

Vote: 147 Local Government Finance Comm

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:

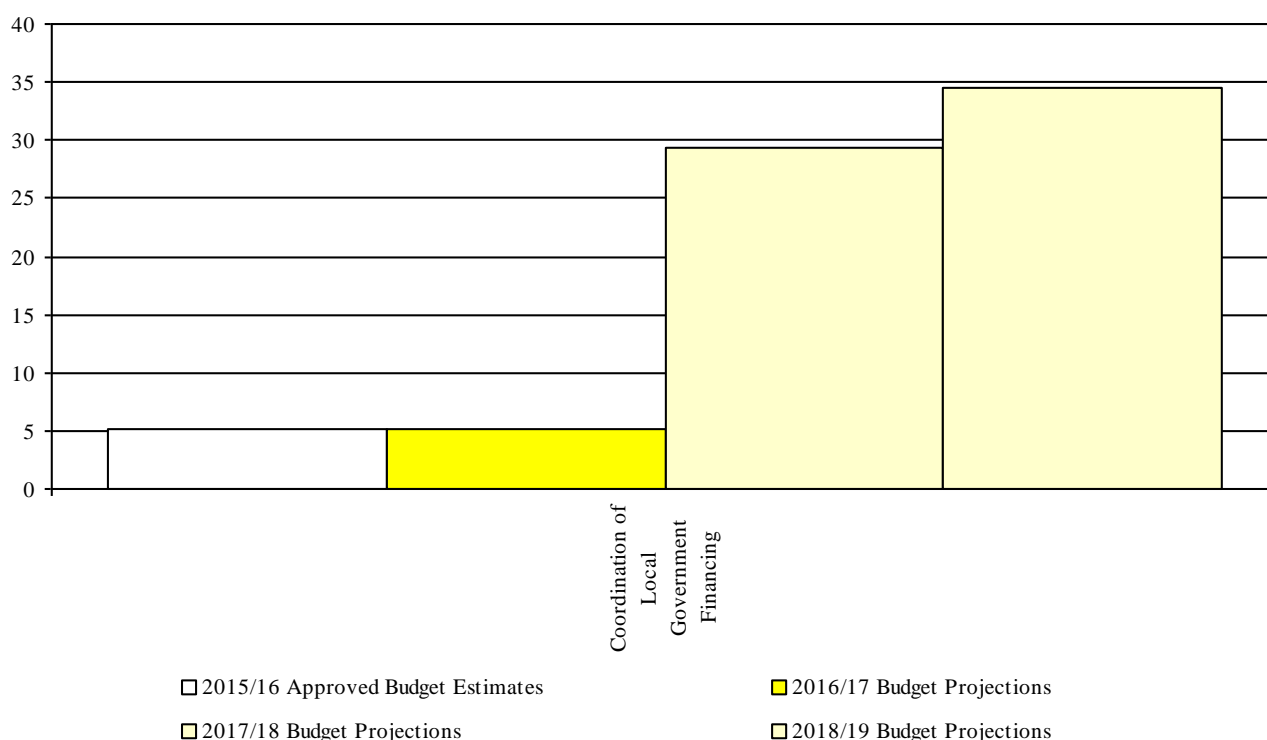
Table V1.1: Overview of Vote Expenditures (UShs Billion)

	2014/15 Outturn	2015/16		MTEF Budget Projections		
		Approved Budget	Spent by End Sept	2016/17	2017/18	2018/19
<i>(i) Excluding Arrears, Taxes</i>						
Recurrent Wage	0.609	1.119	0.274	1.119	1.175	1.233
Recurrent Non Wage	2.054	3.493	0.684	3.493	27.802	32.807
Development GoU	0.028	0.572	0.000	0.572	0.416	0.479
Development Ext. Fin	0.000	0.000	0.000	0.000	0.000	0.000
GoU Total	2.691	5.183	0.958	5.183	29.393	34.519
otal GoU + Ext Fin. (MTEF)	2.691	5.183	0.958	5.183	29.393	34.519
<i>(ii) Arrears and Taxes</i>						
Arrears	0.000	0.000	0.000	0.000	N/A	N/A
Taxes	0.000	0.100	0.000	0.000	N/A	N/A
Total Budget	2.691	5.283	0.958	5.183	N/A	N/A

