

Vote:147 Local Government Finance Commission

V1: Vote Overview

I. Vote Mission Statement

To offer Credible and evidence based advice to Government on financing of Local Governments.

II. Strategic Objective

To promote adequate financial resources for service delivery by Local Governments

III. Major Achievements in 2016/17

Vote:147 Local Government Finance Commission

1. Conducted Outreach activities in the districts of Nakaseke, Lwengo, Kayunga, Buikwe, Napak, Soroti, Ntungamo and Kanungu to discuss Local Economic Development, Commercialization of agriculture, and royalties to feed into the Advisory Note on local revenues.
2. The Commission provided advisory services to four (4) delegations from the Kenya Country Assemblies on a bench marking visit on decentralization in Uganda.
3. Supported 10 local governments and their respective Town Councils with skills to establish Local Revenue Databases Pader, Amolator, Bukomasimbi Butambala, Manafwa, Amuria Otuke Nwoya, Kamwenge, and Kyenjojo, while 14 local governments Kabale, Kasese, Nakasongola, Mubende, Kamuli, Bukedea Iganga, Kayunga, Masaka, Ntungamo, Wakiso, Jinja, Arua, Rukungiri, were provided with hands on support in the establishment of Local Revenue Databases to ensure the Databases were updated and payments captured into the software.
4. 8 local governments of Nkokonjeru, Kamuli, Sheema MC, Kumi MC, Apac MC, Kayunga TC, Bugiri MC and Mityana MC. were supported with skills in the collection of property rates in the areas of production of Valuation Rolls, Billing, enforcement and collection.
5. One Local Revenue Enhancement Coordinating Committee meeting was conducted to discuss the policy issues regarding the performance and management of markets and vehicle parks in the Local Governments and to update on the emerging issues on the establishment of Local Revenue Databases, as well as progress on the drafting of Bills to amend legal provisions for management of local revenues
6. The Commission Organised and facilitated Negotiations with the seven sectors of Health, Water, Education, Agriculture, Works, Gender and Trade. The major focus was on discussing and agreeing on programs, conditions for the grants and modalities of implementation.
7. Supported 6 Districts of Rubanda, Buliisa, Lamwo, Agago, Arua and Omoro LGs on budget formulation skills to be able to produce legally compliant budgets.
8. Convened and facilitated One LGBC to discuss the report from the Local Government Budget Frame Work Paper Consultative workshops.
9. Commission Staff verified and validated fiscal data from 5 districts Kagadi DLG, Kisoro MC, Kitgum MC, Njeru MC, and Apac MC to ensure completeness of data in the Fiscal Databank.
10. Analysed 111 approved Local governments' budgets for legal requirements
11. Conducted an evaluation of LGFC Strategic Plan for FY 2012/13- FY 2015/16 and commenced the development of the New Strategic Plan for FY 2016/17 to FY 2020/21
12. Monitoring and evaluation was carried out to track the implementation of local revenue databases in six districts of Bukedea, Mubende, Masaka, Mpigi, Kiboga and Hoima.
13. Trained staff members in Research and provision of advisory services

IV. Medium Term Plans

1. Contribute to improvements of the state of funding for the local governments
2. Promote equity in grants transfer allocation and support LGs in local revenue collection.

Vote:147

Local Government Finance Commission

V. Summary of Past Performance and Medium Term Budget Allocations

Table 5.1: Overview of Vote Expenditures (US\$ Billion)

	2015/16 Outturn	2016/17		2017/18	MTEF Budget Projections				
		Approved Budget	Expenditure by End Dec		2018/19	2019/20	2020/21	2021/22	
Recurrent									
Wage	1.119	1.119	0.559	1.119	1.175	1.233	1.295	1.360	
Non Wage	3.019	3.493	1.650	3.973	4.767	5.244	6.031	6.031	
Devt.									
GoU	0.631	0.572	0.000	0.572	0.743	0.892	1.070	1.070	
Ext. Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
GoU Total	4.768	5.183	2.209	5.663	6.685	7.369	8.396	8.461	
Total GoU+Ext Fin (MTEF)	4.768	5.183	2.209	5.663	6.685	7.369	8.396	8.461	
Arrears	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total Budget	4.768	5.183	2.209	5.663	6.685	7.369	8.396	8.461	
A.I.A Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Grand Total	4.768	5.183	2.209	5.663	6.685	7.369	8.396	8.461	
Total Vote Budget Excluding Arrears	4.768	5.183	2.209	5.663	6.685	7.369	8.396	8.461	

