HOMA BAY
SOCIAL SECTOR BUDGET BRIEF
(2013-14 to 2015-16)

Highlights

- In 2015-2016, Homa Bay County spent Ksh 5.8 billion, out of which 36 per cent was spent on social sector.
- The absorption rate declined in 2015-2016 in comparison to 2014-2015 and the study suggests that county should improve its financial transactions efficiency and ensure timely disbursement of funds & submission of reports to improve the same.
- In 2015-2016, 45 per cent of total expenditure comprised of wage bills. There is a need to rationalise the staffing and ensure potent utilisation of limited available funds for development investments which was 33 per cent only.
- Among all the counties of Kenya, Homa bay has the highest adult HIV prevalence. To combat the issue, it is expected that county puts budget to complement external funding; however the same is not being reflected in the budget. The study suggests that county include budget lines for HIV, nutrition and WASH programmes to enable transparency & tracking of such program based budget/ expenses.
- With the gradually increasing budget and expenditure in the Education sector, the education performance indicators of the county are at par or better than the national averages across all the levels. However poor execution of development budget is a caveat and needs to be reviewed by the government.
- The study acknowledges that county is contributing to social protection services with specific budget for cash transfers to elderly and gender & women empowerment. It would be much appreciated if similar efforts could be made for child services as well.
- Low water coverage (11 per cent in 2013 and no data was provided by county in 2016) is an area of concern in the county and judicious budget allocation is required to mitigate the issue.
Introduction

Homa Bay County covers an area of 4,267.1 km² inclusive of the water surface which on its own covers an area of 1,227 km². The county is divided into 8 sub-counties and 40 wards. The estimated population of the county for the year 2015 is around 1.1 million, consisting of 48 per cent male and 52 per cent female.

The county’s development agenda (as per County Fiscal Strategy Paper 2016) is to consolidate and communicate gains from devolution and improve service delivery. Public investments will be focused more on (1) promotion of trade and enterprise development, (2) transformation of the agriculture and tourism sectors, (3) putting up priority infrastructure including energy, transport and ICT and, (4) providing quality and accessible healthcare services as well as quality education for ECDE and vocational students.

Overall budget/expenditure

In 2015-2016, the third year of devolution, the county budget estimate was Ksh 6.6 billion, recording an increase of 32 per cent in comparison to 2014-2015 (Figure 1). Out of total budget, 40 per cent was allocated to social sector in 2015-2016. The actual expenditure in 2015-2016 was Ksh 5.8 billion, which increased by 45 per cent in comparison to 2013-2014. In 2015-2016, 36 per cent of total expenditure was spent on social sector by the county.

In terms of execution of the allocated budget, it had not been satisfactory during 2013-2014, however the same has significantly improved over the years. In 2013-14, the lower budget absorption rate of 75 per cent was mainly attributed to lower absorption of development budget viz. 62 per cent (Figure 1). The key factors behind underperformance in development budget were inadequate human resource capacity particularly in budgeting, accounting and procurement which delayed the preparation of budget documents and financial reporting (See Annual CBIRR 2013/14, 2014/15 and 2015/16). The county made progress in addressing some of the identified challenges (e.g. improvement in staff capacity through training and recruitment of chief officers and other technical staff; embracing use of IFMIS to process financial transactions; and improvement in local revenue collection) and as a result absorption of development budget significantly improved

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Figure 1: County budget & expenditure (Ksh billion)

- 2013-2014: 5.3, 5.0
- 2014-2015: 6.6, 4.0
- 2015-2016: 5.3, 5.8

Figure 2: County budget absorption rates (%)

- 2013-2014: 84, 62
- 2014-2015: 105, 101
- 2015-2016: 93, 79
to 101 per cent in 2014-2015. The reason for over spending is not clear, but then again it could be because of clearance of previous bills. In 2015-2016, the execution of budget again declined and the development absorption rate dropped to 79 per cent. As per CBIRR 2015-2016, delays in disbursement of funds by National Treasury was one of the factors which has affected implementation of some projects.

Health

Homa Bay County has 221 health facilities\(^1\) including 57 basic primary health care facility, 149 dispensaries, 8 primary care hospitals and 7 secondary care hospitals.

The county's health indicators reflect an encouraging trend. Between 2013 and 2015, the MCH service coverage indicators like, the coverage of 4+ ANC visits, skilled delivery, and exclusive breastfeeding improved. However during the same period, immunization coverage decreased from 71 to 66 per cent. In terms of nutrition indicators, the county has performed better than national average. However HIV adult prevalence stands at 26 per cent (see Kenya HIV County Profiles, 2014) which is highest among the counties and way above the national average of 6 per cent. The ART adult coverage in county stands at 70 per cent which is lower than the national average of 79 per cent.

