

Vote:122

Kampala Capital City Authority

VI: Vote Overview

(i) Snapshot of Medium Term Budget Allocations

Table V1.1: Overview of Vote Expenditures

Billion Uganda Shillings	FY2016/17 Outturn	FY2017/18		FY2018/19 Proposed Budget	MTEF Budget Projections			
		Approved Budget	Spent by End Sep		2019/20	2020/21	2021/22	2022/23
Recurrent Wage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Non Wage	0.420	0.434	0.010	0.434	0.529	0.609	0.730	0.876
Devt. GoU	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Ext. Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GoU Total	0.420	0.434	0.010	0.434	0.529	0.609	0.730	0.876
Total GoU+Ext Fin (MTEF)	0.420	0.434	0.010	0.434	0.529	0.609	0.730	0.876
<i>A.I.A Total</i>	0.357	3.254	0.093	2.554	3.354	3.454	3.554	3.654
Grand Total	0.777	3.688	0.103	2.988	3.883	4.062	4.284	4.530

(ii) Vote Strategic Objective

V2: Past Vote Performance and Medium Term Plans

Performance for Previous Year FY 2016/17

REVENUE COLLECTION

Total revenue collections for the FY 2016/17 amounted to UGX 88,894,496,280 against the target of UGX 112,699,000,000 registering a performance of 79% and a deficit of UGX 23,804,503,721. This compared to the FY 2015/16,

REVENUE ADMINISTRATION

Taxpayer education and sensitization

Carried out public sensitization and awareness campaigns

- Organized and held 159 **Sensitizations/Barraza's /Workshops/Engagements and attracted** 13,092 participants. Out of the 159 sensitizations 12 were professional targeted engagements, 25 local council driven, 12 on request of councilors and area member of parliament, 30 were upon the request of the Division leadership and 79 were general planned taxpayer sensitizations.
- Held** 14 radio talk shows and 4 **TV talk shows**,

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- Organized and held 3 **Press Conferences**,
- 205,868 **Bulk SMS**, were sent out to the different taxpayers regarding different issues that relate to revenue collection and administration.

Tax Audits

Conducted a total of 98 tax audits and the collectible revenue identified was **UGX 1,503,967,773** while **UGX 383,043,790** realized during the period.

Enforcements

- 32,476 shops were sealed for trading without valid trade license within and **UGX 2.9 Bn** realized
- 1,921 properties were enforced on for defaulting property rates and **UGX 1.6 Bn** was realized.
- 15,256 taxis were impounded while others crumped for noncompliance to commercial road user fees and realized **UGX 2.5 Bn**

Revenue Modernization Project (CAM/CAMV)

Revenue collection is now administered on eCitie (KCCA Online payment Platform) while the automation of the remaining revenue sources is ongoing.

Mass Valuation of Properties.

- Completed the Valuation exercise for 15,018 properties in the Central Division with a ratable value of UGX 359,589,505,733.
- As at 30th June 2017, 42,998 properties had been inspected in Central and Nakawa Divisions. Out of these, 31,054 were uploaded onto the system and 13,419 properties quality assured. Data collection in Nakawa Division is still on going.

City Address Model (CAM)

The City Address model has been done using the Geographic Information System (GIS). This system captures, stores, analyses, manages, and presents data that are linked to location(s).

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Performance as of BFP FY 2017/18 (Performance as of BFP)

UGX 16,890,795,572 was collected against a target of UGX 27,324,082,716 representing 62.8% and registering a deficit of 10,433,287,144.

A total of 56,728 had been inspected under CAMV (Computer aided mass valuation) during the period, out of these 26,672 had been uploaded and 14,415 were quality assured in Nakawa division. A total of 6,399 properties in Nakawa were assessed with a ratable value of UGX 24,617,586,819.

Trading license register, Local service tax, Local Hotel Taxi, property and Ground rent register of revenue were updated on regular basis.

