

# Kenya: How Much Does it Cost to Run a County?

John Kinuthia and Jason Lakin, Ph.D.  
IBP Kenya

September 2015

## Introduction

The question of how to manage the costs of government is a hot topic in Kenya. There have been numerous debates about whether the state structure created by the 2010 constitution is “affordable” with some politicians pushing to reduce the number of counties, abolish the Senate, or even slash the size of the National Assembly. While there is an apparent logic to these concerns – the new constitution did create scores of offices, representatives, commissions, and other institutions, that do have a substantial cost – it is not entirely clear how much it costs to run government and how these costs can be controlled.

Among the many new offices and new costs, perhaps none is more important to understand than the costs of running a county government. This matter is at the heart of what sustainable devolution means, but is also important for thinking about how to share revenues across counties. In general, we want to ensure that counties have the resources they need to cover their costs. At the same time, we want to encourage counties to fulfill their functions at the lowest cost possible. People who are reading and engaging with county budgets also need to know how much of their budget should be spent on these running costs and how much is available for services.

So how much does it cost to run a county government? Our analysis suggests that the total cost of running counties in FY 2015/16 is about Ksh 48.5 billion. In addition, we provide detailed analysis of how much it costs to run each county in Annex 1, which is also available as a spreadsheet on our website. The data indicate that the average cost of running a county is Ksh 1.03 billion, with costs ranging from Ksh 695 million (Isiolo and Lamu) to Ksh 1.80 billion (Nairobi).

This information can be used to assess individual county budgets, and to consider the appropriate size of the basic equal share in the Commission on Revenue Allocation’s (CRA) revenue sharing formula.<sup>1</sup> However, other factors should also be considered. For example, population may be a proxy for the difference in costs between high-cost counties (e.g., Nairobi) and low-cost counties (e.g., Isiolo). The larger number of wards (and therefore Members of County Assemblies, MCAs), the larger county executive committee, and the higher administrative costs in counties like Nairobi are directly associated with their larger population.

One way of thinking about the basic equal share is to base it on the county with the lowest cost. Thus all counties would get what Isiolo or Lamu gets for basic running costs as the basic equal share. They would then get more than that based on factors which are different, such as population, land area, etc.<sup>2</sup>

<sup>1</sup> The basic equal share is the amount of money that is given to each county for costs that are equally distributed across all counties.

<sup>2</sup> Alternatively, we could give each county the average running costs. This would mean that money was being given to places like Lamu for running costs that they do not have and taken away from counties that have higher costs and would get more if we used other, more realistic factors to allocate the funds.

An estimate of the basic equal share based on running costs for Isiolo or Lamu would come to about Ksh 32.7 billion. This is approximately 13 percent of the total equitable share for counties in 2015/16 (Ksh 260 billion). This would then be our best estimate of the percentage of the formula that should go to the basic equal share. Given the uncertainty in the estimates, and to avoid major disruptions, the basic equal share percentage should be brought down to the range of 15 to 20 percent as an initial step.

Our estimates are based on the best available information, but we issue two notes of caution. First, available information is incomplete and could mean that our figures are somewhat higher or somewhat lower than the true costs.

Second, these figures do not include the full cost of an expansion in access to car loans and mortgages introduced by the Salaries and Remuneration Commission in 2014. As we show, that benefit alone dwarfs all other costs associated with the running of counties. At a minimum, the one-off costs of establishing a fund that could immediately pay loans to all eligible staff measured in this paper (beyond the MCA and CEC loans we have included) is approximately Ksh 120 billion, about two and a half times our estimate of all other running costs combined. This cost will rise when the enhanced benefit is also extended to MCA and CECs, who were originally offered a more modest package. Our estimate of the total cost going forward of extending this benefit to all eligible workers (not including service delivery staff, such as health workers) at the new rates is nearly Ksh 171 billion.

## Background

We start by explaining what we mean by “running” a county. Our primary focus here is on the minimum staff and administrative expenses required to actually run county operations. In other words, we estimate the key personnel, such as governors and assembly members, and the key systems, such as the financial management system, that are required to keep the doors open. We do not estimate the direct cost of delivering services, which is primarily driven by the functions of county governments (health, agriculture, etc.). For example, the estimates do not include the cost of health workers. For more on those costs, please refer to Budget Brief 19.<sup>3</sup>

For simplification, we divide the main running costs for counties into two broad areas.

- **Core Personnel:** governors, deputy governors, County Executive Committee members (CECs), Members of County Assemblies (MCAs), and a host of officers (such as County Chief Officers) that run the county government. This cost includes salaries and allowances, as well as some additional benefits, such as pensions.
- **Administration/Operations:** setting up and running financial management systems, human resources, accounting departments, etc. These are basically support services that ensure smooth running of the county. This also includes the support staff at the assembly and executive, County Public Service Board, and County Assembly Service Board.

These two categories are meant to help simplify and classify our calculations, but they have areas which overlap. For example, there are wage costs that go into administration and operations. We explain further below how each category is calculated to avoid missing important costs or double-counting others.

Some proportion of these running costs are similar across all counties, regardless of the county’s population or geography. This is what justifies a “basic equal share” in the revenue sharing formula. However, not everything is similarly priced across counties regardless of their characteristics. For example, the costs associated with governors and deputy governors are the same across all counties because their salaries are set by the Salaries and Remuneration Commission (SRC). The number of MCAs and the number of ward offices that a county must maintain, however, differ with the population size of the county. For such costs, it

---

<sup>3</sup> International Budget Partnership “County Budgets: How Do We Know If There is Enough Money to Maintain Key Services?” Budget Brief 19, August 2013. Available at: <http://internationalbudget.org/wp-content/uploads/brief19.pdf>

is not appropriate to give an equal share to all counties. Because the precise size of these costs, and the share that is exactly equal, are unknown, we do not know how big the basic equal share should be. This has been a challenge in defining the formula parameter, which is currently set at 25 percent without a clear basis.

At the same time, the total size of all running costs across counties is an input into the vertical sharing of revenue, since counties should, by Article 203 of the constitution, have the resources they need to carry out their functions. While this must be balanced against the needs of the national government, it is clear that the administrative costs of running counties, along with the cost of delivering devolved services, should be taken into account when determining the vertical share.

In spite of the importance of this topic, there are still some important gaps in understanding exactly how much it costs to run a county. This reflects a lack of transparency on the part of National Treasury, the Salaries and Remuneration Commission and the CRA, among others. By collecting this data and pointing out the gaps, we aim to encourage Parliament to demand better analysis of this issue to be used in determining the vertical and horizontal revenue shares. Civil society and the public can also use our analysis to demand more and better information on their own county's costs.

The rest of this brief explains how we estimate the costs for core personnel and administration/operations. We point out areas where we lack complete or reliable data along the way. We then show our estimate of the costs per county and make our determination of what this implies about the proper size of the basic equal share.

## Sources

The main sources of data we used for this analysis are the following:

- Gazette Notices from the Salaries and Remuneration Commission.<sup>4</sup>
- Reports and Circulars from the Commission on Revenue Allocation.<sup>5</sup>
- Division of Revenue Bills and Acts.<sup>6</sup>

These sources provide different types of data. Wage and allowance figures from the SRC circulars are binding on state officers, so there can be no question about their validity as estimates of cost (though one can question the wisdom of the SRC in setting particular wages or allowances). Data from the National Treasury or CRA, by contrast, are estimates, often based on assumptions that are unknown to outsiders. These estimates were used as they are the only figures available for certain items but we do not endorse them as accurate. Available documents do not allow us to understand the actual basis for these estimates.

