

# 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 all Local Governments.

### II. Strategic Objective

To promote adequate financial resources for service delivery by Local Governments

### III. Major Achievements in 2017/18

#### ADMINISTRATION AND SUPPORT SERVICES PROGRAMME,

Human Resources Department carried out training for 14 female and 24 male in providing advisory services and enterprise development in dual carrier planning, absentee business manager and Self-drive business managers and Procurement planning and management. The department further offered refresher training to 12 female and 14 male in local revenue data base management systems upgrade and Programme Based Budgeting in preparation for the new budget circle. (Ugshs 30m) was spent A Commission meeting was held elect the Chairperson, Vice Chairperson and to inaugurate the Commission by the Minister but also take the judicial Oath of Secrecy and Allegiance. Another Commission meeting was held to form committees of the Commission i.e. the Finance Administration; Research and Policy and the Audit Committee.

General staff meetings were held to discuss staff welfare, changes in motor vehicle management and redeployment of drivers but also introduction of the new Chairperson and the Vice chairperson of the Commission to the staff members

Servicing of the AC for the server room, Telephone, bio metric, fire extinguisher in server room was done and Web hosting, Website update and internet services provided.

The Planning section monitored some activities to establish progress on update of advice provided in FY 2016/17 towards establishment of the local revenue data management system in the 12 LGs of Nkokonjeru, Kamuli, Sheema, Kumi, Bugiri, Mityana, & Kayunga, Pader, Amolator, Bukomasimbi, Butambala and Manafwa.

Two Budget Working Group Committee meetings were held to discuss the budget performance for the Commission and Annual performance report for FY 2016/17 together with the Vote quarter progress reports for FY 2017/18 were produced and submitted to MOFPED and OPM.

Budget Task force meetings were held to discuss; areas for development of the Budget framework paper for FY 2018/19 and the proposed work plans for various departments.

#### REVENUES FOR LOCAL GOVERNMENTS- CENTRAL GRANTS AND LOCAL REVENUES PROGRAMME

In regards to Enhancement of local revenues establishment of local revenue databases in 14 districts across the country was carried out and these included Ntoroko, bundibugyo, Amuru, Lyantonde, Budaka, Kaliro, Lamwo, Kyotera, Omoro, Butaleja, Namutumba, kalungu, and kakumiro with a major aim of ensuring that they have computerized local revenue registers.

Technical support was provided on improved methods of collecting and managing property rates and these included Mayuge TC, Ngora TC, Luwero TC, Mubende MC, Bombo TC, Pader TC, Packwach TC, Agago, Kibaale, Ibanda, Namayingo, Zombo, Buhweju, Abim and Butambala.

Hands-on and follow up support on establishment of Local revenue databases was provided to 8 local governments across the country of Ngora, Kapchorwa, Oyam, Kole, Lwengo, Gombe, Kyegegwa, Kamwenge, Agago, Kibaale, Ibanda, Namayingo, Zombo, Buhweju, Abim and Butambala.

Under Grants and advisory services, the sector conditional grant negotiations were successfully conducted with the seven sectors of Education and Sports, Health, Water and Environment, Works and Transport, Agriculture, Trade and Social Development.

Agreements were signed and shared with sectors and LGs for implementation. For example under the Education sector the conditional grant allocation per child was increased from 7,000 Ugx to 10,000 Ugx per child but also pay consideration to the talent of children by providing a budget for sports further more under Gender MoGLSD was to document success stories and use them to lobby for increase in the budget provision and roll out to more beneficiaries of Social Assistance Grant for Empowerment (SAGE) across the country. (Ugx 120M was spent)

12 weak LGs were supported across the country in budget formulation as per the new allocation formula and these were Sheema MC, Makindye, Ssabagabo MC, Rukiga, Nansana MC, Mukono MC, Iganga, Kyenjojo, Ntungamo, Gombe, Koboko, Nebbi, and Budaka MC.

The draft report on the Fiscal Decentralization Architecture Design was produced awaiting review by stakeholders before the final report is produced.