A total of thirty (30) sensitizations were conducted during the quarter and 1,725 people directly attended these sensitizations. These sensitizations were geared towards popularizing CAM/CAM/V activities in Nakawa, enhancing revenue collections and in particular sensitization on Trade (License) (Amendment) Act 2015

Seventeen (17) audits were completed during the quarter and the total amount of revenue identified from the completed audits was UGX 112,275,416 /=-

FY 2018/19 Planned Outputs

- Collection of UGX116Bn as target for NTR for FY 2018/19
- General revenue collection and administration
- Taxpayer Registration Expansion Project (TREP) activities
- Property valuation exercise
- Develop the system for computer aided mass valuation of properties.
- Office tools, computers and equipment.
- Enhancement of revenue/tax compliance through audits, tax payer sensitization
- Procurement of accountable stationary and office tools.
- Enhance staff competencies through reskilling and training

Medium Term Plans

- Enhancing mobilization of Local revenue.
- Development partner finance.
- Promoting Alternative financing mechanisms.
- Public Private Partnerships.
- Kampala City Bond.
- The Kampala Development Corporation.
- Kampala Development Foundation.
- Kampala City Lottery.

Efficiency of Vote Budget Allocations

GOU 0.43 BN ,NTR - 3.17Bn Total allocation UGX.3.6Bn To deliver the proposed above.

Vote Investment Plans

N/A

Major Expenditure Allocations in the Vote for FY 2018/19

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- Finalize property valuation
- Full automation of the revenue administrative processes
- Developing operational guidelines for revenue administration
- Strengthening partnerships with other agencies and interagency systems i.e. KDLB
- Enhancing staff competencies through reskilling and training
- Tax compliancy programs
- Review of regulatory framework and alternative tax sources

V3: PROGRAMME OUTCOMES, OUTCOME INDICATORS AND PROPOSED BUDGET ALLOCATION

Table V3.1: Programme Outcome and Outcome Indicators

Vote Controller :							
Programme :	09 Revenue collection and mobilisation						
Programme Objective :	To mobilize funds that will ensure service delivery for the different activities in the City.						
Responsible Officer:	Director Revenue Collection.						
Programme Outcome:	Efficiency in the collection and management of public resources to ensure value for money in the service delivery.						
<i>Sector Outcomes contributed to by the Programme Outcome</i>							
1. Value for money in the management of public resources							
Programme Performance Indicators (Output)	Performance Targets						
	2016/17 Actual	2017/18 Target	Base year	Baseline	2018/19 Target	2019/20 Target	2020/21 Target
• Number	0				116,613,000,000	122,613,000,000	125,766,000,000

Table V3.2: Past Expenditure Outturns and Medium Term Projections by Programme

<i>Billion Uganda shillings</i>	2016/17	2017/18		2018-19	MTEF Budget Projections			
	Outturn	Approved Budget	Spent By End Q1	Proposed Budget	2019-20	2020-21	2021-22	2022-23
Vote :122 Kampala Capital City Authority								
09 Revenue collection and mobilisation	0.420	0.434	0.010	0.434	0.529	0.609	0.730	0.876
Total for the Vote	0.420	0.434	0.010	0.434	0.529	0.609	0.730	0.876

V4: SUBPROGRAMME PAST EXPENDITURE OUTTURNS AND PROPOSED BUDGET ALLOCATIONS

Table V4.1: Past Expenditure Outturns and Medium Term Projections by SubProgramme

<i>Billion Uganda shillings</i>	2016/17	FY 2017/18		2018-19	Medium Term Projections			
	Outturn	Approved Budget	Spent By End Sep	Proposed Budget	2019-20	2020-21	2021-22	2022-23
<i>Programme: 09 Revenue collection and mobilisation</i>								
06 Revenue Management	0.420	0.434	0.010	0.434	0.529	0.609	0.730	0.876
Total For the Programme : 09	0.420	0.434	0.010	0.434	0.529	0.609	0.730	0.876

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Total for the Vote :122	0.420	0.434	0.010	0.434	0.529	0.609	0.730	0.876
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N / A

Table V4.3: Major Capital Investment (Capital Purchases outputs over 0.5Billion)

