

Vote: 122 Kampala Capital City Authority

Vote Summary

VI: Vote Overview

This section sets out the Vote Mission, Strategic Objectives, and provides a description of the vote's services

(i) Snapshot of Medium Term Budget Allocations

Table V1 below summarises the Medium Term Budget allocations for the Vote:

Table V1.1: Overview of Vote Expenditures (UShs Billion)

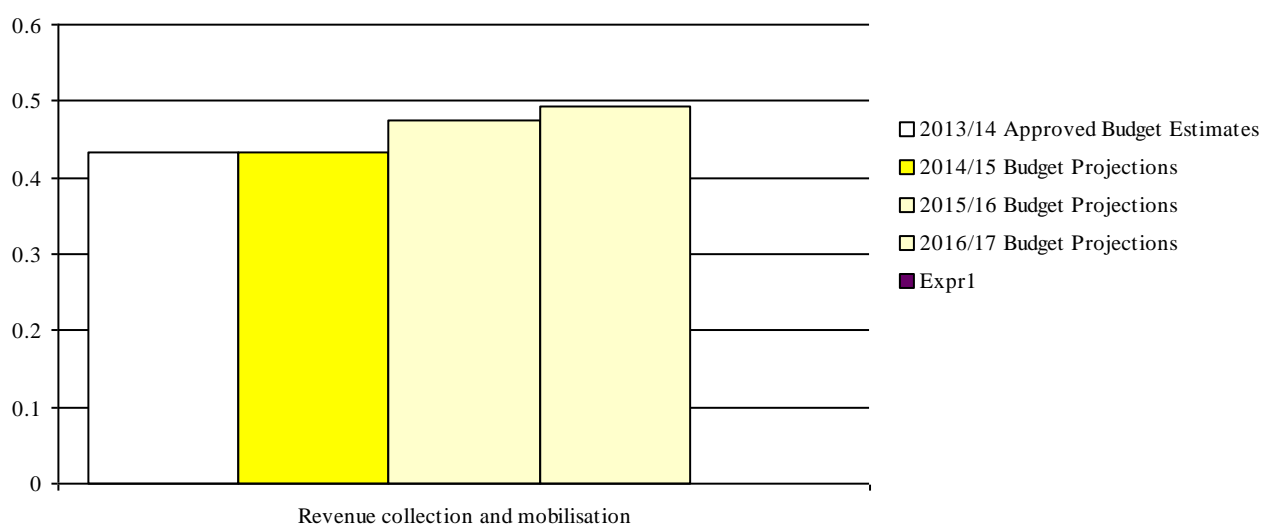
	2012/13 Outturn	2013/14		MTEF Budget Projections		
		Approved Budget	Spent by End Dec	2014/15	2015/16	2016/17
<i>(i) Excluding Arrears, Taxes</i>						
Recurrent						
Wage	0.000	0.000	0.000	0.000	0.000	0.000
Non Wage	0.103	0.434	0.130	0.434	0.475	0.494
Development						
GoU	0.000	0.000	0.000	0.000	0.000	0.000
Ext.Fin	0.124	0.000	0.000	0.000	0.000	0.000
GoU Total	0.103	0.434	0.130	0.434	0.475	0.494
Total GoU+Donor (MTEF)	0.227	0.434	0.130	0.434	0.475	0.494
<i>(ii) Arrears and Taxes</i>						
Arrears	0.000	0.000	0.000	0.000	N/A	N/A
Taxes**	0.000	0.000	0.000	0.000	N/A	N/A
Total Budget	0.227	0.434	0.130	0.434	N/A	N/A
<i>(iii) Non Tax Revenue</i>						
Grand Total	0.227	2.617	0.263	2.617	N/A	N/A
Excluding Taxes, Arrears	0.227	2.617	0.263	2.617	2.767	3.015

* Donor expenditure data unavailable

** Non VAT taxes on capital expenditure

The chart below shows total funding allocations to the Vote by Vote Function over the medium term:

Chart V1.1: Medium Term Budget Projections by Vote Function (UShs Bn, Excluding Taxes, Arrears)



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(ii) Vote Mission Statement

The Vote's Mission Statement is:

*Vision: To be a, Vibrant, Attractive and sustainable city.
the city.
mandate*

*Mission: To Deliver quality services to
KCCA*

*To Administer the Mobilization of Local Revenue and provide Public Services in the City.
To promote and control Physical Development in the City
To promote Socio-economic Development in the City
To provide Infrastructure Services to the
city*

Revenue Mandate: To administer the collection of all taxes and fees in the City.

(iii) Vote Outputs which Contribute to Priority Sector Outcomes

The table below sets out the vote functions and outputs delivered by the vote which the sector considers as contributing most to priority sector outcomes.