VI. Budget By Economic Classification

Table V6.1 2016/17 and 2017/18 Budget Allocations by Item

<i>Billion Uganda Shillings</i>	2016/17 Approved Budget				2017/18 Draft Estimates			
	GoU	Ext. Fin	AIA	Total	GoU	Ext. Fin	AIA	Total
Output Class : Outputs Provided	4.612	0.000	0.000	4.612	5.092	0.000	0.000	5.092
211 Wages and Salaries	1.495	0.000	0.000	1.495	1.838	0.000	0.000	1.838
212 Social Contributions	0.087	0.000	0.000	0.087	0.087	0.000	0.000	0.087
213 Other Employee Costs	0.359	0.000	0.000	0.359	0.359	0.000	0.000	0.359
221 General Expenses	0.989	0.000	0.000	0.989	0.605	0.000	0.000	0.605
222 Communications	0.060	0.000	0.000	0.060	0.070	0.000	0.000	0.070
223 Utility and Property Expenses	0.452	0.000	0.000	0.452	0.477	0.000	0.000	0.477
224 Supplies and Services	0.036	0.000	0.000	0.036	0.036	0.000	0.000	0.036
225 Professional Services	0.170	0.000	0.000	0.170	0.270	0.000	0.000	0.270
227 Travel and Transport	0.778	0.000	0.000	0.778	1.163	0.000	0.000	1.163
228 Maintenance	0.185	0.000	0.000	0.185	0.186	0.000	0.000	0.186
Output Class : Capital Purchases	0.572	0.000	0.000	0.572	0.572	0.000	0.000	0.572
312 FIXED ASSETS	0.572	0.000	0.000	0.572	0.572	0.000	0.000	0.572
Grand Total :	5.183	0.000	0.000	5.183	5.663	0.000	0.000	5.663
Total excluding Arrears	5.183	0.000	0.000	5.183	5.663	0.000	0.000	5.663

Vote:147

Local Government Finance Commission

VII. Budget By Programme And Subprogramme

Table V7.1: Past Expenditure Outturns and Medium Term Projections by Programme and SubProgramme

Billion Uganda shillings	FY 2015/16 Outturn	FY 2016/17		2017-18 Proposed Budget	Medium Term Projections			
		Approved Budget	Spent By End Dec		2018-19	2019-20	2020-21	2021-22
53 Coordination of Local Government Financing	4.768	5.183	2.209	5.663	6.685	7.369	8.396	8.461
01 Administration and support services	4.138	2.707	1.347	2.942	2.886	3.265	3.617	3.738
02 Revenues for Local Governments- Central Grants and Local Revenues	0.000	1.269	0.573	1.522	2.185	2.234	2.545	2.480
03 Research and data management	0.000	0.636	0.289	0.628	0.871	0.979	1.164	1.173
0389 Support LGFC	0.631	0.572	0.000	0.572	0.743	0.892	1.070	1.070
Total for the Vote	4.768	5.183	2.209	5.663	6.685	7.369	8.396	8.461
Total Excluding Arrears	4.768	5.183	2.209	5.663	6.685	7.369	8.396	8.461

VIII. Programme Performance and Medium Term Plans

Table V8.1: Programme Outcome and Outcome Indicators (Only applicable for FY 2017/18)

Programme :	53 Coordination of Local Government Financing					
Programme Objective :	To promote adequate financial resources for service delivery by Local Governments.					
Responsible Officer:	Mr. Lawrence Banyoya					
Programme Outcome:	Financially sustainable local governments with steady growth and equitable distribution of grants					
<i>Sector Outcomes contributed to by the Programme Outcome</i>						
1. Harmonized Government Policy formulation and implementation at central and Local Government level						
Outcome Indicators	Performance Targets					
	2015/16	2016/17		2017/18	2018/19	2019/20
	Actual	Target	Actual	Target	Projection	Projection