** 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:

To offer credible and evidence -based advice to government on financing Local Governments

(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>Harmonized government policy formulation and implementation at central and local government level.</i>	<i>Improved institutional and human resource management at central and local government level.</i>	<i>Coordinated monitoring and evaluation of policies and programmes at central and local government level</i>
Vote Function: 13 53 Coordination of Local Government Financing		
<i>Outputs Contributing to Outcome 1:</i>	<i>Outputs Contributing to Outcome 2:</i>	<i>Outputs Contributing to Outcome 3:</i>
	None	<i>Outputs Provided</i> 135302 LGs Budget Analysis 135303 Enhancement of LG Revenue Mobilisation and Generation 135304 Equitable Distribution of Grants to LGs

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

2014/15 Performance

Staff remuneration structure was prepared and reviewed and Team Building undertaken on 17th September 2014. In addition 5 staff were recruited and inducted and Performance Report was prepared and submitted to Top Management

Under staff welfare the Health Insurance was approved implementation awaiting harmonization with the national health insurance policy but Staff SACCO was formed and Health Insurance Policy issues were incorporated in the Human Resource Policy

Team Building Session was held with a Guest Speaker presenting a Paper on “The Role of LGFC in promoting Fiscal Decentralization in Uganda, An Outsider Perspective”

133 approved Final LGs budgets from Ministry of Finance were analyzed and feedback was provided and Analytical Report by Grant for the 111 Districts and 22 Municipalities with graphical presentations were produced.

3 taskforce meeting were held to discuss and extract the issues from the budget analysis and issues extracted were submitted to MOFPED for consideration and implementation.

Field visits to validate fiscal data were conducted in 10 LGs in Kamwenge, Mitooma, Moroto Municipal council, Tororo, Municipal Council and Gulu Municipal council, (Nwoya, Kitgum, Kaabong, Serere, and Bududa) (Nebbi, Manafwa, Zombo, and Amuria)

Local Revenue and expenditure data was captured from the latest available LGs final accounts (FY 2012/2013) for the 111 district local governments, and 20 municipal councils (of the 22 municipal councils) and 142 Town councils (of the 174 Town councils) and analysis of 133 approved final LG budgets for compliance on legal requirements was carried out

Data from the FY 2012/13 final accounts has been captured for 108 DLGs of the expected 111 DLGs, 21 MCs of the expected 22 MCs and 168 TCs of the expected 174 TCs and Data was captured from the FY

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2014/15 approved LG Budgets into LGBARS for the entire 133 Vote holder LGs

Provided skills in budget formulation to the districts of Kiruhura, Oyam, Kamuli, Mayuge, Yumbe, Kitgum, Bulisa, Kyankwanzi and Kaliro

The following Local Government were supported in the establishment of local revenue databases Rukungiri DC, Rukungiri MC, Ntungamo DC, Ntungamo MC, Kayunga DC, Kayunga TC, Jinja DC, Jinja MC, Mbale DC, Mbale MC, Kumi DC, Kumi TC, Lira DC, Lira MC, Gulu DC, Gulu MC Kamuli, Kaberamaido, Dokolo, Mpigi, Mityana, Kiboga Mubende, Kayunga, Kapchorwa, Sironko, Nakasongola, Kitgum, Apac, Mubende Buikwe, Bukedea, Amolatar, Moroto, Napak and Hoima. Buikwe, Nkokojeru, Njeru, Bukedea, Amolatar and Napak. Moroto M.c and Hoima Mc.

