COUNTY GOVERNMENT OF KERICHO

DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

NOTES TO THE BUDGET ESTIMATES 2025/26

INTRODUCTION

The 2025/2026 Budget Estimates have been prepared in accordance with Article 201 of the Constitution of Kenya 2010 as well as Sections 129 & 130 of The Public Finance Management (PFM) Act, 2012.The main reference documents used in the preparation of the FY 2025/2026 budget include the Annual Development Plan (ADP) for FY 2025/2026 and the latest 2025 County Fiscal Strategy Paper (CFSP). Estimates of revenues applied in this budget are those proposed in the National Government Budget Policy statement (BPS) for the year 2025.The basis for allocation of resources among departments and county organs are the approved fiscal policies and financial objectives mentioned in the 2025 County Fiscal Strategy Paper and the development priorities contained in the approved County Annual Development Plan FY 2025/2026.

Fiscal Responsibility Principles

The fiscal responsibility principle envisioned in the Public Finance Management Act, 2012 Section 107 (b) has been adhered to. Recurrent expenditure represents 68% while development expenditure translates to 32% of the county total revenues. The total revenue will fund both the recurrent and development expenditures concurrently.

Revenue.

The budget estimates 2025/2026 comprise of Kshs. 770,133,811 from own source revenue, Kshs. 724,245,582 as hospital transfers (A.I.A),Kshs. 7,050,142,241 from National Government as Equitable Share transfers, Donor Funds include DANIDA Funds at Kshs. 8,670,000, Kenya Devolution Support Project at Kshs. 390,000,000, National Agricultural Value Chain Devt Project (NAVCDP) at Kshs 231,250,000, Kenya Agricultural Business Dev't Project(KABDP) at Kshs 10,918,919, Kenya Urban Support Program UIG Kshs 78,550,249 and Climate Change Institutional Support CCIR and CCIs Kshs. 203,392,898. Conditional grants include Doctor Salary Arrears at Kshs 43,439,856, County Aggregated Industrial Parks at Kshs 250,000,000 and County health promoters at Kshs. 45,690,000

A. Departmental Highlights on Budget Estimates 2025/2026.

The departmental highlights have taken into consideration the ceilings and resolutions as adopted by the County Assembly on March 2025 on the County Fiscal Strategy Paper 2025. Any deviations are explained in the departmental notes for consideration.

The highlights are as follows:

1. **Executive Office of The Governor**

The operations under this department cover the following areas: Office of the Governor, office of Deputy Governor, office of the County Secretary, communication unit, cabinet affairs unit and the office of the County Attorney. This department requires considerable funding to oversee the implementation of the Kenyan Constitution, Vision 2030, the Governors manifesto, CIDP, the CFSP through provision of leadership and policies in governing of the County. Being an administrative department and coordinator of county activities, it will utilize Kshs. 178.8 million in recurrent expenditure. Furthermore, it shall ensure that each functional unit in the County get access to adequate infrastructure support for delivery of services to the citizens of Kericho County. Out of the amount allocated, Kshs. 66.3 million will be for employees' compensation. The rest of the budgetary allocation will be for day-to-day governance recurrent expenditure.

Kshs. 59.8 million has also been set aside on Hospitality supplies, local and foreign travel and Training due to the nature and exigencies of work involved with this executive office. Due to the current frequent breakdown of the Governor's vehicle, the department has deviated from its approved ceiling and factor Kshs 15million for purchase of a new motor vehicle to enable movement of the Governor.

2. **Public Service Management**

This is a service department mandated to guide the county human capital in human resource policies, procedures and guidelines both at the county headquarters and the devolved units down to the village level. It is also responsible for efficient and effective management of county public service as well as ensuring compliance and enforcement of the county laws, policies and regulations. It coordinates the human resource management and development; civic education, public participation and implementation of performance management in the county public service The budgetary allocation for the department for the financial year 2025/26 amounts to Kshs 955 million comprising of Kshs 531 million for recurrent expenditure and Kshs 423 million for development expenditure. The department intends to increase service delivery to Kericho County residents. To that extent, Kshs.14.9 million has been set aside for the construction of additional modern complex subcounty and ward offices under the development component. Considering the critical role staff well-being plays in the functioning of the County Government, Kshs.160 million has been committed towards staff comprehensive medical insurance cover which will be focusing on the ensuring that the county public services are devolved to the ward level of the county administration. A further Kshs.37.5 million under the Kenya Devolution Support Project will be utilized in training and capacity building of staff underrecurrent and additional 402 million in development as grants.

3. Finance and Economic Planning.

The department is responsible for ensuring proper economic planning, budgeting and prudent financial management at the County. The department's mandate includes mobilization of financial resources necessary for providing public services so as to ensure the citizens' expectations are met. It works closely with other departments in ensuring openness, transparency and accountability in management of public resources.