Vote:147 Local Government Finance Commission

• ratio between the highly funded and the least funded local government	25%	25%	25%
SubProgramme: 01 Administration and support services			
<i>Output: 01 Human Resource Management Improved</i>			
No. of staff trained in performance improvement	38	38	38
<i>Output: 05 Institutional Capacity Maintenance and Enhancement</i>			
Proportion of recommendations from Policy Dialogue meetings implemented	70%	80%	100%
<i>Output: 06 Policy, planning support services and M&E enhanced</i>			
No. of local governments monitored on technical support provided by Commission	20	20	20
SubProgramme: 02 Revenues for Local Governments- Central Grants and Local Revenues			
<i>Output: 03 Enhancement of LG Revenue Mobilisation and Generation</i>			
No. of LGs having an increase in local revenue in the previous year	0	0	0
No. of LGs provided with skills in the collection of property rates	20	30	40
No. of LGs provided with skills to establish local revenue databases	50	60	70
No. of LGs that can produce Registers, Issue demand notes and receipt payments using the LR databases	24	24	24
<i>Output: 04 Equitable Distribution of Grants to LGs</i>			
Number of agreements on conditional grants between UNAT and Sectors signed and disseminated for implementation	7	7	7
No. of Local Governments provided with skills in Budget Formulation.	25	25	25
SubProgramme: 03 Research and data management			
<i>Output: 02 LGs Budget Analysis</i>			
No. of Local Governments complying with budgeting legal requirement	162	162	162
No. of Local Governments provided with skills in Budget Formulation	0	0	0
No. of LGs provided with feedback on Budget analysis findings	30	30	30

IX. Major Capital Investments And Changes In Resource Allocation

Table 9.1: Major Capital Investment (Capital Purchases outputs over 0.5Billion)

FY 2016/17		FY 2017/18
Appr. Budget and Planned Outputs	Expenditures and Achievements by end Dec	Proposed Budget and Planned Outputs
Vote 147 Local Government Finance Commission		
<i>Program : 13 53 Coordination of Local Government Financing</i>		
Development Project : 0389 Support LGFC		
Output: 13 53 75 Purchase of Motor Vehicles and Other Transport Equipment		

Vote:147 Local Government Finance Commission

Two 4WD Vehicles purchase of Tyres and tubes purchased	NIL		Two four wheel vehicles purchased
Total Output Cost(Ushs Thousand)	505,200	0	505,200
Gou Dev't:	505,200	0	505,200
Ext Fin:	0	0	0
A.I.A:	0	0	0
Output: 13 53 76 Purchase of Office and ICT Equipment, including Software			
6 Computers, 2 Printers, 1 Projector 2 Display Shelves, 2 Display Tables, 1 Office Furniture 20 Flash disks Purchased	NIL		1 Sofa Set purchased 5 Computers purchased 1 Heavy duty printer purchased 1 overhead projector purchased
Total Output Cost(Ushs Thousand)	66,500	0	66,500
Gou Dev't:	66,500	0	66,500
Ext Fin:	0	0	0
A.I.A:	0	0	0

Table 9.2: Key Changes in Vote Resource Allocation

N/A

X. Vote Narrative For Past And Medium Term Plans

Vote Challenges

- Negative attitudes and resistance to change by local governments towards the local revenue enhancement initiatives.
- Inadequate funding for roll out of the local revenue databases to all local governments.
- Local political interference and poor support into the recommendations from the several researches and working meetings in regards to revenue collection.
- Lack to equipment (especially computers), power supply and skills by local government staff.
- Absence of a unit responsible for local revenue administration and management in local government structures.
- Failure to implement the new LGFC staff structure due to lack of resource.
- Increasing number of new districts and town councils amidst declining resources to the Commission

Plans to improve Vote Performance

Vote 147 plans to request for new output indicators for easier measurement of performance and assessment. Increase in the number of local governments benefiting from the database dissemination and carry out increased monitoring evaluation to check progress of proposed interventions by the Commission.

XI. Vote Cross Cutting Policy And Other Budgetary Issues

Table 11.1: Cross- Cutting Policy Issues

Vote:147

Local Government Finance Commission

Issue Type:
Gender

Objective :	Increase the financing of local governments
Issue of Concern :	Poor collection of local revenues
Planned Interventions :	Establishment of local revenue data bases management systems
Budget Allocation (Billion) :	0.522
Performance Indicators:	50 Local governments provided with skills to establish LR databases
Objective :	Increase the financing for Local Governments considering equity efficiency and effectiveness in the allocation of resources
Issue of Concern :	Inadequate financing of Local Governments Local Governments from the National Budget and lack of equity in distribution of transfers among local Governments
Planned Interventions :	Redesign the allocation formulae for grants and its implementation Redesign of the fiscal decentralization architecture Determining share of local government financing in the national budget
Budget Allocation (Billion) :	0.100
Performance Indicators:	Number of agreed positions implemented between UNAT and sectors

XII. Personnel Information

Table 12.1 : Vote Staffing Profile by Post