosted economy and also increased revenue collection in the municipality by enabling traders have a place to sell their products. There has also being supply of a skip loader which will in turn enhance hygiene within the market

BRIEF DESCRIPTION OF PRIORITY PROJECTS FOR FY 2024/2025

1. Fencing of Bomet Municipality fire station
2. Maintenance of Bomet Market Infrastructure

3. Construction of additional Booking offices in Bomet stage
4. Improvement and Marking of additional parking lots in Bomet CBD
5. Development of Recreational facilities in Bomet Green Stadium
6. Construction of walkway (NMT)

BOMET MUNICIPAL BUDGET 2024/2025

No.	**Activity Description**	**Components Involved**	**Start Date**	**End Date**	**County Allocation**	**UDG Budget**	**Expected Results**
1.	General office operating budget i.e. budget for office supplies and expenditures	Supplies and Accessories for Computers and Printers, Acquisition of stationaries, tea, staff uniform, telephone and postal services	August 2024	June 2025	1,580,000		Efficient service delivery for growth and development residents of Bomet Municipality
2.	Community citizen fora on Urban support projects by the world bank under the KUSP programme , board planning meeting allowances.	Organizing citizen fora participation, Securing venues, Board project supervision meetings	August 2024	June 2025	3,100,000		Promote transparency, encourage openness in government, and build ownership of development decisions as well as programmes and projects
3.	Boards, Committees, Conferences and Seminars-Board members and staff with partners and related agencies, Costs for Municipal staff, Board members and other relevant county staff: board committees sectorial committee of the governance training board	Procurement of consultants, workshop venues, travel logistics-Domestic Travel and Subs.-Others-Municipality Board members and Municipality staff to meetings and capacity building trainings	August 2024	June 2025	5,957,782		Efficiency in running of Municipality
4.	Motor Vehicles Expenses-Heavy Garbage trucks and tractors allocated for solid waste collection and other department vehicles,	Maintenance expenses, Fueling expenses, Vehicle insurance	August 2024	June 2025	1,610,218		Vehicle Efficiency for logistic purposes
5.	Consultancy services	Update of Municipal Plans	August 2024	June 2025	2,500,000		

	Total				**14,748,000**		
	DEVELOPMENT						
5.	Fencing of Bomet Municipality fire station	To secure the fire station	August 2024	June 2025	4,000,000		Improved security within the firestation
6.	Maintainance of Bomet Market Infrastructure	Repair works within Bomet market	August 2024	June 2025	2,000,000		Improve market environment
7.	Construction of additional Booking offices in Bomet stage	To facilitate matatu fleet and passangers	August 2024	June 2025	4,000,000		Orderly matatu stage
8.	Improvement and Marking of additional parking lots in Bomet CBD	To ease collection of parking fee	August 2024	June 2025	2,000,000		Boost revenue collection
9.	Development of Recreational facilities in Bomet Green Stadium	To provide conducive environment for relaxation	August 2024	June 2025	3,000,000		Increase leisure and relaxation
9	Costruction of walkway (NMT)	To enhance human-centric movement in town and enhance safety	Dec.2024	June 2025		18,200,000	Ease pedestrian movement
	Development total				**33,200,000**	-	
	GRAND TOTAL				**44,860,218**		

SECTORS PRIORITIES

In the FY 2023/24, the sectors have prioritized projects and Programmes as shown by the key policies below. The budgetary allocation for each sector is guided by the resource envelope and the approved sector ceilings derived from the macro working group report.

SECTOR	DEPARTMENT	RECURRENT	DEVELOPMENT	SECTOR PRIORITIES
URBAN	Municipality	53,000,000	33,200,000	Improve Urban Infrastructure and Utilities in the Municipality
Total		53,000,000	33,200,000	

Annex II: Itemized Budget

BOMET MUNICIPALITY				
Sub Item	**Sub Item Name**	**Estimates 2024/2025**	**Estimates 2025/2026**	**Estimates 2026/2027**
	Recurrent Expenditure			
2110 117	Basic salary	22,093,440		
2210 101	Nssf	194,400		
2210 301	House allowance	9,078,000		
2210 314	Commuter	4,172,000		
2210 320	Leave allowance	258,000		
2220 103	Pension scheme	4,204,160		
TOTAL PERSONAL EMOLUMENTS		**40,000,000**		

2210 102	Water and sewerage charges	-		
2210 201	Telephone, Telex, Facsimile and Mobile Phone Services	-		
2210 203	Courier and Postal Services	10,000		
2210 301	Travel Costs (airlines, bus, railway, mileage allowances, etc.) Executive and Board Members	630,000		
2210 399	Domestic Travel and Subs.-Others- Municipality Board members and Municipality staff to meetings and capacity building trainings	2,000,000		
2210 502	Publishing and Printing Services	100,000		
2210 503	Subscriptions to Newspapers, Magazines and Periodicals	20,000		
2210 504	Advertising, Awareness & Publicity Campaigns for Municipality activities	696,000		
2211 399	Other Operating expenses- Community Participation on KUSP II programme	1,300,000		
	Purchase of office furniture and equipment for municipal offices	2,000,000		
2210 801	Catering Services (receptions), Accommodation, Gifts, Food and Drinks - hosting KUSP assessment and inspection of works	1,000,000		
2210 802	Boards, Committees, Conferences and Seminars-Board members and staff with partners and related agencies	1,600,000		
2210 103	Gas Expenses-office	20,000		
2211 016	Purchase of Uniforms and Clothing for municipal staff	300,000		
2210 302	Accommodation - Domestic Travel -based on invitations, COG meetings, Development partners for Municipal staff and Board members -for peer learning	1,000,000		
2210 303	Daily Subsistence Allowance -Board members and municipal staff and municipal stakeholders, business community, Municipal neighborhoods associations	600,000		
2211	General Office Supplies (papers, pencils, forms, small office equipment etc)	600,000		

101				
2211 103	Sanitary and Cleaning Materials, Supplies and Services	200,000		
2210 304	Supplies and Accessories for Computers and Printers	150,000		
2211 301	Bank Service Commission and Charges	20,000		
	Total O&M	**12,246,000**		
	Other Recurrent			
	Consultancy services for Bomet Municipal Plans	2,500,000		
	Total Recurrent Expenditure	**54,746,000**		
	DEVELOPMENT	-		
	Fencing of Bomet Municipality fire station	4,000,000		
	Maintainance of Bomet Market Infrastructure	2,000,000		
	Construction of additional Booking offices in Bomet stage	4,000,000		
	Improvement and Marking of additional parking lots in Bomet CBD	2,000,000		
	Development of Recreational facilities in Bomet Green Stadium	3,000,000		
2640 499	KUSP (Municipal infrastructure)/UDG	18,200,000		
	Total Development	**33,200,000**		
	Total Bomet Municipality	**87,946,000**		

EXPECTED OUTCOMES BY END OF THE YEAR.

a) More SMEs to have enhanced sources of livelihood through provision of market stalls
b) Enhanced revenue to the municipal through leasing of modern market stalls to SMEs
c) Realization of municipal vision through implementation of updated integrated development plan for Bomet Municipality
d) Improved Market and roads infrastructure and service delivery to the residents of Bomet
e) Increased length of Non-motorized transport to enhance safety of the pedestrians

No	Activity	Timeframe											
		J	A	S	O	N	D	J	F	M	A	M	J
1	Preparation of civil drawings and Bills of quantities												
2	Procurement												
3	Handing over to contractor and mobilization												
4	Site preparation, sub base formation and substructure												
5	Completion of substructure												
6	Taking over by contractor												