In 2014-2015, the county government allocated Ksh 1.3 billion for health sector, representing 26 per cent of its total budget (Figure 3). In 2015-2016, though the budget marginally increased to Ksh 1.6 billion, the share declined to 25 per cent.

In terms of composition, development budget had a share of 38 per cent in the total health budget in 2014-15, which declined to 35 per cent in 2015-16 just above the PFM Act 2012 rule of ensuring ratio of recurrent to development of at least 70:30 (Figure 4). It is suggested that the budget planning could be wisely revised to address the health service delivery gaps in the county and HIV crisis.

In terms of economic classification, in 2013-14, personnel emoluments amounted to Ksh 1.2 billion, representing 30 per cent of the total county expenditure. The figure went up to Ksh 2.0 billion and Ksh 2.5 billion in 2014-15 and 2015-2016 respectively (mainly due to recruitment of new staff). The share of personnel emoluments in 2015-2016 stand at 45 per cent of total expenditure whereas share of development expenditure was just 33 per cent.

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\(^1\) Health facility data: [http://kmhfl.health.go.ke/#/home](http://kmhfl.health.go.ke/#/home)
The actual health spending by the county was Ksh 995 million in 2014-2015 and Ksh 1,276 million in 2015-2016 (Figure 5). This translated to the absorption rate of 76 per cent in 2014-2015, which slightly increased to 79 per cent in 2015-2016.

In terms of the execution of recurrent budget in 2014-2015, there was an over spending of 6 per cent and in 2015-2016 there was under spending with recurrent absorption rate of 88 per cent (Figure 5). The utilization of the development budget had been much lower than the recurrent budget. In 2014-2015, absorption of development budget was as low as 28 per cent, which rose to 63 per cent in 2015-2016, mainly due to recruitment of health staff (to enhance service delivery in hospitals).

Notwithstanding the low utilisation of development budget, the county had implemented several projects, e.g., construction of modern maternity wards, recruitment of medical staff including doctors, clinical officers, nurses, public health officers, medical record officers and community health officers. The county had also purchased ultra-modern ambulances and installed state-of-art medical equipment (See The Promise of Devolution 2016).

Among the programmes, policy planning and administrative support services accounted for the largest share in the total health outlay (Figure 6). In 2015-16, budget allocation for preventive and promotive health services; curative and rehabilitative health services; and research and development service were 3 per cent, 33 per cent and 1 per cent respectively.

In the absence of specific budget lines, this brief could not track the county’s own budget and expenditure for nutrition and HIV/AIDS.
Education

Under devolution, the education department of Homa Bay is responsible for early childhood development education. It has been observed that, the county is also spending on ICT related activities in schools.

At present, the county runs 992 early childhood development and education (ECDE) centres and 16 public youth polytechnics. In addition, there are 867 primary and 313 secondary schools that are funded and managed by the national government. The number of teachers currently providing basic education is 12,781 consisting of 2930 ECDE, 7,477 primary, and 2,374 secondary school teachers.

Access to basic education in the county stands better than the status at national level. As of 2015, gross enrolment ratio (GER) is 107.7 per cent at pre-primary level, 117 per cent at primary level, and 72.5 per cent at secondary level compared to national average of 76.5 per cent, 103.6 per cent and 63.3 per cent respectively. Similarly, the county has recorded much better progress with better net enrolment ratio (NER) at pre-primary level, primary level, and secondary level vis-à-vis the national average (see Basic Education Booklet 2014).

At present, gender parity index (GPI) values of the county at ECDE, primary, and secondary education level stand at 1.03, 0.99, and 0.75 respectively. The values indicate that boys and girls have nearly equal access to pre-primary and primary education, while at the secondary level boys enrolment is more than the girls. In fact, the secondary GPI is lower than the national average of 0.89, which indicates a lower-than-national performance in providing equitable access to secondary level education.

The county’s budget allocation for education was 8 per cent and 7 per cent in 2014-15 and 2015-16 respectively (Figure 7).

In absolute terms, the budget increased from Ksh 401 million in 2014-2015 to Ksh 467 million in 2015-2016. Over the same period, the recurrent and development budget ratio shifted from 73:27 in 2014-2015 to 75:25 in 2015-16, thereby further decreasing the fiscal space for developmental activities even below the minimum level of 70:30 as per PFM Act 2012 (Figure 8).
From 2014-15 to 2015-16, overall absorption of education budget decreased from 89 per cent to 84 per cent (Figure 9). During the same period, execution of recurrent budget had improved however the development budget absorption was as low as 40 per cent in 2015-2016.