## Core Personnel

Core personnel costs are divided into the staff necessary to run the executive and the county assembly, including the costs of the politicians themselves. Table 1 below clarifies all the officers we looked at in the executive. Table 2 clarifies the officers we looked at in the assembly. In each case, we used estimates from different sources as necessary to estimate these costs. For example, the key inputs into the governor's salary are from a SRC gazette released in July 2014 which reviewed the executive salaries from an earlier notice. However, the circular did not have the details of the number of staff in each county, such as CECs and Chief Officers. In such cases, we made use of the formula given in Article 19(3) of the Constitution on the number of CECs that a county can have. The inputs used to estimate assembly costs are from the SRC circular released in November 2013 which had details of different staff levels and compensation at the

<sup>4</sup> Salaries and Remuneration Commission Circulars released in July 2013, November 2013, July 2014, November 2014 and December 2014.

<sup>5</sup> CRA Recommendation On the Basis of Equitable Sharing of Revenue Raised Nationally between National and County Governments for Financial Year 2015/16 <http://www.crapkenya.org/wp-content/uploads/2013/10/CRA-FINAL-VERTICAL-RECOMMENDATION-ON-EQUITABLE-REVENUE-SHARING-2015-6-Jan-2015-Final-Edited.pdf> and CRA Ceilings for 2015/16 <http://www.crapkenya.org/wp-content/uploads/2015/05/CRA-Circular-on-budget-ceiling-for-FY-2015-161.pdf>

<sup>6</sup> Division of Revenue Bills and Acts 2013/14 and 2014/15

County Assembly. In cases where data on particular officers were not provided in any of the SRC notices, we used the recommended ceilings from the CRA or figures from the CRA report on the vertical sharing of revenue for FY 2015/16, which has some details on staff costs in both arms of government. For example, there is no formal estimate of the number of support staff for the governor. In developing its ceilings, CRA assumed one cook, one tea person, one gardener, and six security officers. We adopted these assumptions as well.

To estimate personnel costs we used the latest official figures available from SRC wherever possible. For example, the executive figures we used were from the latest gazette notices from SRC which were released in July 2014 for the executive and November 2014 for the assemblies. The assembly circular has details of the leadership levels within the county assemblies that we used to calculate the costs incurred for majority and minority leaders on top of the standard MCA compensation.

SRC provides salary figures over five years, the period during which most state officers hold office. Third year salary happens to be the salary for FY 2015/16, which is the current budget year as we are writing this, but the main reason we chose it was because we wanted to calculate an average cost per year over five years. This allows us to multiply our results by five to get full costs over five years. This is useful for thinking about the basic equal share in the CRA formula, which is intended to last for a period of five years. Five years is also the length of a single government period.

We included allowances and estimates for other benefits, such as airtime and insurance. For allowances, we used the maximum allowable rates provided by SRC wherever possible. This means that the true costs might be somewhat less but should not be more. We had to include additional costs, such as that for mileage as well as mortgage and car loans, which are costs that both the executive and the county assemblies will incur in the five year term period of their existence. We treated these loans as a one-off cost annualized over five years, but we included in our initial estimates only loans for the County Executive Committee members and the MCAs, which were the only beneficiaries of these schemes prior to 2015. See Annex 4 for a more detailed explanation of how we handled car loans and mortgages.

Among the more challenging areas to estimate are the operations and maintenance (O&M) costs beyond salaries associated with county staff. CRA adopts a standard estimate of O&M cost as 30 percent of other recurrent costs. We used this standard and based our estimates on 30 percent of total compensation. We then added in CRA estimates for insurance costs. Nevertheless, it is not entirely clear what the basis for the CRA figures for O&M or insurance are, so there remains some uncertainty around whether these numbers are accurate.<sup>7</sup>

**Table 1: Core Executive Personnel: Estimated Annual Costs across the 47 Counties**

	<b>Core Personnel</b>	<b>Number of Personnel</b>	<b>Estimated Cost</b>
1	Governors	47	668,827,296
2	Deputy Governors	47	450,873,188
3	County Executive Committee Members (CECs)	458	2,023,695,900
4	County Secretaries	47	175,587,300
5	Chief Officers	458	1,420,449,389
	<b>Sub-Total 1 (Core Personnel)</b>		<b>4,739,433,073</b>
	<i>Operations and Maintenance incl. Insurance</i>		<i>1,891,829,922</i>
	<b>Sub-Total 2 (Core Personnel + O&amp;M incl. Insurance)</b>		<b>6,631,262,995</b>
	Car Loans and Mortgages for CECs only		<i>458,000,000</i>
	<b>Total (Sub-Total 2+Loans)</b>	<b>1,057</b>	<b>7,089,262,995</b>

<sup>7</sup> CRA indicates that the insurance and O&M originated from the National Treasury, but we have not been able to verify the exact source.

Table 2: Core County Assembly Staff: Estimated Annual Costs across the 47 Counties

	Core Personnel	Number of Personnel	Estimated Cost
1	Speaker	47	342,467,850
2	Deputy Speaker	47	294,175,632
3	Leader of Majority	47	143,061,792
4	Deputy Majority Leader	47	133,040,430
5	Chief Whip	47	128,605,749
6	Deputy Chief Whip	47	123,163,068
7	Leader of Minority	32	143,061,792
8	Minority Whip	28	123,163,068
9	Chairpersons of Committees*	752	4,058,604,912
10	Vice Chairpersons of Committees*	817	3,972,156,777
11	Speaker's Panel**	94	233,640,774
12	All Other MCAs	373	1,524,332,013
	<b>Sub-Total 1 (Core Personnel)</b>	<b>2,378</b>	<b>11,219,473,857</b>
	<i>Operations and Maintenance incl. Insurance</i>		<i>4,845,842,157</i>
	<b>Sub-Total 2 [Core Personnel +(O&amp;M incl.Insurance)]</b>		<b>16,065,316,014</b>
	Car Loans and Mortgages for MCAs only	2,222	2,222,000,000
	<b>Total (Subtotal 2+Loans)</b>		<b>18,287,316,014</b>

\*The number of committees per county assembly we used was 20, which is the actual mean number across all counties based on figures from the County Assemblies Forum.<sup>8</sup>

\*\*The Speaker's Panel includes the speaker and the deputy speakers. Since their responsibility allowances were calculated as part of the costs in row 1 and 2, we do not include them here again.

Tables 1 and 2 show that the total cost of the executive officers for which we collected data was Ksh 6.6 billion. For the Assembly, it was approximately Ksh 16.1 billion. Together the core personnel costs for both branches of the government are Ksh 22.7 billion. However, if we include the cost for car loan and mortgage expenditure for the CECs and MCAs then the costs for the executive and assemblies increase to Ksh 7.1 billion and Ksh 18.3 billion. This makes the total estimated cost for core personnel for both arms Ksh 25.4 billion.