36 urban councils out of 30 were supported to improve on methods of collecting property rates (Patongo TC, Agago TC, Ayer TC, Abim TC, Butemba TC, Ntwentwe TC, Bukomero TC, Nsiika TC, Kitwe TC, Rwashamaire TC, Katerea TC and Kabuyanda TC councils Migeera T.C, Otuke T.C, Lwakhakha T.C, Rubaare T.C, Rwebisango T.C, Kakumiro, T.C, Mponhdwa T.C Kasilo T.C Katooke TC, Kaberebere TC, Kakooge TC, Kijura TC, Karugutu TC, Kalungu TC, Kibingo TC Mateete TC Namayumba, Ngoma, Buyende, Buikwe, Ishongoro, Yumbe and Maracha

Local revenue coordinating committee (LRECC) meeting was conducted to discuss the proposed review of legal provision for local revenue collection and one was held to discuss the proposed review of the legal provisions for local revenue mobilization.

Another LRECC meeting was held to further discuss and conclude on the proposed review of the legal provisions for local revenue mobilization and to also discuss the effect of revoked licenses and cess on revenue performance and service delivery and the importance of local revenue data bases on revenue enhancement process. No regional meetings were held to disseminate best practices on local revenue enhancement practices

7 sectors (Agriculture, Health, Education, Water, Works, Trade and Gender) negotiations meeting for Sector conditional grants were successfully conducted between late September and early October 2014, and 2 LGBC meeting were successfully conducted. The midterm review of negotiation meetings were held for each of the seven sectors and progress was commendable

A concept note on Equalisation Grant was discussed and adjusted/ refocused. The analytical report on LG budgets for FY2012/13 was produced and recommendations made.

The questionnaire for the extent of implementation of extension of grants to LLGs was pre tested in Rubirizi District and its redesigned as per the findings from the field. The data collection tool/ checklist was reviewed and tested in a sample of LGs

Copies of the agreements were submitted to sectors, LG Associations and cross cutting ministries and agencies for onward dissemination to LGs and implementation.

In regard to Finalizing the report on the effectiveness of equalization grant on service delivery the assessment was taken to four districts and reports prepared

Procurements were carried out for commission utilities, consumables and other planned logistical operations and some bills were settled. A consolidated procurement and disposal plan were prepared and submitted to PPDA and management. Rent for office accommodation was paid.

Guidelines were provided for cash management and internal audit reports were prepared.

LGFC website was updated and 1 Epson projector, 1 Laptop for SMISO, 2 desktop computers for CS and DFA were purchased, laptops were procured and licenses for tracking.

Board of Survey was carried out for unserviceable equipment

4 Finance and Administration committee meeting were held and recommendations submitted to the Commission for approval. 4 Research and Policy committee meeting were held on going activities and to

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discuss plans for FY 2015-16. 6 technical staff meeting was held to discuss the planned activities for the quarter and implementation is taking place. 2 general staff meeting was held to discuss staff welfare issues, fleet management and share information on departmental activities. 1 audit committee meeting held and recommendations implemented.

A midterm review of the Commission's current Strategic Plan was conducted and it showed 40.6% progress done on activities

The Regional Budget Framework Paper workshops were attended and a report was compiled, Monitoring was done in the districts of Nebbi Ig/Tc; Kumi Ig/Tc; Kayuga Ig/Tc; Kapchorwa Ig/Tc; Masaka Ig/Mc; Iganga Ig/Tc Nakasongola, Bukedea,

Preliminary 2015/16 Performance

One staff team building retreat was held and it discussed the factors that affect the effective performance of the Commission and how they can be addressed. Term of Reference to carry out LGFC organizational analysis for effectiveness and efficiency were developed and discussed

One Task force meeting was conducted to discuss the budgets for local governments and strategy to be used in analyzing them and Data was processed and captured in the fiscal data bank from LGs approved final Accounts. Technical support in budget formulation was provided to six (6) district local governments of Ibanda, Rukungiri, Moyo, Amuria, Manafwa and Ntoroko. Field reports are being prepared.

Technical officers in LGs were given training regarding the guidelines on the steps involved in the budget process/ cycle to LGs, guidelines to members of the budget desk regarding their roles and responsibilities in the budget cycle, how to utilize the manuals provided as guidance through the various steps of the planning and budgeting cycle .