The development budget was mainly spent on construction of ECDE centres and new ECD classrooms; employment of supervisors; recruitment of ECDE teachers since devolution and development of Maseno university (See The Promise of Devolution 2016).

Among the programmes, general administration and quality assurance services had received highest budget allocation of 91 per cent. Other than this, allocation for ECDE and vocational training services; and ICT services were 5 per cent, and 4 per cent respectively (Figure 10).

Despite significant progress in education the county is faced with challenges. To tackle the same, the county has continuously endeavoured to improve the basic education and has finalised medium term priority projects which include establishment of institutions for training of ECD teachers and vocational instructors and establishment of County Bursaries and Scholarships Fund (see ADP 2017-2018 p 37).
Social Services

The social services come under Tourism, culture, social development and sports department of the county and was allocated 2 per cent of the total budget in 2015-2016. In absolute terms Ksh 109 million was allocated, out of which around 20 per cent was allocated to social development and empowerment services like social protection cash transfers for elderly; gender and women empowerment; and disability mainstreaming. It is encouraging to note that county has a separate budget line for social protection for elderly (approx. Ksh 12 million was allocated for it as per Medium term expenditure framework (MTEF) 2015/16-2017/18 published by county treasury).

Figure 11: Social services budget by programmes (2015-16)

Under the programme for social development and children services, 27 homes of OVCs have been supported with foodstuff and stationery; 66 women groups and 16 youth groups have been capacity built on Income Generating Agencies (IGAs), market strategies, procurement and life social development and other skills (See MTEF 2015-2016 to 2017-18 for further details). PLWD issues are being mainstreamed through visiting of persons with severe disability, sensitization on affirmative action and promotion of a disability-friendly environment. Gender-based violence campaigns have been carried out to curb inhibitive cultural practices such as wife battering, FGM, widow inheritance, early marriages and girl-child labor practices that undermine empowerment of the women folk (See MTEF 2015-2016 to 2017-18 for further details).

Water Services

The water & environment department of the county is responsible for water supply and management services. Apart from lake Victoria and other known natural sources such as rivers and springs, the county of Homa Bay has about 2,200 water facilities spread over 211 sub-locations. These facilities include boreholes, water pans and water wells/springs. The average distance to the nearest water point stands at five km. This means majority of the residents have to lose more than 30 minutes to reach water points and queue for the service. (See CIDP 2013-2017 p 40).

In 2013 the county recorded very low water coverage of just 11 per cent and it didn’t submit data against key performance indicators in 2016. This is an area of concern and needs to be improved in coming years.

The county’s budget allocation for water increased to 7 per cent in 2015-2016 from 5 per cent in 2014-2015 (Figure 12). In absolute
terms, the budget rose to Ksh 459 million in 2015-2016 from Ksh 255 million in 2014-2015. Over the same period, the recurrent and development budget ratio was almost constant at 25:75 in 2014-2015 and 2015-2016, thereby giving adequate development budget for capital intensive investments in the sector (Figure 13).

In 2014-2015, the county spent Ksh 195 million in water sector which increased to Ksh 366 million in 2015-2016. The overall absorption rate of water budget also increased from 76 per cent in 2014-2015 to 80 per cent in 2015-2016 (Figure 14). During the same period, execution of recurrent budget increased from 86 per cent to 133 per cent in 2015-2016 and the study suggests review of recurrent expenditure as it exceeded 33 per cent of the allocated budget. At the same time, the development absorption rate had declined from 73 per cent in 2014-2015 to 62 per cent in 2015-2016.

Some of the development projects implemented by the county were construction of boreholes (around 50 had been sunk), building of water pans and springs (reduced the distance to available source of water), etc. (See The Promise of Devolution 2016).

In terms of programme wise budget, county wisely allocated majority part to water supply and management services to address the issue of low water coverage in county (Figure 15).
Technical Note:

- The social sector analysis is based on the financial data of the four departments, viz. (a) Health services; (b) Education & ICT; (c) Tourism, culture, social development and sports; and (d) Water & environment.


- The programme wise budget bifurcation has been taken from MTEF 2015-16 to 2017-18 which was published by the county treasury of County Government of Homa Bay. Programme Based Budget (PBB) for the county was not available.

- Due to absence of specific budget lines, the study could not track and comment on allocation/expenditure for HIV, sanitation and nutrition related activities.