Table 3: How Total Estimated Costs Change With Average versus Actual Number of County Assembly Committees

	County	Average Committee Number	Actual Committee Numbers	Total Cost (Average Committee Number)	Total Cost (Actual Committee Number)	Difference
1	MAKUENI	20	25	1,037,083,919	1,047,301,919	(10,218,000)
2	KILIFI	20	23	1,085,284,306	1,093,418,146	(8,133,840)
3	MOMBASA	20	24	1,018,888,079	1,026,394,799	(7,506,720)
4	UASIN GISHU	20	24	1,011,951,394	1,019,074,354	(7,122,960)
5	GARISSA	20	23	1,037,826,135	1,044,930,375	(7,104,240)
	<b>COUNTY AVERAGE</b>	<b>20</b>	<b>20</b>	<b>1,031,333,942</b>	<b>1,030,741,208</b>	<b>592,734</b>
5	WAJIR	20	17	1,018,888,079	1,010,754,239	8,133,840
4	VIHIGA	20	16	962,777,223	954,272,103	8,505,120
3	KAKAMEGA	20	16	1,403,912,972	1,393,067,852	10,845,120
2	NAKURU	20	16	1,312,266,004	1,301,420,884	10,845,120
1	TURKANA	20	15	1,031,513,450	1,017,957,050	13,556,400

These costs are estimated using an average number of 20 committees per assembly. There is no obvious reason why some counties should have (or do have) more committees than others. To avoid assuming that

<sup>8</sup> This information is available from the Record of Committees section of the County Assemblies Forum website at: <http://www.countyassembliesforum.org/images/stories/Excel/DATABASEOFCOUNTYASSEMBLYCOMMITTEES.xls>. For more on these calculations, see Annex 1.

counties with more committees need them, which would push up our estimated costs without justification, we use average committee numbers.

How much of a difference does this make? If we use the actual number of assembly committees, the assembly costs would drop to about 16.0 billion, slightly lower than when we use the average number of committees. This has little effect on the total costs for the executive and the assembly when rounded, which are still about Ksh 22.7 billion. While the overall change in total costs is minor, the use of actual committee numbers does have a substantial impact on individual counties (see Table 3). Some counties such as Makueni have a higher number of committees than average and therefore higher personnel costs. In the case of Makueni, its total costs are one percentage point higher due to the large number of committees in the county assembly. The opposite is true for counties such as Kakamega and Turkana, which have fewer than the average number of committees.

It is also important point to note the number of positions in the assembly. The number of leadership positions in Table 2 is based in part on the fact that if an MCA holds two leadership positions, they should only receive the higher of the two remuneration packages (including allowances) associated with that single position. This is why there appear to be fewer than 47 of certain leadership positions like the Deputy Majority Leader. When calculating costs, we do not include an MCA who is a Deputy Majority Leader if he also holds another higher-paying position, since he will not be paid twice. In many smaller counties, MCAs hold multiple positions due to their limited number and this is what causes there to be fewer than 47 for some leadership positions. To avoid double counting, we included the cost of the higher salary only.

## Administration/Operations

Classifying administrative costs is not straightforward. We have included chief officers in our estimate of personnel, but they might also be considered an administrative cost. We define administrative costs here to include costs that are not directly related to the salaries of the executive or assembly officers, but are necessary for those officers to carry out their work. We therefore included a set of “back office” services, such as recruiting (the public service boards), purchasing, and other support staff, such as finance personnel. This is consistent with CRA’s 2012 submission to Parliament which states that “procurement, accounting, auditing, ICT, planning, among others,” would be included in administration.<sup>9</sup> While there are different approaches that could be taken to define what counts as core personnel and what counts as administration, the total estimate we are aiming for (which is the sum of both) would remain the same.

The easiest cost to calculate here is for the County Public Service Board (CPSB) and the County Assembly Service Board (CASB). CRA estimated the CASB costs in its 2015/16 recommendations and they are also captured in the ceilings for 2015/16. The SRC’s July 2014 circular included costs for the CPSB. Table 4 shows the costs of running these two bodies based on SRC and CRA figures. For the CPSB, however, we have used the statutory maximum of 5 members for this body (rather than the 4 used by CRA). The County Governments Act 2012 says that boards can consist of three to five members. Table 4 also shows the costs of the ward and sub-county administrators.

---

<sup>9</sup> Commission on Revenue Allocation (2012) “Recommendations on sharing of revenue raised nationally between the national and county governments for the fiscal year 2012/13 and among county governments for the fiscal years 2012/13-2014/15,”

Table 4: Annual County Administrative and Operational Estimated Costs

Executive Administrative Personnel		Estimated Cost	County Assembly Administrative Personnel		Estimated Cost
1	Chairperson of County Public Service Boards	175,587,300	1	County Assembly Staff	5,542,997,870
2	Vice Chairperson of County Public Service Boards	140,469,840	2	County Assembly Ward Staff	1,196,719,800
3	Members County Public Service Boards	702,349,200	3	County Assembly Service Board	266,772,000
4	Secretary County Public Service Board	120,265,595		<i>Operations and Maintenance</i>	2,101,946,901
7	Sub-County Administrators	621,321,546		<b>Total</b>	<b>9,108,436,571</b>
8	Ward Administrators	1,727,709,336			
9	PFM Systems	6,523,455,835			
10	Chief of Staff	145,766,640			
11	Governor's Staff (Cook, Tea Person and Gardener and advisors)	602,828,323			
	<i>Operations and Maintenance</i>	3,227,926,084			
	<b>Total</b>	<b>13,987,679,699</b>			

Source: CRA Ceilings 2015/16 and SRC July 2014<sup>10</sup>

Table 4 also provides the estimated cost of running public financial management systems. We confronted some challenges in estimating these costs due to confusion across various sources. We made some adjustments to, and averaged, figures from CRA and National Treasury, arriving at a total of Ksh 6.5 billion (Row 9). The details of how we arrived at our figures are included in Annex 1.

Clearly there is more to running “back office” services than just the public finance system. But do we have any estimates of the other running costs? CRA uses a standard estimate of 30 percent of wage costs as a top-up for “operations and maintenance” in their recommendations for the DOR in 2015/16.<sup>11</sup> Table 4 uses this estimate as well.

Table 5 below shows total costs of core personnel, administration, car loans, and mortgages and bring us to our total cost of Ksh 48.5 billion.

Table 5: Estimating Total County Costs

County Expenditure Items	Estimated Cost
Core County Personnel	22,696,579,009
County Administration	23,096,116,270
Car Loan and Mortgage	2,680,000,000
<b>Total Estimated Costs</b>	<b>48,472,695,279</b>

## Data Challenges

This analysis is based on the best publicly available data we could find. It comes from official circulars and reports produced by constitutional commissions and executive agencies. However much of the available information lacks clear justification from those bodies and it is impossible to adjudicate differences between them.

For example, when we compare the new CRA ceilings and our estimates derived from SRC gazette notices released in 2014, there are slight differences as shown below. This may be related to slight differences in the number of positions used to calculate costs. CRA may have had the actual number of positions, as opposed to using the theoretical maximum we relied upon. Another possible explanation is that CRA figures are based

<sup>10</sup> The public service costs were obtained from the SRC gazette notice, those of the sub-county administrators, ward administrators and advisors are from the CRA report for the vertical sharing of revenue while the chief of staff and PFM staff costs are from the 2015/16 ceilings. All the administrative costs for the County Assembly were from the CRA ceilings, 2015/16.

<sup>11</sup> CRA Recommendation On the Basis of Equitable Sharing of Revenue Raised Nationally between National and County Governments for Financial Year 2015/16 <http://www.crakenya.org/wp-content/uploads/2013/10/CRA-FINAL-VERTICAL-RECOMMENDATION-ON-EQUITABLE-REVENUE-SHARING-2015-6-Jan-2015-Final-Edited.pdf>

on a different year in the SRC circular (e.g., whereas our figures are based on third year salaries, theirs may be based on first year figures).