#### RESEARCH AND DATA MANAGEMENT PROGRAMME

Under the component of budget analysis, the fiscal data bank was updated with data from the FY 2015/2016 LGs Final Audited Accounts for 93 DLGs out of 112, 30 MCs out of 41, and 148 TCs out of 174. Data was analyzed for the Q2 Grants releases to

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## **Vote:147** Local Government Finance Commission

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LGs for all votes thus 115 DLGs and 41 MCs to establish how much of the approved budget was released and spent to improve service delivery fro the marginalized . Data was captured from the FY 2017/18 approved LGs budgets for 63 HLGs out of the expected 156 into the budget analysis tool. Feedback was provided to five LGs on the findings of the LGs budget analysis. These were; Bundibugyo, Kalungu, Oyam, Iganga, Amura and Kyegegwa.

Under research management nine districts were visited to assess annual sector negotiations on conditional grants and these included Katakwi, Kamuli, Kabarole, Gulu, Kiruhura, Moroto mityana, Koboko and Mbarara Mc. Two Research Task force meetings were held to discuss concept notes on the impact of negotiations, extension of transfers to LLGs and Climate change and minutes were produced.

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

To improve service delivery, improve efficiency and value for money through LGFC and LG capacity and resource enhancement

To increase local revenues (LR) through continued support to local governments by rolling out computerization of revenue registers (establishing LR databases) in all LGs across the country.

Contribute to increase and equity of LGs funding from the national budget by focusing on conditional grants negotiations, programs and outcomes; and review of grants allocation formula.

# 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)

	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	1.119	1.119	0.559	1.119	1.231	1.292	1.357	1.425	
Non Wage	3.492	3.910	1.834	3.572	4.357	5.011	6.013	7.216	
<b>Devt.</b>									
GoU	0.415	0.572	0.096	0.572	0.697	0.837	0.837	0.837	
Ext. Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
<b>GoU Total</b>	<b>5.026</b>	<b>5.600</b>	<b>2.490</b>	<b>5.262</b>	<b>6.285</b>	<b>7.140</b>	<b>8.207</b>	<b>9.477</b>	
<b>Total GoU+Ext Fin (MTEF)</b>	<b>5.026</b>	<b>5.600</b>	<b>2.490</b>	<b>5.262</b>	<b>6.285</b>	<b>7.140</b>	<b>8.207</b>	<b>9.477</b>	
Arrears	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
<b>Total Budget</b>	<b>5.026</b>	<b>5.600</b>	<b>2.490</b>	<b>5.262</b>	<b>6.285</b>	<b>7.140</b>	<b>8.207</b>	<b>9.477</b>	
<b>A.I.A Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	
<b>Grand Total</b>	<b>5.026</b>	<b>5.600</b>	<b>2.490</b>	<b>5.262</b>	<b>6.285</b>	<b>7.140</b>	<b>8.207</b>	<b>9.477</b>	
<b>Total Vote Budget Excluding Arrears</b>	<b>5.026</b>	<b>5.600</b>	<b>2.490</b>	<b>5.262</b>	<b>6.285</b>	<b>7.140</b>	<b>8.207</b>	<b>9.477</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>5.028</b>	<b>0.000</b>	<b>0.000</b>	<b>5.028</b>	<b>4.690</b>	<b>0.000</b>	<b>0.000</b>	<b>4.690</b>
211 Wages and Salaries	1.838	0.000	0.000	1.838	1.868	0.000	0.000	1.868
212 Social Contributions	0.087	0.000	0.000	0.087	0.100	0.000	0.000	0.100
213 Other Employee Costs	0.700	0.000	0.000	0.700	0.359	0.000	0.000	0.359
221 General Expenses	0.571	0.000	0.000	0.571	0.457	0.000	0.000	0.457
222 Communications	0.038	0.000	0.000	0.038	0.038	0.000	0.000	0.038
223 Utility and Property Expenses	0.477	0.000	0.000	0.477	0.481	0.000	0.000	0.481
224 Supplies and Services	0.036	0.000	0.000	0.036	0.030	0.000	0.000	0.030
225 Professional Services	0.270	0.000	0.000	0.270	0.150	0.000	0.000	0.150
227 Travel and Transport	0.824	0.000	0.000	0.824	1.020	0.000	0.000	1.020
228 Maintenance	0.186	0.000	0.000	0.186	0.186	0.000	0.000	0.186
<b>Output Class : Capital Purchases</b>	<b>0.572</b>	<b>0.000</b>	<b>0.000</b>	<b>0.572</b>	<b>0.572</b>	<b>0.000</b>	<b>0.000</b>	<b>0.572</b>
312 FIXED ASSETS	0.572	0.000	0.000	0.572	0.572	0.000	0.000	0.572
<b>Grand Total :</b>	<b>5.600</b>	<b>0.000</b>	<b>0.000</b>	<b>5.600</b>	<b>5.262</b>	<b>0.000</b>	<b>0.000</b>	<b>5.262</b>
<b>Total excluding Arrears</b>	<b>5.600</b>	<b>0.000</b>	<b>0.000</b>	<b>5.600</b>	<b>5.262</b>	<b>0.000</b>	<b>0.000</b>	<b>5.262</b>