Table V1.2: Sector Outcomes, Vote Functions and Key Outputs

Sector Outcome 1:	Sector Outcome 2:	Sector Outcome 3:
<i>Efficient service delivery through formulation and monitoring of credible budgets.</i>	<i>Compliance to accountability policies, service delivery standards and regulations.</i>	<i>Accountability Sector's contribution to economic growth and development enhanced</i>
Vote Function: 14 09 Revenue collection and mobilisation		
<i>Outputs Contributing to Outcome 1:</i>	<i>Outputs Contributing to Outcome 2:</i>	<i>Outputs Contributing to Outcome 3:</i>
None	None	<i>Outputs Provided</i> 140901 Registers for various revenue sources developed 140902 Revenue generating contracts reviewed

V2: Past Vote Performance and Medium Term Plans

This section describes past and future vote performance, in terms of key vote outputs and plans to address sector policy implementation issues.

(i) Past and Future Planned Vote Outputs

2012/13 Performance

The projected Revenue collection for the Financial Year 2012\13 was UGX 75.69Bn. However, actual collections were UGX 55.211Bn as at 30th June 2013. Segmentation of tax payers

Tax payers have been segmented according to such attributes as size, revenue source, and past behavior. Our efforts have been focused on the big taxpayers.

Arising from the said stratification, a Large Tax payers Unit is being established. Relatedly, we are introducing the concept of account managers to oversee the revenue transactions relating to the large tax payers.

Establishment of a debt collection mechanism/system

A team has been created that is charged with the responsibility of identifying all the tax/ fees arrears to facilitate vigorous follow up by another team which is in charge of recovering identified tax/fees arrears.

Individual Staff revenue performance targets

Individual staff revenue targets have been introduced to enhance performance.

Incorporation of the Organizational successes in the Revenue sensitization workshops/campaigns

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The tax payers' sensitizations is involving giving the public information regarding KCCA's achievements in order to promote the benefits of paying taxes, educating taxpayers about how to comply, and increasing the perception of risk for noncompliance.

Revenue Audits

Revenue audits have been strengthened with a view of continuously identifying any tax/ fees under assessments.

Strategic partnerships with such key partners as URA have been enhanced with a view of sharing vital revenue related information.

Preliminary 2013/14 Performance

UGX 14,946,765,315 NTR was collected against the targeted UGX 15,190,991,574 a performance of 98%.

6 sensitizations were conducted to enlighten taxpayers and staff on the different sources of revenue. Participants were drawn from different sectors i.e. Revenue officers, Market leaders, Hotel managers and employers, teachers in Rubaga Division, Supervisors and team leaders in the Directorate of Revenue collection and residents of Kawempe Division together with their local leaders.

Specialized revenue stationary worth UGX 42,747,700 was procured, this included Licenses and BAFs

Automation of Taxi collection fees was started last quarter and System analysis, Development plan and database designs have been done. Integration of different modules is in progress

6 registers, that is, Trading License, Property rates, Ground rent, Local Service Tax, Local Hotel Tax and Taxis. Cleaning/updating of the registers is done continuously.

Review of Local Governments Rating Act 2005 commenced during the period with Consultations between the Directorate of Revenue Collection and Directorate of Legal Affairs. The exercise is still on going

10 hotel audits were commenced during the quarter out of which 3 were concluded. The audited hotels were Ivy's, Sojovalo, College Inn, Hotel Ruch, Nob View Hotel, Emerald Hotel, Silver springs, Fang Fang, Capital palace hotel and Mosa courts apartments. LST and its surcharge of UGX 24,734,850 and Trading license fees amounting to UGX 2,806,000 has so far been collected.

Table V2.1: Past and 201/12 Key Vote Outputs*

<i>Vote, Vote Function Key Output</i>	Approved Budget and Planned outputs	2013/14 Spending and Outputs Achieved by End Dec	2014/15 Proposed Budget and Planned Outputs
Vote: 122 Kampala Capital City Authority			
Vote Function: 1409 Revenue collection and mobilisation			
Output: 140901	Registers for various revenue sources developed		
<i>Description of Outputs:</i>	Develop registers for the five major revenue sources.	6 registers, that is, Trading License, Property rates, Ground rent, Local Service Tax, Local Hotel Tax and Taxis.	NA
<i>Output Cost: UShs Bn:</i>	0.700	<i>UShs Bn:</i> 0.000	<i>UShs Bn:</i> 0.700
Output: 140902	Local Revenue Collections		
<i>Description of Outputs:</i>	68.19Bn Mobilised and collected as NTR.	UGX 14,946,765,315 NTR collected as NTR.	78.68Bn mobilised and collected as NTR
<i>Performance Indicators:</i>			
Proportion of targeted revenue collected	68.19	14.9	78.68