**Table 6: Discrepancies in CRA and SRC Costs**

County Executive Officials	Total in SRC Circulars	Total in CRA Ceilings 2015/16	Difference
CEC Members	2,023,695,900	2,001,603,150	(22,092,750)
County Secretaries	175,587,300	226,347,300	50,760,000
Chief Officers	1,420,449,389	1,291,341,913	(129,107,476)
Chief of Staff	145,766,640	133,980,287	(11,786,353)
Chair County Public Service Boards	175,587,300		
Vice Chair County Public Service Boards	140,469,840		
Member County Public Service Boards	702,349,200		
Secretary County Public Service Board	120,265,595	1,086,186,095	
<b>Sub-total County Public Service Boards</b>	<b>1,138,671,935</b>	<b>1,086,186,095</b>	<b>(52,485,840)</b>
Cooks	11,863,419	11,784,611	(78,808)
Tea Person	11,863,419	11,784,611	(78,808)
Gardener	11,419,511	12,908,888	1,489,377
Security	101,520,000	101,520,000	-
Advisors	466,161,975	448,733,267	(17,428,708)
<b>Total for Governor's Office Staff</b>	<b>602,828,323</b>	<b>586,731,377</b>	<b>(16,096,946)</b>
Sub-County Administrators	621,321,546		
Ward Administrators	1,727,709,336	2,079,772,236	(269,258,646)
<b>Sub-total sub-county and ward administrators</b>	<b>2,349,030,882</b>	<b>2,079,772,236</b>	<b>(269,258,646)</b>
<b>Total for Executive</b>	<b>7,914,020,552</b>	<b>6,819,230,981</b>	<b>(1,094,789,571)</b>

## Conclusion and Recommendations

This analysis has established that the total cost of running counties, meaning core personnel and administrative overhead, is just under Ksh 50 billion. (See Annex 3 for the costs for each individual county.) These figures give citizens a sense of the cost of running their own counties and are an important piece of information as public reviews and inputs into county budgets going forward.

Our findings suggest that the weight attributed to the basic equal share in the current formula is too high. The basic equal share should correspond to the minimum amount needed to run county operations across all counties. The formula should then use other factors to top this amount up, such as population or land area, which give a more accurate indication of specific county costs above this minimum. We therefore propose to the Senate that the basic equal share should be reduced in the process of revising the current formula.

We lack precise data on county costs. For example, our costs do not include an estimate of the so-called "extra mileage allowance" which is given to MCAs who travel more than 90 kilometers to get to their wards each week. Calculating this allowance would require information on how each of the 47 counties calculate distances between each ward and the county assembly offices. In the absence of this information we were not able to estimate this, which suggests that our cost estimates may be somewhat lower than the actual costs. However, the large factor for O&M could also be an overestimate, and we have taken the maximum possible amounts for all items, such as gratuity, whereas that may not be necessary in all cases. These could make our estimates slightly higher than the true costs.

In considering how to adjust the basic equal share in the formula, the Senate could consider the following.

Our estimates put the figure at 13 percent of the equitable share because, unlike CRA, we give counties the minimum needed for equal costs and let the other variables in the formula give more to larger counties (both in population and land area). We based our 13 percent on the cost of delivering services in Lamu and Isiolo multiplied by the 47 counties (Ksh 32.7 billion) and taken as a share of the Ksh 260 billion received by counties in 2015/16.



How does this compare to the current basic equal share formula? In order to justify the 25 percent that is currently used in the formula, the actual costs of running Lamu or Isiolo would have to be roughly double our estimates. We believe this is not credible. We therefore propose that the basic equal share be reduced to somewhere between 15 and 20 percent and then adjusted as more accurate data about county costs become available over time.

Our analysis does not include the massive expansion in the eligibility for subsidized car loans and mortgages approved by SRC in December 2014. We did not include this because it is not obligatory that all counties provide for it, nor that it be provided immediately. Further, its cost implications are potentially so high that they swamp the other costs described here. As is clear from Annex 2, the one-time costs of this scheme for the core personnel and administrative staff discussed is more than double all other running costs combined. We must ask serious questions about the sustainability of a program that, to fully implement, would require counties to put aside an additional Ksh 120 billion, to say nothing of what the national government would require.<sup>12</sup> This figure is additional to the car loans and mortgages already covered in our estimates (for CEC members and MCAs) and is on the lower side, because the value of benefits going forward is higher than it was for the first set of CECs and MCAs. Using the new values established by SRC for 2015 forward, the total cost of this program for all workers discussed in this brief would be Ksh 171 billion (including MCAs and CECs at the new rates). This does not include the costs of providing this benefit to public service workers at county level, such as doctors, whose costs we did not consider.

---

<sup>12</sup> This is based on an assumption that the scheme is managed as a cash-backed scheme as was the case for the first set of benefits provided to CECs and covered in an SRC circular from September 2014. The one-off costs would be much lower, but the ongoing costs much higher, if the scheme was financed through an interest rate subsidy instead.

# Annex 1 Detailed Assumptions Used to Make Calculations

## Number of MCAs in different committee positions

The number of MCAs who serve in different capacities in committees was calculated as follows. First, we calculated the average number of committees per County Assembly according to data from the County Assemblies Forum. This figure, which came to an average of 20 committees, was then assigned as the number of committees in each assembly. According to the same data, the speakers of the assemblies chair at least three different committees in each assembly. We made an assumption that the speakers also chair the Powers and Privileges committees. We did this because in every county where the position was filled, the speaker was the chairperson. This brought the total number of chair positions held by the speaker to four. Therefore, the maximum number of chairpersons in each assembly is 17. This assumes that a different member chairs the other 16 committees not chaired by the speaker, and the speaker is treated as a chairman once for the four committees (and chairpersons do not receive extra allowances for chairing more than one committee). The Deputy Chairperson position could be held by 20 different members in every assembly that has more than 37 members (20 Deputy Chairs plus 17 different Chairs) including the speaker, but the numbers would be lower in counties with fewer MCAs. Consider Lamu, which has 20 MCAs plus the Speaker. In this case, 17 different members of the assembly (including the Speaker) can hold the chairperson position and earn the maximum sitting allowance. This leaves four members that are not chairs but could serve as deputy chairs. All other deputy chairs would also be chairs of another committee and would therefore not earn any additional allowances for deputy positions.

## County Executive Committee Members and Chief Officers

The number of CECs was calculated based on the formula given in Article 179(3) of the constitution. Any county with 30 or more MCAs will have 10 CECs. Any county with less than 30 MCAs will have CECs equal to one third the number of MCAs. Using this formula, we calculated 458 CEC members. We assumed each CEC would have one Chief Officer, so this would give 458 COs as well.

## Other positions for which there are no fixed estimates

As described above, there are some positions for which we did not have any official guidance on numbers. In the case of the number of cooks or tea persons for the governor, we used CRA guidance provided to us by the Commission that was utilized in their ceiling recommendations. They also assume four advisors to the governor, which we adopted. Clearly, there are other positions that may not have been considered but must exist. A Transition Authority notice from September 6, 2013 indicated that governors and/or deputy governors might consider positions of "Driver, Receptionist and Cameraman" but deputy governors should not employ chiefs of staff. The implication is clearly that these three positions would be funded. As we do not have any other information estimating these costs, we opted not to include them. It is also unclear whether or not it is necessary to include some of these staff costs in addition to the 30% operations & maintenance costs we have already included, as certainly some of them should be covered by operations.

For County Public Service Boards, CRA has used an estimate of four members in its ceilings, while the law (County Governments Act Section 58) allows this number to vary between three and five. We have used the maximum in law here, since we have no basis for assuming that counties should choose to have four rather than five members.

## Other allowances

Generally, all allowances are specified in particular SRC notices. However, when SRC updates a salary or other allowance, they often specify that the other allowances they have not modified will continue as per the previous circular. The origin of most of these allowances is in an early gazette notice, dated March 1, 2013, No. 33. That notice listed the governor allowance, the deputy governor allowance, health and other group insurance benefits, sitting allowances, airtime allowances, and so on.

