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# Vote:122

 Kampala Capital City Authority

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## V1: Vote Overview

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### I. Vote Mission Statement

To Deliver Quality Services to the City

### II. Strategic Objective

1. Improve Productivity of the city
2. Improve quality of social services
3. Enhance Attractiveness of the city
4. Enhance safety of communities
5. Improve Transport services
6. Improve Governance and Accountability
7. Optimize Resource Utilization
8. Increase Financial Resource Availability
9. Improve Communication
10. Promote Disaster Preparedness and Management
11. Improve Regulatory Framework
12. Improve Business Process Management
13. Improve Information Management
14. Increase KCCA Productivity
15. Enhance Human resource development
16. Enhance Strategic partnerships and collaboration
17. Improve Workplace Infrastructure

### III. Major Achievements in 2017/18

#### Revenue

For the FY 2017/18, UGX 3.69 Billion was allocated for interventions and activities related to Revenue mobilization and Collection in the City. As of December 2017, UGX 573 million had been released and UGX 338 million disbursed. Below are some of the key achievement:

#### Performance Highlights

##### Local Revenue Collection

KCCA through the Directorate of Revenue Collection projected to collect UGX 122.80 Bn during the FY 2017/18 of which UGX 56.57 Bn was the estimate for the first Cycle (July - December 2017).

As at end of the First half of FY 2017/18, the total Revenue collected amounted to UGX 35.64 a performance of 63% and posting a deficit of UGX 22.39 Bn. Reasons for the poor revenue performance and these have been highlighted in Section 6.0 Major Challenges Experienced During The First Half Of Financial Year 2016/17

#### Property revaluation exercise using the Computer Aided Mass Valuation; Computer Aided Mass Valuation (CAMV)

With financial support from the World Bank under the KIIDP II, KCCA commenced on a Computer Aided Mass Valuation process being undertaken to automate and simplify the computation and administration of property rates in the City. This project is being implemented alongside the City Address Model (CAM) which seeks to establish an address system that shall be linked to GIS to facilitate location and navigation within the City.

Using the CAMV technique, General Property Valuation completed in Central Division with a total number of 15,021 rateable properties and expected to yield annual revenue amounting to UGX 12.05 bn.

General Property Valuation is on-going in Nakawa Division with over 73,984 rateable properties.

General Property valuation for the Division of Makindye, Kawempe and Lubaga will be carried out simultaneously upon completion of Nakawa Division and the exercise is expected to commence by June 2018;

#### Migration of KCCA Revenue collection accounts to the URA Collection Accounts;

Following Government's directive in the budget speech of financial year 2017/18 requiring all MDAs to collect taxes and levies direct through the consolidated fund through URA collection accounts, KCCA successfully migrated all its Revenue Collection

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accounts to the Uganda Revenue Collection Accounts.

Taxpayer Education, Sensitization and Public Awareness

- A total of 57 sensitizations were conducted with a total attendance of 3,505 people.
- 5 radio talk shows on CBS, Super FM and Simba FM and 3 Television talk shows on NBS, Salt TV were held aimed at popularizing CAM/CAM/V activities in the City and encouraging tax compliance amongst City residents
- A total of 168,155 bulk messages were sent out to City residents on various issues but significantly to facilitate revenue mobilization;

### **IV. Medium Term Plans**

Enhancing mobilization of Local revenue

Promoting Alternative financing mechanisms including development partner financing and Public Private Partnerships.

Expedite the mass property valuation exercise across the City

Work with the Authority Council to approve amendments to the proposed revenue enhancement measures

Continue to collaborate with other Government agencies under the TREP arrangement in order expand the revenue base

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## V. Summary of Past Performance and Medium Term Budget Allocations

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

	2016/17 Outturn	2017/18		2018/19	MTEF Budget Projections				
		Approved Budget	Expenditure by End Dec		2019/20	2020/21	2021/22	2022/23	
<b>Recurrent</b>									
Wage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Non Wage	0.420	0.434	0.118	0.434	0.529	0.609	0.730	0.876	
<b>Devt.</b>									
GoU	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Ext. Fin.	0.000	0.000	0.000	6.555	0.000	0.000	0.000	0.000	0.000
<b>GoU Total</b>	<b>0.420</b>	<b>0.434</b>	<b>0.118</b>	<b>0.434</b>	<b>0.529</b>	<b>0.609</b>	<b>0.730</b>	<b>0.876</b>	<b>0.876</b>
<b>Total GoU+Ext Fin (MTEF)</b>	<b>0.420</b>	<b>0.434</b>	<b>0.118</b>	<b>6.989</b>	<b>0.529</b>	<b>0.609</b>	<b>0.730</b>	<b>0.876</b>	<b>0.876</b>
Arrears	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Budget</b>	<b>0.420</b>	<b>0.434</b>	<b>0.118</b>	<b>6.989</b>	<b>0.529</b>	<b>0.609</b>	<b>0.730</b>	<b>0.876</b>	<b>0.876</b>
<b>A.I.A Total</b>	<b>0.357</b>	<b>3.254</b>	<b>0.185</b>	<b>1.784</b>	<b>3.354</b>	<b>3.354</b>	<b>3.554</b>	<b>3.654</b>	<b>3.654</b>
<b>Grand Total</b>	<b>0.777</b>	<b>3.688</b>	<b>0.303</b>	<b>8.772</b>	<b>3.883</b>	<b>3.962</b>	<b>4.284</b>	<b>4.530</b>	<b>4.530</b>
<b>Total Vote Budget Excluding Arrears</b>	<b>0.777</b>	<b>3.688</b>	<b>0.303</b>	<b>8.772</b>	<b>3.883</b>	<b>3.962</b>	<b>4.284</b>	<b>4.530</b>	<b>4.530</b>