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Vote, Vote Function Key Output	Approved Budget and Planned outputs	2013/14 Spending and Outputs Achieved by End Dec	2014/15 Proposed Budget and Planned Outputs
Output Cost: US\$ Bn:	1.917	US\$ Bn: 0.064	US\$ Bn: 1.917
Vote Function Cost	US\$ Bn: 2.617	US\$ Bn: 0.130	US\$ Bn: 2.617
Cost of Vote Services:	US\$ Bn: 2.617	US\$ Bn: 0.130	US\$ Bn: 2.617

* Excluding Taxes and Arrears

2014/15 Planned Outputs

Initiate the revaluation of properties in the City, Initiate the procurement of the GIS based property management system.
Operationalisation of the Revenue Public Transport Management system which is being developed, Design, develop and
and incorporate a trade license module in the Revenue Management system
Engage in intensive tax awareness campaigns stressing KCCA achievements.
Enhance the participation of Division leaders in revenue mobilization.
Expand the tax base through identification and registration of new taxpayers.
Strengthen further the revenue enforcement activities.

Table V2.2: Past and Medium Term Key Vote Output Indicators*

Vote Function Key Output Indicators and Costs:	2012/13 Outturn	2013/14 Approved Plan	2013/14 Outturn by End Dec	MTEF Projections		
				2014/15	2015/16	2016/17
Vote: 122 Kampala Capital City Authority						
Vote Function: 1409 Revenue collection and mobilisation						
Proportion of targeted revenue collected		68.19	14.9	78.68		
Vote Function Cost (US\$ bn)	0.103	2.617	0.130	2.617	2.767	3.015
Cost of Vote Services (US\$ Bn)	0.103	2.617	0.130	2.617	2.767	3.015

Medium Term Plans

Revenues management processes re engineered and automated, Properties in the city revalued, NTR legislation reviewed and improved. Quality of revenue services improved, staff competences enhanced, Revenue staff motivation improved, Internal and external communication improved.

(ii) Efficiency of Vote Budget Allocations

Introduction of the Revenue Management system module which will reduce staff handling funds and easy payment by KCCA clientele. Adopt the tax payers' sensitizations which involve giving the public information regarding KCCA's achievements in order to promote the benefits of paying taxes, educating taxpayers about how to comply, and increasing the perception of risk for non-compliance.

Table V2.3: Allocations to Key Sector and Service Delivery Outputs over the Medium Term

Billion Uganda Shillings	(i) Allocation (Shs Bn)				(ii) % Vote Budget			
	2013/14	2014/15	2015/16	2016/17	2013/14	2014/15	2015/16	2016/17
Key Sector	2.6	2.6	2.8	3.0	100.0%	100.0%	100.0%	100.0%

Table V2.4: Key Unit Costs of Services Provided and Services Funded (Shs '000)

Unit Cost Description	Actual 2012/13	Planned 2013/14	Actual by Sept	Proposed 2014/15	Costing Assumptions and Reasons for any Changes and Variations from Plan
<i>Vote Function: 1409 Revenue collection and mobilisation</i>					
Revenue software					software will capture data base for all

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Unit Cost Description	Actual 2012/13	Planned 2013/14	Actual by Sept	Proposed 2014/15	Costing Assumptions and Reasons for any Changes and Variations from Plan
					local revenue sources.
Revenue register					Various revenue sources identified and corresponding registers updated
Revenue mobilisation					Field revenue staff facilitated and equipped
revaluation of a rating zone.					All properties in CBD, commercial and owner occupied properties.

(iii) Vote Investment Plans

Investment in revaluation of property is anticipated to highly boost NTR given potential collection from this source. Computerisation of the revenue management function will limit staff interface with the actual revenues funds and enhance prudence in reporting and accounting for revenues. KCCA will invest heavily in developing and procuring revenue enhancement softwares for enhancement.

Table V2.5: Allocations to Capital Investment over the Medium Term

Billion Uganda Shillings	(i) Allocation (Shs Bn)				(ii) % Vote Budget			
	2013/14	2014/15	2015/16	2016/17	2013/14	2014/15	2015/16	2016/17
Consumption Expenditure(Outputs Provided)	2.6	2.6	2.8	3.0	100.0%	100.0%	100.0%	100.0%
Grand Total	2.6	2.6	2.8	3.0	100.0%	100.0%	100.0%	100.0%

KCCA will invest in revaluation of all properties in the City at an estimated cost of UGX. 700millions. However, total revaluation budget is about UGX 12Bn.

Table V2.6: Major Capital Investments

(iv) Vote Actions to improve Priority Sector Outcomes

All proposed revenue rate will be adopted.