## PFM Costs

Treasury estimated the cost of PFM systems at Ksh 5.6 billion in indicative figures released to counties in June 2013, as well as in the Division of Revenue Bill 2013. It is not clear what these figures were based on. In 2014, CRA gave an estimate for “PFM Staff” of Ksh 6.1 billion in their circular indicating the ceilings for the executive and the assembly; this was increased to 6.7 billion in their recommendations for the 2015/16 division of revenue and the same amount is reflected in the ceilings for 2015/16. Since neither Treasury nor CRA provides any justification for their figures, we took an average of the two. Because the Treasury figures are older, we first adjusted them for average inflation over two years (about 6% per year) so the figure rose to Ksh 6.3 billion. We then took the average of this and the CRA figure of 6.7 billion and arrived at Ksh 6.5 billion.

One thing that is not clear from either the Treasury or CRA estimates is whether these are ongoing costs, or include some one-off or start-up costs of setting up the PFM system. While it seems likely that some or many of the staff needed to run PFM are actually permanent, Treasury noted in the DORB 2013 that “These costs were based on an interim structure for public finance management for counties as agreed by the National Treasury and the Transition Authority.” This suggests this was a temporary arrangement and would not require further annual transfers at the same level. We have no clarity about what share of the costs are one-off expenditures, so we leave the estimates at Ksh 6.5 billion but note that they may be overestimated due to continued inclusion of one off costs.

## O&M

The operations and maintenance costs were calculated as a percentage of the total wages and total administrative costs. For the core personnel the O&M was calculated as 30 percent of the total wages plus insurance costs for the executive. The same was done for the administrative part of the executive as well. This was the same process for the county assemblies. The CRA calculated operations and maintenance costs as 30 percent of the total costs but there is no explanation of how they arrived at 30 percent as the correct figure.

Table A.1: Estimated Cost for Operations and Maintenance

Operations and Maintenance	Estimated Costs
Estimated O&M for County Executive Core Personnel	1,891,829,922
Estimated O&M for County Executive Administration	3,227,926,084
Estimated O&M for County Assembly Core Personnel	4,845,842,157
Estimated O&M for County Assembly Administration	2,101,946,901
<b>Total Estimated O&amp;M Costs</b>	<b>12,067,545,064</b>
<b>Total Estimated Costs</b>	<b>48,472,695,279</b>
<b>% share of O&amp;M to the Total Estimated Costs</b>	<b>25%</b>

## Gratuity

For non-permanent staff, the gratuity payment is normally calculated as 31% of the base pay. As SRC explains in the Kenya Gazette Vol CXV No 33 (March 1, 2013), this means 31% of 60% of gross pay. For regular public servants that are permanent and pensionable, the pension payment is lower and contributory where the employer contributes 15% (and the employee contributes 7.5%). However, there is a lack of clarity about in which category many workers at the county level should fall. We therefore estimated gratuity for all of them using the 31% of base pay rule, which likely overestimates the pension costs. For the county assembly staff and ward staff, we used an estimate from CRA (from their 2015/16 vertical share recommendations) of the total numbers and total remuneration. It is not entirely clear whether this includes gratuity/pension, but we assumed that it did and did not add the 31% gratuity to those positions.

## Other Items Not Costed

### **Extra mileage allowance for MCAs**

This is an allowance for MCAs who travel more than 90 Km per week to get to their wards and is calculated based on the distance between the assembly and the wards. This data is generated by the public works departments in the counties but it has not yet been consolidated. We were therefore unable to estimate it.

### **Insurance**

We used insurance cost estimates provided by CRA in their 2015/16 vertical share recommendation, which we believe are primarily for health. Health care is the most significant insurance cost, but not the only one. County officials also receive life, disability and accident insurance. In addition, they must purchase other kinds of property insurance to cover the county's assets. We were not able to get good estimates for these insurance costs. They may be considered to be part of O&M, but since the estimated O&M costs are themselves of unclear origin, we cannot be certain.

## Annex 2: Car Loans and Mortgages

This section discusses the car loans and mortgages for CECs and MCAs that we included in our estimates first. It then also discusses the expanded benefit starting in 2015 that potentially covers the entire public service.

### CEC and MCA car loan and mortgage costs (pre-2015)

The Salaries and Remuneration Commission has issued three circulars that give direction on car loans and mortgages for national and county government officials. The first two circulars were for Members of County Assemblies and the County Executive Committee Members. These are the costs that we have included in our calculations.

In making our overall calculations, we considered certain benefits over the period and divided them by five to get an annual cost. This is sensible for certain costs, but may not be the most technically sophisticated way to deal with others. For example, the cost of mortgages and car loans for MCAs could be treated differently. Technically, this is a one-time cost, payable over the five years that the MCA is in office. In that sense, our approach is logical. However, this is meant to be a cash-backed revolving fund, meaning that the cost of the benefit over time should be less, since repayments from MCAs will replenish most of the fund. In other words, this is a one-off cost that should be averaged over many more than five years.

However, normally, money that is invested in a fund that is then lent out at below market rates is thought to have a cost equivalent to the difference between what the funds could have earned if lent at market rates and the amount they are earning at a subsidized rate. We opted to avoid this complexity. First, we thought that it was more reasonable for the government, which operates on a cash basis, to write off the one-off expenditure of the fund. For our purposes in estimating the cost of the benefit over the first five years of devolution, this gives a good estimate of the amount of money counties needed to receive. Assuming that counties are repaid at a high rate during the first five year period, then the fund will become an asset in the second period and could perhaps be treated in a more sophisticated fashion. It would also not be necessary to give counties funding for this purpose if they had all built up funds in the first five years. Second, given that we are in a transitional period and that we do not know what benefits will look like in a few years, we thought it made sense to simply write-off the expense.

We are also aware that counties lack guidance on how to set up this fund and they may be doing so in ways that involve expensive arrangements with private banks. While this may make the costs higher than our estimates, it is not something that should be endorsed. We should not give counties extra money to use more expensive means of doing the same things unless there is a justification for it.

### Expanded Car Loan and Mortgage Scheme (post-2015)

The third SRC circular related to car loans and mortgages was issued in December 2014 and spread the benefits to all state and public officers. This is even more challenging to cost than the original benefit for MCAs and CECs. First, staff numbers and their job groups are key determinant of the costs and this information is not publicly available for some of the positions. Second, the expanded benefit for mortgages is no longer for a 5-year repayment period, but now for 20 years. This has implications for how much funding is needed at any given point, and raises new issues about repayment rates, etc. The circular also seems to introduce the possibility of operating the scheme in cooperation with financial institutions and no longer refers to it as "cash-backed." It is therefore open to different interpretations as to how it will be operationalized. It should be evident that if the benefit is cash-backed, it implies high upfront costs to create the fund, but over time, the government accrues interest and repayment so that the ongoing costs decline dramatically. On the other hand, if the scheme is implemented as an interest rate subsidy, the upfront costs will be lower, but the county will be paying the subsidy every year and will not accrue any benefit from the scheme, so ongoing costs will be higher.

We decided to treat this as a one-off cash benefit for now as well. We were then able to make certain assumption and inferences that gave us an estimate of the cost implications for counties. We were able to pull together the total car loans and mortgages for most positions. For the various County Public Service Board positions, we were able to use an SRC circular from 18 December 2014 showing job groups for a number of key positions. This shows that the chairperson of the CPSB is in job group S, while the vice-chair, member, and secretary are in job group R.