N / A

V5: VOTE CHALLENGES FOR 2018/19 AND ADDITIONAL FUNDING REQUESTS

Vote Challenges for FY 2018/19

- **Limited implementation of the CRUF Instrument 2015;** Implementation of Commercial Road User Fees instrument (buses, boda-boda, Trucks, Lorries, pickups and other road user types not contributing) has proved cumbersome and the projected increase in Revenues from the this sector has not been acheived. This has further been complicated by the recent Presidential directive on streamlining collection of fees from this sector which has created total non-compliance even from those who had previously complied.
- **Set back in the implementation of the Trading License Act amendment 2015;** Following the amendment to the Trading License Act which brought on board professionals under the armpit of business licensing, a number of professional firms have gone to the courts of Law to seek redress on account of excessive taxation and have managed to secure injunction from Court restraining us from collecting the License fee. T
- **Limited involvement of political leadership in revenue administration;** Revenue administration is greatly aided when the political leadership at the highest level takes a lead role in revenue mobilization. The extent of political involvement has been rather low whereas we some involvement more especially at the level of Urban Division councils. The same needs to replicate at the Authority level.
- **Delays in approval of some proposed revenue enhancement proposals;** some revenue enhancement proposals such as revision in the Physical planning fees have not been approved yet the corresponding revenues were budgeted and included in the Revenue estimates for the FY 2017/18.
- **Tax Payer apathy;** this is partly informed by the insistence by taxpayers on over taxation and sometimes ignorance and they sometimes confuse the KCCA levies with that of URA.
- **Conflict between tax laws and alternative administrative Directives and pronouncements;** for example the Presidential directive on 10th November 2008 on promotion and empowerment of market vendors in management and developments of markets has not been translated into law. This has created a vacuum where vendors often quote that directive and out rightly refuse KCCA to manage and collect from the market. Such actions have caused vendors in Nakasero Market to forcefully take over the market and hence.
- Furthermore the recent presidential directive on harmonization of taxi fees and market dues is at present in conflict with existing laws yet it has already impacted Revenue collections from the mentioned revenue sources.
- **Absence of a clear and harmonized leadership in the Commercial Transport sector;** this has severely constrained reforming the sector since most of the sector associations hold ulterior motives and are less concerned with streamlining the sector and this complicates Revenue Administration in the sector. This is manifested through illegal stages and the violent behavior of some operators.
- **Limited Trade order in the city;** Illegal stages for taxis and boda-bodas coupled with vending in every corner of the city impact on Revenue Administration by affecting the compliance behavior of formal businesses who complain that the activities of the street vendors impact on their business and hence are un willing to settle their obligations.
- **Public expectation gap (tax payment vs service delivery);** this promotes non-compliance.
- **Inadequate staffing (numbers) and limited tools and equipment's for work;** the revenue administration within our jurisdiction is heavily reliant on staff numbers and equipment's such as motor vehicles to facilitate delivery of demand notices, follow up efforts and enforcement activities.
- **Delays in carrying out revaluation of properties;** this in the past has been due to the cost of revaluation and inadequate records of the previous valuation exercise. This results into a slower growth in property tax revenues.
- **Limited tax payer Compliance;** this increases cost of tax administration since revenue yields can only be sustained through enforcement.
- **Limitations in some tax administration laws impedes full realization of revenue potential;**

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Table V5.1: Additional Funding Requests

Additional requirements for funding and outputs in 2018/19	Justification of requirement for additional outputs and funding
Vote : 122 Kampala Capital City Authority	
Programme : 09 Revenue collection and mobilisation	
OutPut : 01 Registers for various revenue sources developed	
Funding requirement UShs Bn : 2.400	Each division has one vehicle attached to revenue collection activities with sitting capacity of four (4) which constrains the movement of over 10 staff at a division at ago. Tax payers usually comply with increased staff visibility in the field. Transport ease staff mobility and will into increased compliance and growth in the register over 30,000 taxpayers will be registered. Additional three (3) omnibuses of 414 seating capacity put in a pool will deal with the transport need
OutPut : 02 Local Revenue Collections	
Funding requirement UShs Bn : 0.600	Trade licences and property rates are tax types that require validation and verification respectively. If the said gadgets are availed they will reduce forgery and ease identification of properties put using our GIS platform. The gadgets will enable staff access the system while in the field to register payments and confirm payments real time. This is projected to enhance revenue collection and growth by 5%.