Table V2.7: Priority Vote Actions to Improve Sector Performance

2013/14 Planned Actions:	2013/14 Actions by Sept:	2014/15 Planned Actions:	MT Strategy:
Sector Outcome 0:			
Vote Function: 14 09 Revenue collection and mobilisation			
<i>VF Performance Issue: Inadequate Automated Revenue Management Systems</i>			
Document all the existing revenue processes;	.System analysis, Development plan and database designs have been done. Integration of different modules is in progress.	Intergrate the Business Licence portfolio on the revenue management system	Acquire a revenue management IT system & the supporting IT hardware
Review & update the existing processes;			Update the tax payers database
Acquire a revenue management IT system & the supporting IT hardware;			Intergrate GIS in revenue Management
Update the tax payers database Intergrate GIS in revenue Management.			
<i>VF Performance Issue: Non Intergrated Processes</i>			
Reviewing all the applicable laws;	Review of Local Governments Rating Act 2005.		Capacity building for revenue mobilisation and collection staff.
Identifying areas that require amendment;	Consultations between the Directorate of Revenue Collection and Directorate of		

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2013/14 Planned Actions:	2013/14 Actions by Sept:	2014/15 Planned Actions:	MT Strategy:
Proposing required amendments;	Legal Affairs has been done.		
Proposing new laws or regulations or policies.			
Sector Outcome 2: Compliance to accountability policies, service delivery standards and regulations.			
Vote Function: 14 09 Revenue collection and mobilisation			
<i>VF Performance Issue: Incomplete and inaccurate taxpayer register</i>			
Building a database on: - Properties in the City - Taxis in the city - Business license payers - Hotel tax payers - Local services tax payers	Cleaning/updating of the registers is has been done		Training and recruitment of staff to manage the database for revenue management Tax education for compliance to pay NTR. Carry out property revaluation in the whole city.

V3 Proposed Budget Allocations for 2014/15 and the Medium Term

This section sets out the proposed vote budget allocations for 2014/15 and the medium term, including major areas of expenditures and any notable changes in allocations.

Table V3.1: Past Outturns and Medium Term Projections by Vote Function*

	2012/13 Outturn	2013/14		MTEF Budget Projections		
		Appr. Budget	Spent by End Sept	2014/15	2015/16	2016/17
Vote: 122 Kampala Capital City Authority						
1409 Revenue collection and mobilisation	0.227	2.617	0.064	2.617	2.767	3.015
Total for Vote:	0.227	2.617	0.064	2.617	2.767	3.015

(i) The Total Budget over the Medium Term

In the medium term KCCA will spend UGX 2,617, UGX 2,767, UGX 3,015 in 2014/15, 2015/16 & 2016/17 respectively as the revenue is expected to increase 14% per annum.

(ii) The major expenditure allocations in the Vote for 2014/15

Phased valuation of properties in Kampala will consume UGX 700 Million in the F/Y. However, Property revaluation will remain a major activity in the medium term given the anticipated potential of this revenue source. This will be followed by additional investment in software development, acquisition and information Technology i.e. UGX. 863 millions in F/Y. All these will be geared toward better data bases and hence enhance revenue collection.

(iii) The major planned changes in resource allocations within the Vote for 2014/15

No major change in resource allocation is planned from that of last year given the limited resource basket..

Table V3.2: Key Changes in Vote Resource Allocation

V4: Vote Challenges for 2014/15 and the Medium Term

This section sets out the major challenges the vote faces in 2014/15 and the medium term which the vote has been unable to address in its spending plans.

- Incomplete and inaccurate taxpayer registers.

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- Manual Processes.
- Non-Integrated Processes.
- Lack of an adequate tax regulation framework.

Table V4.1: Additional Output Funding Requests

Additional Requirements for Funding and Outputs in 2014/15:	Justification of Requirement for Additional Outputs and Funding
<i>Vote Function: 1402 Revenue collection and mobilisation</i>	
Output: 1409 02 Local Revenue Collections	
<i>UShs Bn: 12.000</i>	<i>Increased NTR would lead to increased services and infrastructure contributing to growth.</i>
<i>Funding revaluation of properties would considerably increase NTR by about 8Bn by 2015/16 from property rate only.</i>	

This section discusses how the vote's plans will address and respond to the cross-cutting policy, issues of gender and equity; HIV/AIDS; and the Environment, and other budgetary issues such as Arrears and NTR..

(i) Cross-cutting Policy Issues

- (i) Gender and Equity*
- (ii) HIV/AIDS*
- (iii) Environment*

(ii) Payment Arrears

The table below shows all the payment arrears outstanding for the Vote:

(ii) Non Tax Revenue Collections

The table below shows Non-Tax Revenues that will be collected under the Vote:

Source of NTR	UShs Bn	2012/13 Actual	2013/14 Budget	2013/14 Actual by Sept	2014/15 Projected
Miscellaneous receipts/income				0.000	70.941
Other Fees and Charges				0.000	7.539
	Total:			0.000	78.480