For some groups, such as the county assembly staff and county assembly ward staff, we made assumptions about job groups. For the county assembly ward staff, a look at some county budgets (e.g., West Pokot, Bomet) seem to indicate that each ward has a secretary, messenger and a gardener. The three are assumed to be in the job cadres between Job groups A and F and the car loans and mortgages they are eligible for were calculated based on this assumption. County budgets seem to indicate that most of the staff in the county assembly fall in the job group K and N and we therefore assumed this was the average job group and used it to estimate the total cost. A breakdown of how we classified staff by job group and the benefits availed as per the SRC circular is below.

**Table B1: Car Loan and Mortgage Benefit By Job Group**

<b>Job Title</b>	<b>Job Group</b>	<b>Car Loan</b>	<b>Mortgage</b>
<b><i>Executive</i></b>			
Governors	V	10,000,000	40,000,000
Deputy Governors	U	5,000,000	25,000,000
CEC Members	S*	2,000,000	3,000,000
County Secretaries	S	4,000,000	20,000,000
Chief Officers	S	4,000,000	20,000,000
Chief of Staff	S	4,000,000	20,000,000
Chair County Public Service Boards	S	4,000,000	20,000,000
Vice Chair County Public Service Boards	R	3,000,000	15,000,000
Member County Public Service Boards	R	3,000,000	15,000,000
Secretary County Public Service Board	R	3,000,000	15,000,000
Advisors	R	3,000,000	15,000,000
Sub-County Administrators	P,Q	3,000,000	15,000,000
Ward Administrators	L,M	1,500,000	10,000,000
<b>Support Staff Governors Office :of which</b>			
Cooks	A-F	600,000	4,000,000
Tea Person	A-F	600,000	4,000,000
Gardener	A-F	600,000	4,000,000
<b><i>County Assembly</i></b>			
Speaker	S	4,000,000	20,000,000
County Assembly Clerk	S	4,000,000	20,000,000
Members of the County Assembly	P**	2,000,000	3,000,000
County Assembly Staff	K-N***	1,500,000	10,000,000
County Assembly Ward Staff	A-F	600,000	4,000,000
*These were the benefits in a September 2014 circular			
**These were the benefits in a November 2013 circular			
***This was taken as the median job group because the staff were not broken down by job groups			

Source: SRC Dec 18, 2014 circular and various county budgets with staff details

Table B.2: Bomet County 2015-16 Budget Estimates Showing Job Groups:

COUNTY SECRETARY	T	1	1	-
COUNTY ATTORNEY	S	1	1	-
CEC MEMBERS	8	10	10	-
CHIEF OFFICERS	S	12	12	0
CHIEF OF STAFF	S	1	1	-
ECONOMIC ADVISOR	R	1	1	-
POLITICAL ADV	R	1	-	1
SUB COUNTY ADMINISTRATORS	Q	5	5	0
LEGAL ADVISOR	R	1	1	-
WARD ADMINISTR	N	25	25	0

Table B.3: West Pokot County 2015-16 Budget Estimates Showing Job Groups

Chief Of Staff	S
County Secretary	S
Chief Officers	S
Director Press	R
Economic Advisor	R
Political Advisor	R
Legal Officer	P
Sub County Administrators	P
Public Relations Officer	N
Personal Assistant	M
Ward Administrators	L
Information Officer	J
Chief Driver	H
Gardener (County)	D
Watchman	A

Taking all this together, our estimate of car loans and mortgages (excluding public sector service delivery staff who are also eligible for the scheme and MCAs and CEC members who were already eligible for a different scheme) is Ksh 120 billion, as can be seen below. When we add in the CECs and MCAs, this rises to Ksh 133 billion, and when we add them in at the new rates (rather than the old rates they have been receiving), this rises even further to Ksh 171 billion.



Table B.4 Total Car Loan and Mortgage Costs Estimated Under SRC Circular, December 2014