# 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

<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>53 Coordination of Local Government Financing</b>	<b>5.026</b>	<b>5.600</b>	<b>2.490</b>	<b>5.262</b>	<b>6.285</b>	<b>7.140</b>	<b>8.207</b>	<b>9.477</b>
01 Administration and support services	2.730	3.188	1.493	2.910	2.991	3.866	3.572	4.659
02 Revenues for Local Governments- Central Grants and Local Revenues	1.245	1.213	0.608	1.278	1.299	1.951	2.497	2.850
03 Research and data management	0.636	0.628	0.292	0.503	1.298	0.487	1.300	1.132
0389 Support LGFC	0.415	0.572	0.096	0.572	0.697	0.837	0.837	0.837
<b>Total for the Vote</b>	<b>5.026</b>	<b>5.600</b>	<b>2.490</b>	<b>5.262</b>	<b>6.285</b>	<b>7.140</b>	<b>8.207</b>	<b>9.477</b>
<b>Total Excluding Arrears</b>	<b>5.026</b>	<b>5.600</b>	<b>2.490</b>	<b>5.262</b>	<b>6.285</b>	<b>7.140</b>	<b>8.207</b>	<b>9.477</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>	53 Coordination of Local Government Financing		
<b>Programme Objective :</b>	To promote adequacy and equity in financial resources for all inclusive service delivery by all Local Governments.		
<b>Responsible Officer:</b>	Mr. Lawrence Banyoya		
<b>Programme Outcome:</b>	Financially sustainable local governments with steady growth and equitable distribution of grants		
<i>Sector Outcomes contributed to by the Programme Outcome</i>			
<b>1. Effectiveness and efficiency in public service delivery</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>

# Vote:147 Local Government Finance Commission

• ratio between the highly funded and the least funded local government	1:23	1:4	1:4
• % increase in annual revenue generated	10%	26%	30%
<b>SubProgramme: 01 Administration and support services</b>			
<i>Output: 01 Human Resource Management Improved</i>			
Number of staff trained in performance improvement	26	26	26
<i>Output: 05 Institutional Capacity Maintenance and Enhancement</i>			
Proportion of recommendations from Policy Dialogue meetings implemented	80%	80%	90%
<i>Output: 06 Policy, planning support services and M&amp;E enhanced</i>			
Number of local governments monitored on technical support provided by Commission	8	20	20
<b>SubProgramme: 02 Revenues for Local Governments- Central Grants and Local Revenues</b>			
<i>Output: 03 Enhancement of LG Revenue Mobilisation and Generation</i>			
Number of LGs that have updated property valuation register/lists	12	20	20
No. of LGs that can produce Registers, Issue demand notes and receipt payments using the LR databases	35	35	35
Number of LGs that can produce registers, issue demand notes and receipt payments using the LR databases.	16	30	30
<i>Output: 04 Equitable Distribution of Grants to LGs</i>			
Number of Local Governments provided with skills in Budget Formulation	120	130	130
Number of undertakings and recommendations implemented from the agreed positions from sector conditional grant negotiations	15	20	20
<b>SubProgramme: 03 Research and data management</b>			
<i>Output: 02 LGs Budget Analysis</i>			
No. of Local Governments complying with budgeting legal requirements	168	168	168
No. of LGs provided with feedback on Budget analysis findings	8	10	20
<i>Output: 05 Institutional Capacity Maintenance and Enhancement</i>			
Proportion of recommendations from Policy Dialogue meetings implemented	80%	80%	80%