The department will provide leadership and policy direction in resource mobilization, prudent resource management and accountability with the overall view of providing quality public service delivery. The Department will work closely with other public institutions in monitoring and evaluation of projects and programmes. The department targets to equip a resource centre at Kshs 1.5 Million, spearhead the finalisation of the review of County Integrated Development Plan III (2022-2027) at Kshs 5.2 Million, Monitoring and Evaluation Unit Step up, operationalize, mechanization and utilities and policy documents, preparation of the annual budgeting and economic planning policy documents, consolidation of quarterly briefs and reports on development at Kshs 11 million, Acquisition of Project Monitoring and Supervision Vehicle which will also help in revenue collection at Kshs 9million, Revenue Resource Database System &Mapping Kshs 11.5 million and Resource Mobilsation, Donor Mapping and Concept note proposals at Kshs 2.2 million. The development vote has been capped at Kshs 45 million.

The Department will continue enhancing the involvement of stakeholders in county budgeting and economic planning activities through public participation and engagement of the County Budget and Economic Forum.

The Department also intends to enforce compliance to PFMA, 2012 and PP&DA, 2015. This Department will utilize Kshs. 417 million on recurrent expenditure which is inclusive of Kshs 63 million set aside for general & motor vehicle insurance. The department also intends to recruit more additional revenue collectors to boost revenue collection thus an projected increase in personnel emoluments and allowances for the said and exisitin officers.

4. Health Services

The 4th schedule, Constitution of Kenya 2010, mandates the Health Department to manage County health facilities and pharmacies; Ambulance services; Promotion of primary healthcare; Licensing and control of undertakings that sell food to the public; Cemeteries, Funeral parlors and crematoria.

The department plays a critical role in the County in ensuring the good health of the residents of Kericho County and beyond. Under its Recurrent expenditure, 70% will go towards payment of personnel emoluments, leaving the balance of 30% percent towards offsetting hospital operational running costs under FIF collection at a targeted amount of Kshs 724M. Under the development vote, the department has set aside Kshs 150 million for specific projects in subcounty hospitals across the County. Equipping of new facilities has been allocated Kshs 101 million. Ward allocation for health centres and dispensaries has been allocated Kshs 50.2 million.

County Co-funding of the DANIDA grant to facilities has been factored at Kshs 8.6 million to supplement the sustainability factor when considering the DANIDA grant of 7.9 million, while health facilities which do not benefit from support by DANIDA will be allocated Ksh.12.6 million. User Fee Reimbursement for level II and III County contribution is set at Kshs 21 million. Total development component is Kshs 360 million while recurrent is Kshs 3.166 billion.

5. Agriculture, Livestock and Fisheries.

Under the recurrent vote, the department will utilize Kshs 181 million for operations and maintenance and pay for personnel emoluments.

Under the development vote, the department intends to undertake the following programs_Soin agricultural training centre & Kipkelion Coffee Modernization, Livestock pest and disease Control Program(Supply of vaccine & Acaricides etc), Livestock Breeding Programs(Bull semen & liquid Nitrogen), Livestock improvement, Feeds and Products Processing Projects(Dairy Development-Pastures and farm machineries), Renovation of cattle dips, Veterinary public health (Renovation of slaughter house and construction Poultry Slaughter house), Livestock holding yard(Kericho town), Horticulture Production, Processing and Marketing Project(Assorted Subsidized seed), Agricultural Mechanization Technology Development project, Promotion of Food and Nutrition Security (Maize seeds, sorghum), Enhancement of Fish farming and utilization project(Fingerlings

& Feeds), Small Holder Irrigation(Pipping &other equipment), Agricultural Extension Services Programme(Agriculture & livestock), Kabianga Tea Farm in support of Kipkelion coffee farm, Pineapple Factory support, Horticulture Production, Processing and Marketing Project(Assorted Subsidized seed) for purchase of maize for kedowa maize miller and Agricultural Equipment and Materials all at total allocation of 92 million. Cooperative Promotion and Development has been factored at Kshs 14.6 million. Donor grants relating to Grants for National Agricultural Value chain Devt (NAVCDP) and Kenya Agricultural Business Dev't Project(KABDP) amount to Kshs. 231 million and 10 million respectively. Total development allocation is set at Kshs 349.7 million.

6. **Education, Youth Affairs, Sports, Culture and Social Services**

The department will continue to focus on the ECDE centers across the county through construction of classrooms, renovation of ECDE and equipping with appropriate furniture and fittings at a total cost of Kshs 47 million, Kshs 5 million and Kshs 25 million respectively. In addition, the department has also allocated Kshs 15 million towards construction of workshops and vocational training centers, while Kshs 8 million will be for purchase of assistive devices for Persons with Disability. Development works for cultural centre and social hall have also been factored at Kshs. 10 million and 5 million respectively. Construction of toilet blocks, administration blocks and workshops in Vocational training centres within Kericho county has been allocated Kshs 24 million. Libraries is now a devolved function and has been factored at Kshs 6 million while grants for development of youth polytechnics at Kshs 22 million. Total development budget amounts to Kshs 204 million.