County	Total Executive Car Loan and Mortgage			Total County Assembly Car Loan and Mortgages			Total Car Loan and Mortgages		
	Total Car Loan Cost	Total House Mortgage Cost	Total Car Loan+Mortgage	Total Car Loan Cost	Total House Mortgage Cost	Total Car Loan+Mortgage	Total Car Loan Cost	Total House Mortgage Cost	Total Car Loan+Mortgage
BARINGO	164,800,000	892,000,000	1,056,800,000	194,000,000	1,280,000,000	1,474,000,000	358,800,000	2,172,000,000	2,530,800,000
BOMET	154,300,000	827,000,000	981,300,000	185,000,000	1,220,000,000	1,405,000,000	339,300,000	2,047,000,000	2,386,300,000
BUNGOMA	196,300,000	1,087,000,000	1,283,300,000	239,000,000	1,580,000,000	1,819,000,000	435,300,000	2,667,000,000	3,102,300,000
BUSIA	175,300,000	957,000,000	1,132,300,000	203,000,000	1,340,000,000	1,543,000,000	378,300,000	2,297,000,000	2,675,300,000
ELGEYO - MARAKWET	143,800,000	762,000,000	905,800,000	176,000,000	1,160,000,000	1,336,000,000	319,800,000	1,922,000,000	2,241,800,000
EMBU	143,800,000	762,000,000	905,800,000	176,000,000	1,160,000,000	1,336,000,000	319,800,000	1,922,000,000	2,241,800,000
GARISSA	164,800,000	892,000,000	1,056,800,000	194,000,000	1,280,000,000	1,474,000,000	358,800,000	2,172,000,000	2,530,800,000
HOMA-BAY	185,800,000	1,022,000,000	1,207,800,000	230,000,000	1,520,000,000	1,750,000,000	415,800,000	2,542,000,000	2,957,800,000
ISOLO	110,800,000	572,000,000	682,800,000	123,500,000	810,000,000	933,500,000	234,300,000	1,382,000,000	1,616,300,000
KAJIADO	154,300,000	827,000,000	981,300,000	185,000,000	1,220,000,000	1,405,000,000	339,300,000	2,047,000,000	2,386,300,000
KAKAMEGA	227,800,000	1,282,000,000	1,509,800,000	266,000,000	1,760,000,000	2,026,000,000	493,800,000	3,042,000,000	3,535,800,000
KERICHO	164,800,000	892,000,000	1,056,800,000	194,000,000	1,280,000,000	1,474,000,000	358,800,000	2,172,000,000	2,530,800,000
KIAMBU	227,800,000	1,282,000,000	1,509,800,000	266,000,000	1,760,000,000	2,026,000,000	493,800,000	3,042,000,000	3,535,800,000
KILIFI	175,300,000	957,000,000	1,132,300,000	203,000,000	1,340,000,000	1,543,000,000	378,300,000	2,297,000,000	2,675,300,000
KIRINYAGA	143,800,000	762,000,000	905,800,000	176,000,000	1,160,000,000	1,336,000,000	319,800,000	1,922,000,000	2,241,800,000
KISII	196,300,000	1,087,000,000	1,283,300,000	239,000,000	1,580,000,000	1,819,000,000	435,300,000	2,667,000,000	3,102,300,000
KISUMU	175,300,000	957,000,000	1,132,300,000	203,000,000	1,340,000,000	1,543,000,000	378,300,000	2,297,000,000	2,675,300,000
KITUI	185,800,000	1,022,000,000	1,207,800,000	230,000,000	1,520,000,000	1,750,000,000	415,800,000	2,542,000,000	2,957,800,000
KWALE	143,800,000	762,000,000	905,800,000	176,000,000	1,160,000,000	1,336,000,000	319,800,000	1,922,000,000	2,241,800,000
LAIKIPIA	125,300,000	657,000,000	782,300,000	132,500,000	870,000,000	1,002,500,000	257,800,000	1,527,000,000	1,784,800,000
LAMU	110,800,000	572,000,000	682,800,000	123,500,000	810,000,000	933,500,000	234,300,000	1,382,000,000	1,616,300,000
MACHAKOS	188,800,000	1,037,000,000	1,225,800,000	230,000,000	1,520,000,000	1,750,000,000	418,800,000	2,557,000,000	2,975,800,000
MAKUENI	170,800,000	922,000,000	1,092,800,000	194,000,000	1,280,000,000	1,474,000,000	364,800,000	2,202,000,000	2,566,800,000
MANDERA	164,800,000	892,000,000	1,056,800,000	194,000,000	1,280,000,000	1,474,000,000	358,800,000	2,172,000,000	2,530,800,000
MARSABIT	149,800,000	792,000,000	941,800,000	176,000,000	1,160,000,000	1,336,000,000	325,800,000	1,952,000,000	2,277,800,000
MERU	181,300,000	1,012,000,000	1,193,300,000	239,000,000	1,580,000,000	1,819,000,000	420,300,000	2,592,000,000	3,012,300,000
MIGORI	185,800,000	1,022,000,000	1,207,800,000	230,000,000	1,520,000,000	1,750,000,000	415,800,000	2,542,000,000	2,957,800,000
MOMBASA	164,800,000	892,000,000	1,056,800,000	194,000,000	1,280,000,000	1,474,000,000	358,800,000	2,172,000,000	2,530,800,000
MURANGA	175,300,000	957,000,000	1,132,300,000	203,000,000	1,340,000,000	1,543,000,000	378,300,000	2,297,000,000	2,675,300,000
NAIROBI	280,300,000	1,607,000,000	1,887,300,000	341,000,000	2,260,000,000	2,601,000,000	621,300,000	3,867,000,000	4,488,300,000
NAKURU	217,300,000	1,217,000,000	1,434,300,000	257,000,000	1,700,000,000	1,957,000,000	474,300,000	2,917,000,000	3,391,300,000
NANDI	164,800,000	892,000,000	1,056,800,000	194,000,000	1,280,000,000	1,474,000,000	358,800,000	2,172,000,000	2,530,800,000
NAROK	164,800,000	892,000,000	1,056,800,000	194,000,000	1,280,000,000	1,474,000,000	358,800,000	2,172,000,000	2,530,800,000
NYAMIRA	143,800,000	762,000,000	905,800,000	176,000,000	1,160,000,000	1,336,000,000	319,800,000	1,922,000,000	2,241,800,000
NYANDARUA	154,300,000	827,000,000	981,300,000	185,000,000	1,220,000,000	1,405,000,000	339,300,000	2,047,000,000	2,386,300,000
NYERI	164,800,000	892,000,000	1,056,800,000	194,000,000	1,280,000,000	1,474,000,000	358,800,000	2,172,000,000	2,530,800,000
SAMBURU	129,300,000	677,000,000	806,300,000	132,500,000	870,000,000	1,002,500,000	261,800,000	1,547,000,000	1,808,800,000
SIAYA	164,800,000	892,000,000	1,056,800,000	194,000,000	1,280,000,000	1,474,000,000	358,800,000	2,172,000,000	2,530,800,000
TAITA - TAVETA	143,800,000	762,000,000	905,800,000	176,000,000	1,160,000,000	1,336,000,000	319,800,000	1,922,000,000	2,241,800,000
TANA RIVER	129,300,000	677,000,000	806,300,000	132,500,000	870,000,000	1,002,500,000	261,800,000	1,547,000,000	1,808,800,000
THARAKA - NITHI	125,300,000	657,000,000	782,300,000	132,500,000	870,000,000	1,002,500,000	257,800,000	1,527,000,000	1,784,800,000
TRANS-NZOIA	154,300,000	827,000,000	981,300,000	185,000,000	1,220,000,000	1,405,000,000	339,300,000	2,047,000,000	2,386,300,000
TURKANA	164,800,000	892,000,000	1,056,800,000	194,000,000	1,280,000,000	1,474,000,000	358,800,000	2,172,000,000	2,530,800,000
UASIN GISHU	164,800,000	892,000,000	1,056,800,000	194,000,000	1,280,000,000	1,474,000,000	358,800,000	2,172,000,000	2,530,800,000
VIHIGA	154,300,000	827,000,000	981,300,000	185,000,000	1,220,000,000	1,405,000,000	339,300,000	2,047,000,000	2,386,300,000
WAJIR	164,800,000	892,000,000	1,056,800,000	194,000,000	1,280,000,000	1,474,000,000	358,800,000	2,172,000,000	2,530,800,000
WEST - POKOT	143,800,000	762,000,000	905,800,000	176,000,000	1,160,000,000	1,336,000,000	319,800,000	1,922,000,000	2,241,800,000
<b>Total excl MCAs and CEC Costs</b>	<b>7,781,600,000</b>	<b>42,204,000,000</b>	<b>49,985,600,000</b>	<b>9,211,000,000</b>	<b>60,780,000,000</b>	<b>69,991,000,000</b>	<b>16,992,600,000</b>	<b>102,984,000,000</b>	<b>119,976,600,000</b>
	<b>Total Car Loan Cost</b>	<b>Total House Mortgage Cost</b>	<b>Total Car Loan+Mortgage</b>						
<b>Total (incl MCAs and CEC old benefits)</b>	22,352,600,000	111,024,000,000	133,376,600,000						
<b>Total (incl MCAs and CEC new benefits)</b>	25,490,600,000	145,474,000,000	170,964,600,000						