Technical staffs were also equipped with skills that would help them to accommodate their expenditures in available resources according to National priorities, the National Development Plan and Sustainable Development Goals.

Skills and approaches to establish Local Revenue Data Bases to 5 LGs. - namely Ngora District, Ngora Town Council, Nakaseke District, Butalango & Ngoma Town Councils were provided and 5 local governments namely Kyotera Town Council, Lukaya Town Council, Butunduzi Town Council Masulita T/C and Hamurwa Town Council were supported to improve methods of collecting property rates.

Hands on and follow up support on existing data bases was done in 6 local governments of Iganga, Tororo, Wakiso, Masaka, Arua and Kabarole and their town councils

All the seven (7) sectors (Agriculture, Health, Education, Water, Works, Trade and Gender) negotiations were successfully facilitated effective 12th to 16th October 2015 and all the subsequent sector agreements have been prepared. Some have already been endorsed while others are being signed by the parties.

The procurement of the consultancy to provide Quality Assurance to the two studies on Design of FDA and Determining LG transfer shares out of national budget is being concluded.

Preparations to facilitate 1 foreign tour for 7 Members of the Commission to benchmark international best practices in the financing of LGs were started with MoFA and Danish Embassy are underway

One Commission Committee meetings held and discussed efficient resource utilization at the Commission and recommended measures to reduce administration costs.

One Commission meeting held and made decisions on how to reduce administrative costs and improve efficiency in performance by the Commission among others and One Budget allocation Committee meeting

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held

Utilities, consumables, transport facilities and other planned logistical operations were provided and Office accommodation/rent paid for Q1

TOR for review of the Strategic Plan for LGFC aligned to NDP 11 and PSM Sector discussed and approved ICT equipment and software updated and maintained, Engraving of equipments and other assets and assets of LGFC carried out and Terms of Reference for an assets management policy developed and discussed Public relation activities for the Commission carried out with press and print media to publicize what the Commission is doing and what it has achieved and its future plans

The Commission produced the annual Report 2013/14 highlighting its past performance and future plans and presented it to the Speaker of Parliament and copies were sent to the Hon Minister Responsible for Local Governments.

Terms of Reference to procure a consultant to carry out evaluation of the performance of the strategic plan ending FY 2015/16 and to design a new one for FY 2016- 21 were discussed and approved Monitoring of Q3/Q4 implemented programmes during FY 2014/15 in 3 Local governments of Busia, Kiboga and Jinja was done.

Q4 OBT performance report in FY2014/15 was prepared and submitted to OPM for the annual cabinet retreat and to Budget monitoring and accountability unit in MOFPED

Participation in the PSM -TWG meeting was done and ideas on how the sector can develop strategic outcomes that impact all the votes in the sector were discussed.

One retreat to discuss annual performance in FY2014/15. Plans FY 2016-17 and projections for FY 2016-17 was held at city royal hotel Bugolobi.

Table V2.1: Past and 2016/17 Key Vote Outputs*

<i>Vote, Vote Function Key Output</i>	Approved Budget and Planned outputs	2015/16 Spending and Outputs Achieved by End Sept	2016/17 Proposed Budget and Planned Outputs
Vote: 147 Local Government Finance Comm			
<i>Vote Function: 1353 Coordination of Local Government Financing</i>			
Output: 135302	LGs Budget Analysis		
<i>Description of Outputs:</i>	133 LGs Budgets analysed for compliance with legal requirements	LGs budgets for FY 2015/2016 have been received and analysis has started	Fiscal data validation, verification, and collection done in 10 LGS
	Feedback on the findings from the analysis of the LG Budgets to 133 LGs provided	Technical support in budget formulation was provided in 6 LGs (Ibanda, Rukungiri, Moyo, Amuria, Manafwa, and Ntoroko Districts)	6 meetings budget analysis taskforce meetings held
	Data Validation, Verification and Collection in 20 LGs conducted for the fiscal database		Feedback provided to 15 LGS on the findings of the LGS budget analysis
	Technical Support in identified areas of weaknesses in the process of budget formulation in 40 LGs provided	1st Quarter releases were analysed	Analyze number of local government complying with the legal requirement
	Four (4) Quarterly analysis Reports of Budgeted and Actual Grant Releases to LGs Produced		
<i>Performance Indicators:</i>			
No. of Local Governments	40	6	25