## VI. Budget By Economic Classification

Table V6.1 2017/18 and 2018/19 Budget Allocations by Item

<i>Billion Uganda Shillings</i>	2017/18 Approved Budget				2018/19 Draft Estimates			
	GoU	Ext. Fin	AIA	Total	GoU	Ext. Fin	AIA	Total
<b>Output Class : Outputs Provided</b>	<b>0.434</b>	<b>0.000</b>	<b>3.254</b>	<b>3.688</b>	<b>0.434</b>	<b>6.555</b>	<b>1.784</b>	<b>8.772</b>
211 Wages and Salaries	0.000	0.000	0.147	0.147	0.000	5.400	0.147	5.547
221 General Expenses	0.434	0.000	0.552	0.986	0.434	1.155	0.332	1.921
225 Professional Services	0.000	0.000	2.554	2.554	0.000	0.000	1.304	1.304
<b>Grand Total :</b>	<b>0.434</b>	<b>0.000</b>	<b>3.254</b>	<b>3.688</b>	<b>0.434</b>	<b>6.555</b>	<b>1.784</b>	<b>8.772</b>
<b>Total excluding Arrears</b>	<b>0.434</b>	<b>0.000</b>	<b>3.254</b>	<b>3.688</b>	<b>0.434</b>	<b>6.555</b>	<b>1.784</b>	<b>8.772</b>

## VII. Budget By Programme And Subprogramme

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

<i>Billion Uganda shillings</i>	FY 2016/17 Outturn	FY 2017/18		2018-19 Proposed Budget	Medium Term Projections			
		Approved Budget	Spent By End Dec		2019-20	2020-21	2021-22	2022-23
<b>09 Revenue collection and mobilisation</b>	<b>0.420</b>	<b>3.688</b>	<b>0.118</b>	<b>8.772</b>	<b>3.883</b>	<b>3.962</b>	<b>4.284</b>	<b>4.530</b>
06 Revenue Management	0.420	3.688	0.118	2.217	3.883	3.962	4.284	4.530

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1295 2ND Kampala Institutional and Infrastructure Development Project [KIIDP 2]	0.000	0.000	0.000	6.555	0.000	0.000	0.000	0.000
<b>Total for the Vote</b>	<b>0.420</b>	<b>3.688</b>	<b>0.118</b>	<b>8.772</b>	<b>3.883</b>	<b>3.962</b>	<b>4.284</b>	<b>4.530</b>
<b>Total Excluding Arrears</b>	<b>0.420</b>	<b>3.688</b>	<b>0.118</b>	<b>8.772</b>	<b>3.883</b>	<b>3.962</b>	<b>4.284</b>	<b>4.530</b>

### VIII. Programme Performance and Medium Term Plans

Table V8.1: Programme Outcome and Outcome Indicators ( Only applicable for FY 2018/19)

<b>Programme :</b>	09 Revenue collection and mobilisation		
<b>Programme Objective :</b>	To mobilize funds that will ensure service delivery for the different activities in the City.		
<b>Responsible Officer:</b>	Director Revenue Collection.		
<b>Programme Outcome:</b>	Efficiency and effectiveness in revenue collection at KCCA.		
<i>Sector Outcomes contributed to by the Programme Outcome</i>			
<b>1. Value for money in the management of public resources</b>			
<b>Outcome Indicators</b>	<b>Performance Targets</b>		
	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>Target</b>	<b>Projection</b>	<b>Projection</b>
• Compliance levels by tax category.	116,613,000,00 0	122,613,000,00 0	125,766,000,00 0
N/A			

### IX. Major Capital Investments And Changes In Resource Allocation

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

N/A

### X. Vote Challenges and Plans To Improve Performance

#### Vote Challenges

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- 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 achieved. 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;

## Plans to improve Vote Performance

- Enhancing mobilization of Local revenue
- Promoting Alternative financing mechanisms including development partner financing and Public Private Partnerships.
- Expedite the mass property valuation exercise across the City
- Work with the Authority Council to approve amendments to the proposed revenue enhancement measures
- Continue to collaborate with other Government agencies under the TREP arrangement in order expand the revenue base

## XI. Vote Cross Cutting Policy And Other Budgetary Issues

### Table 11.1: Cross- Cutting Policy Issues

### Table 11.2: AIA Collections

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<i>Source of AIA(Ush Bn)</i>	<b>2017/18 Budget</b>	<b>2017/18 Actual by Dec</b>	<b>2018/19 Projected</b>
Miscellaneous and unidentified taxes	0.000	0.000	1.784
Miscellaneous receipts/income	3.254	0.000	0.000
<b>Total</b>	<b>3.254</b>	<b>0.000</b>	<b>1.784</b>

## XII. Personnel Information

**Table 12.1 Staff Recruitment Plan**