### Annex 3: Costs for Running all Counties

County	County Executive				County Assembly				Total		
	Core Personnel	Administration	Car Loans and Mortgages (CECs)	Total	Core Personnel	Administration	MCA's Car Loans and Mortgages	Total	Total Core Personnel	Total Administration	Grand Total
BARINGO	143,586,691	295,817,842	10,000,000	449,404,534	348,055,417	192,366,185	48,000,000	588,421,601	491,642,108	488,184,027	1,037,826,135
BOMET	143,586,691	285,287,704	10,000,000	438,874,395	273,636,588	187,001,579	35,000,000	495,638,167	417,223,279	472,289,282	934,512,562
BUNGOMA	143,586,691	327,408,258	10,000,000	480,994,949	437,745,696	229,296,332	63,000,000	730,042,028	581,332,388	556,704,590	1,211,036,977
BUSIA	143,586,691	306,347,981	10,000,000	459,934,672	369,306,158	197,730,791	52,000,000	619,036,949	512,892,849	504,078,771	1,078,971,621
ELGEYO - MARAKWET	143,586,691	274,757,565	10,000,000	428,344,257	242,034,362	181,636,973	30,000,000	453,671,334	385,621,053	456,394,538	882,015,591
EMBU	143,586,691	274,757,565	10,000,000	428,344,257	260,995,697	181,636,973	33,000,000	475,632,670	404,582,389	456,394,538	903,976,927
GARISSA	143,586,691	295,817,842	10,000,000	449,404,534	348,055,417	192,366,185	48,000,000	588,421,601	491,642,108	488,184,027	1,037,826,135
HOMA-BAY	143,586,691	316,878,119	10,000,000	470,464,811	437,745,696	223,931,726	63,000,000	724,677,422	581,332,388	540,809,845	1,195,142,233
ISIYOLO	114,258,817	253,697,289	7,000,000	374,956,105	168,829,909	130,971,463	20,000,000	319,801,371	283,088,725	384,668,751	694,757,476
KAJIADO	143,586,691	285,287,704	10,000,000	438,874,395	309,431,420	187,001,579	41,000,000	537,432,998	453,018,111	472,289,282	976,307,394
KAKAMEGA	143,586,691	358,998,673	10,000,000	512,585,364	559,937,458	245,390,150	86,000,000	891,327,608	703,524,150	604,388,823	1,403,912,972
KERICHO	143,586,691	295,817,842	10,000,000	449,404,534	342,742,732	192,366,185	47,000,000	582,108,916	486,329,423	488,184,027	1,031,513,450
KIAMBU	143,586,691	358,998,673	10,000,000	512,585,364	565,250,144	245,390,150	87,000,000	897,640,293	708,836,835	604,388,823	1,410,225,658
KILIFI	143,586,691	306,347,981	10,000,000	459,934,672	374,618,843	197,730,791	53,000,000	625,349,634	518,205,535	504,078,771	1,085,284,306
KIRINYAGA	143,586,691	274,757,565	10,000,000	428,344,257	235,713,916	181,636,973	29,000,000	446,350,889	379,300,608	456,394,538	874,695,146
KISII	143,586,691	327,408,258	10,000,000	480,994,949	480,247,179	229,296,332	71,000,000	780,543,511	623,833,870	556,704,590	1,261,538,460
KISUMU	143,586,691	306,347,981	10,000,000	459,934,672	353,368,102	197,730,791	49,000,000	600,098,893	496,954,794	504,078,771	1,060,033,565
KITUI	143,586,691	316,878,119	10,000,000	470,464,811	405,869,585	223,931,726	57,000,000	686,801,310	549,456,276	540,809,845	1,157,266,121
KWALE	143,586,691	274,757,565	10,000,000	428,344,257	260,995,697	181,636,973	33,000,000	475,632,670	404,582,389	456,394,538	903,976,927
LAIKIPIA	124,034,775	264,227,427	8,000,000	396,262,202	187,791,244	136,336,069	23,000,000	347,127,313	311,826,019	400,563,496	743,389,515
LAMU	114,258,817	253,697,289	7,000,000	374,956,105	168,829,909	130,971,463	20,000,000	319,801,371	283,088,725	384,668,751	694,757,476
MACHAKOS	143,586,691	319,663,354	10,000,000	473,250,045	416,494,955	223,931,726	59,000,000	699,426,681	560,081,647	543,595,080	1,172,676,726
MAKUENI	143,586,691	301,388,311	10,000,000	454,975,003	342,742,732	192,366,185	47,000,000	582,108,916	486,329,423	493,754,496	1,037,083,919
MANDERA	143,586,691	295,817,842	10,000,000	449,404,534	348,055,417	192,366,185	48,000,000	588,421,601	491,642,108	488,184,027	1,037,826,135
MARSABIT	143,586,691	280,328,035	10,000,000	433,914,726	260,995,697	181,636,973	33,000,000	475,632,670	404,582,389	461,965,007	909,547,396
MERU	143,586,691	313,482,085	10,000,000	467,068,776	469,621,808	229,296,332	69,000,000	767,918,140	613,208,500	542,778,417	1,234,986,917
MIGORI	143,586,691	316,878,119	10,000,000	470,464,811	427,120,326	223,931,726	61,000,000	712,052,052	570,707,017	540,809,845	1,182,516,862
MOMBASA	143,586,691	295,817,842	10,000,000	449,404,534	332,117,361	192,366,185	45,000,000	569,483,546	475,704,052	488,184,027	1,018,888,079
MURANGA	143,586,691	306,347,981	10,000,000	459,934,672	363,993,473	197,730,791	51,000,000	612,724,263	507,580,164	504,078,771	1,072,658,935
NAIROBI	143,586,691	411,649,365	10,000,000	565,236,057	797,757,556	306,940,395	127,000,000	1,231,697,951	941,344,247	718,589,761	1,796,934,008
NAKURU	143,586,691	348,468,535	10,000,000	502,055,226	496,185,235	240,025,544	74,000,000	810,210,779	639,771,926	588,494,078	1,312,266,004
NANDI	143,586,691	295,817,842	10,000,000	449,404,534	348,055,417	192,366,185	48,000,000	588,421,601	491,642,108	488,184,027	1,037,826,135
NAROK	143,586,691	295,817,842	10,000,000	449,404,534	342,742,732	192,366,185	47,000,000	582,108,916	486,329,423	488,184,027	1,031,513,450
NYAMIRA	143,586,691	274,757,565	10,000,000	428,344,257	260,995,697	181,636,973	33,000,000	475,632,670	404,582,389	456,394,538	903,976,927
NYANDARUA	143,586,691	285,287,704	10,000,000	438,874,395	303,666,335	187,001,579	40,000,000	530,667,913	447,253,026	472,289,282	969,542,308
NYERI	143,586,691	295,817,842	10,000,000	449,404,534	342,742,732	192,366,185	47,000,000	582,108,916	486,329,423	488,184,027	1,031,513,450
SAMBURU	133,810,733	264,227,427	9,000,000	407,038,160	206,752,580	136,336,069	26,000,000	369,088,649	340,563,313	400,563,496	776,126,809
SIAYA	143,586,691	295,817,842	10,000,000	449,404,534	348,055,417	192,366,185	48,000,000	588,421,601	491,642,108	488,184,027	1,037,826,135
TAITA - TAVETA	143,586,691	274,757,565	10,000,000	428,344,257	273,636,588	181,636,973	35,000,000	490,273,561	417,223,279	456,394,538	918,617,817
TANA RIVER	133,810,733	264,227,427	9,000,000	407,038,160	206,752,580	136,336,069	26,000,000	369,088,649	340,563,313	400,563,496	776,126,809
THARAKA - NITHI	124,034,775	264,227,427	8,000,000	396,262,202	194,111,690	136,336,069	24,000,000	354,447,758	318,146,465	400,563,496	750,709,960
TRANS-NZOIA	143,586,691	285,287,704	10,000,000	438,874,395	297,901,249	187,001,579	39,000,000	523,902,828	441,487,941	472,289,282	962,777,223
TURKANA	143,586,691	295,817,842	10,000,000	449,404,534	342,742,732	192,366,185	47,000,000	582,108,916	486,329,423	488,184,027	1,031,513,450
UASIN GISHU	143,586,691	295,817,842	10,000,000	449,404,534	326,180,676	192,366,185	40,000,000	562,546,860	469,767,367	488,184,027	1,011,951,394
VIHIGA	143,586,691	285,287,704	10,000,000	438,874,395	297,901,249	187,001,579	39,000,000	523,902,828	441,487,941	472,289,282	962,777,223
WAJIR	143,586,691	295,817,842	10,000,000	449,404,534	332,117,361	192,366,185	45,000,000	569,483,546	475,704,052	488,184,027	1,018,888,079
WEST - POKOT	143,586,691	274,757,565	10,000,000	428,344,257	254,675,252	181,636,973	32,000,000	468,312,225	398,261,943	456,394,538	896,656,481
<b>Total</b>	<b>6,631,262,995</b>	<b>13,987,679,699</b>	<b>458,000,000</b>	<b>21,076,942,694</b>	<b>16,065,316,014</b>	<b>9,108,436,571</b>	<b>2,222,000,000</b>	<b>27,395,752,585</b>	<b>22,696,579,009</b>	<b>23,096,116,270</b>	<b>48,472,695,279</b>
<b>County Average</b>				<b>448,445,589</b>				<b>582,888,353</b>	<b>482,905,936</b>	<b>491,406,729</b>	<b>1,031,333,942</b>
Total Basic Share as a multiple of lowest county											32,653,601,389
Equitable Share 2015/16											259,775,000,000
% of Basic Share to Equitable Share											13%