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

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

FY 2017/18		FY 2018/19
Appr. Budget and Planned Outputs	Expenditures and Achievements by end Dec	Proposed Budget and Planned Outputs
<b>Vote 147 Local Government Finance Commission</b>		
<i>Program : 13 53 Coordination of Local Government Financing</i>		
Development Project : 0389 Support LGFC		
<b>Output: 13 53 75 Purchase of Motor Vehicles and Other Transport Equipment</b>		
Two four wheel vehicles purchased	Evaluation Process was completed	Two vehicles purchased

# Vote:147

## Local Government Finance Commission

Total Output Cost(Ushs Thousand)	505,200	63,998	505,200
Gou Dev't:	505,200	63,998	505,200
Ext Fin:	0	0	0
A.L.A:	0	0	0

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

#### Vote Challenges

Un supportive legal and policy framework for local revenues mobilization and generation for example markets Act property rating Act, Local Government

Lack of an appropriate staff structure, skills capacity and tools for local revenue management in the local governments which affects inclusive service delivery.

Reduction in the budget of the Commission affects the activities to be implemented.

#### Plans to improve Vote Performance

Carry out Capacity Needs Assessment.

Increased monitoring and evaluation.

Retooling in terms of Logistical support to staff.

Completion of the Fiscal Decentralization Architecture to determine the Percentage share of funds to local governments and determination of institutional roles.

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

Table 11.1: Cross- Cutting Policy Issues

Issue Type:	Gender
<b>Objective :</b>	Improvement is the local revenue collection for all local governments
<b>Issue of Concern :</b>	Inadequate Local revenue collection
<b>Planned Interventions :</b>	Provide skills and approaches to establish local revenue databases in 16 districts
<b>Budget Allocation (Billion) :</b>	0.150
<b>Performance Indicators:</b>	No. of LGs that can produce Registers, Issue demand notes and receipt payments using the LR databases
<b>Objective :</b>	Equitable distribution of resources among Local Governments
<b>Issue of Concern :</b>	Inadequate financing for local government for from the National budget
<b>Planned Interventions :</b>	Negotiation between the centrals governments and local governments
<b>Budget Allocation (Billion) :</b>	0.100
<b>Performance Indicators:</b>	% share of funds being allocated to local governments

### XII. Personnel Information

Table 12.1 Staff Recruitment Plan

Post Title	Salary Scale	No. Of Approved Posts	No Of Filled Posts	Vacant Posts	No. of Posts Cleared for Filling FY2018/19	Gross Salary Per Month (UGX)	Total Annual Salary (UGX)
Chief Financial Analyst	LGF-3	1	0	1	1	4,600,000	55,200,000

# Vote:147

## Local Government Finance Commission

Data Officer	LGF-6	2	0	2	1	2,700,000	32,400,000
Financial Analyst	LGF-6	6	2	4	4	10,800,000	129,600,000
Public Relations Officer	LGF-5	1	0	1	1	3,100,000	37,200,000
Senior Financial Analyst	LGF-5	6	3	3	3	9,300,000	111,600,000
Senior Personal Secretary	LGF-6	2	1	1	1	2,700,000	32,400,000
<b>Total</b>		18	6	12	11	33,200,000	398,400,000