The recurrent budget estimate is Kshs. 679 million with recruitment of instructor and 105 ecde teachers factored at Kshs 24 million and Kshs 35 million respectively which necessitated the department to deviate from the CFSP ceilings.

7. **Public Works, Roads and Transport.**

This Department is mandated 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.

The Department will continue to focus on road infrastructure improvement through maintaining the already existing road networks and also opening up new access roads so as to restore confidence of residents and making the cost of doing business favorable. The County is embarking on the following priority programmes: County Roads in the rural areas equitably at Kshs 321 million, Graveling of Market centres (Revenue enhancement) across the county at Kshs 20 million, Other Civil Works- Maintenance of Storm water drainage structures at kshs 10 million as well as County-wide design and construction of Drainage Structures Kshs 50 million.

8. Trade, Industrialization, Cooperative Management, Tourism & Wildlife

The Department significantly contributes towards generation of income and employment through tourism and trade development thus promoting self-employment, improving trading environment and attracting more investors and tourists in the County. Its mission is to Promote Vibrant Business Enterprise Growth through an Enabling Policy and Legal Framework for Sustainable Socio-Economic Development in Kericho County.

The department has been allocated Kshs. 17 million and Kshs 54.3 towards Trade and Markets Development respectively across the county. Tourism promotion has been allocated Kshs 6.5 million. County Aggregation and Industrial Park (CAIP) at Kshs 250 million and enterprise fund at Kshs 4 million.

The Department will utilize Kshs. 68.6 million on recurrent expenditure and Kshs.332.8 million on development expenditure during the year 2025/26.

9. Water, Environment, Energy, Forestry and Natural Resources.

The department in its effort to serve as many households as possible with piped water, has allocated Kshs. 88.3 million which will be utilized to complete the already started projects, rehabilitate and augment the existing water supplies; and drill and equip boreholes in marginalized and/or isolated areas.

The department is supporting KEWASCO in its effort to be self-sustainable, thence the provision of grants to the water service provider (KEWASCO) towards bulk water supply. In the financial year 2025/2026, the department has set aside Kshs. 15 million for the same.

Dumpsites have been allocated a total of Kshs. 13 million for rehabilitation of the existing dumpsites in Kericho and Londiani. Repair, Maintenance and improvement of Civil Works - Rural Scheme at Kshs 2 million.

Donor funding relating to FLOCCA Grants to support climate change CCIR(Donor) and FLOCCA Grants to support climate change CCIR amounts to Kshs 203 million and 89.7million respectively. Total Development allocation amounts to Kshs 411.5 million while recurrent budget allocation is at 174.4 million. Garbage collection has been factored into the recurrent budget at Kshs 32.4 million.

10. Lands Housing and Physical Planning.

The department has set aside under the development vote kshs.44 million towards Preparation of development plan for Kericho and Fortenan town. Survey section has been allocated Kshs 35 million while Housing section Kshs 25 million while GIS at Kshs 20million to carry out various projects for the section. Total Development Budget amounts to Kshs 124.9 million while recurrent budget stands at Kshs 102.4 million. The Kericho Municipal Board and Litein Municipal Board have been allocated; under recurrent Kshs 52 million for Kericho and Kshs 13 million for Litein board's allowances and other operational costs for the next financial year.

11. Information, Communication & E-Government

The mandate of the Department of Information, Communication and E-Government in County Government of Kericho is to position itself in order to grow a knowledge-based economy in line with Mid Term Sustainable Development Goals and aspiration of Kenya's Vision 2030.

The department will continue with its programmes of Internetworking & Communication Establishment in Sub counties & development of County Network facility and civil works relating to information technology at Kshs. 93.5 million. This Department will utilize Kshs. 91.1 million on recurrent expenditure and Kshs 93.5 million on development expenditure during the year 2025/26.

12. County Public Service Board

The County Public Service Board is established under an Act of Parliament as provided for under Article 235(1) of the Constitution of Kenya, 2010. The Article provides for a County Public Service Board in each county with control over the County Public Service. It also ensures that the county has adequate and competent personnel. The department has been allocated Kshs. 85.7 million in the FY 2025/2026 for recurrent expenditure in execution of its mandate.

13. Strategic Intervention Projects

Strategic intervention projects are designed to be multi-year projects with desired specific output and outcome that will benefit a wide area or community within the county. These projects have been budgeted for at Kshs. 220 million in the FY 2025/2026 for the purpose of completing multiyear projects. Phase I projects amount to Kshs 150 million, and Phase II projects amount to Kshs 70 million.

B. CONCLUSION

These Budget Estimates 2025/2026 have been prepared in accordance to section 128 to 130 of the Public Finance management Act 2012. They are in line with the Third-Generation County Integrated Development Plan 2022-2027, the Annual Development Plan 2025/2026. They are therefore hereby submitted pursuant to section 129(2) (a) of the Act for your necessary action.

Hon. Jackson Rop

CECM Finance & Economic Planning and Head of County Treasury.