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<i>Vote, Vote Function Key Output</i>	Approved Budget and Planned outputs	2015/16 Spending and Outputs Achieved by End Sept	2016/17 Proposed Budget and Planned Outputs
provided with skills in Budget Formulation			
No. of Local Governments complying with budgeting legal requirement	133	0	133
Average length of time taken to provide feedback on analyzed budgets (Days)	30	0	0
<i>Output Cost: US\$ Bn:</i>	<i>0.198</i>	<i>US\$ Bn: 0.006</i>	<i>US\$ Bn: 0.231</i>
Output: 135303	Enhancement of LG Revenue Mobilisation and Generation		
<i>Description of Outputs:</i>	60 local governments provided with skills and approaches to establish local revenue databases.	Provided skills and Approaches to establish Local Revenue Data Bases to 5LGs. - namely Ngora District, Ngora Town Council, Nakaseke District, Butalango & Ngoma Town Councils	Roll out establishment of local revenue databases to 30 Local governments; 15 districts and 15 urban councils
	40 local governments supported to improve methods of collecting property rates	Supported 5 local governments – namely Kyotera Town Council, Lukaya Town Council, Butunduzi Town Council Masulita T/C and Hamurwa	10 local governments supported with improved methods for collecting property rates.
	2 Regional meetings on local revenue mobilization held.	Town Council to improve methods of collecting property rates	2 Regional meetings on local revenue mobilization held.
	2 Operations of Local Revenue Enhancement Coordinating Committee supported.	Hands on and follow up support on existing data bases was done in 6 local governments of Iganga, Tororo, Wakiso, Masaka, Arua and Kabarole and their town councils	2 meetings of Local Revenue Enhancement Coordinating Committee supported
	One computer procured for Principal Revenue Officer		Hands-on and follow up support on the existing databases in 24 districts and their urban councils
<i>Performance Indicators:</i>			
Percentage change in annual local revenue performance (MC)	0	0	0
Percentage change in annual local revenue performance (Districts)	0	0	0
No. of LGs provided with skills to establish local revenue databases	60	5	30
No. of LGs provided with skills in the collection of property rates	40	5	10
No. of LGs applying Best Practices in Local revenue collection	0	10	40
<i>Output Cost: US\$ Bn:</i>	<i>0.663</i>	<i>US\$ Bn: 0.136</i>	<i>US\$ Bn: 0.644</i>
Output: 135304	Equitable Distribution of Grants to LGs		
<i>Description of Outputs:</i>	Organize and Facilitate negotiations between LGs and sector Ministries	All the seven (7) sectors (Agriculture, Health, Education, Water, Works, Social	Organize and Facilitate negotiations between LGs and sector Ministries

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<i>Vote, Vote Function Key Output</i>	Approved Budget and Planned outputs	2015/16 Spending and Outputs Achieved by End Sept	2016/17 Proposed Budget and Planned Outputs
	Local governments budgets analyzed and feedback provided	Development Trade and Gender) negotiations were successfully facilitated effective 12th to 16th October 2015.	Provide technical on LG budget formulation support to weak in 25 LGs
	2 Local government budget committee meetings held		Support the 2 Local Government Budget Committee (LGBC) meetings
			Taskforce Committee as a quality assurance strategy on consultancy for Lg financing. It needs operational funds); plus conduct of Stakeholder Consultations to develop consensus on the Recommendations of the draft reports of the 2 studies of ; Re-Design FDA; and Determine the share of LGs transfers out of the National Budget - these will be funded by FINMAPIII, but quality assurance and validation will be funded under LGFC)
<i>Performance Indicators:</i>			
Proportion of unconditional grant compared to total transfers to LGs	4.5	3.8	0
Number of negotiation forums held	7	7	7
Number of agreements between UNAT and Sectors implemented	7	7	7
<i>Output Cost: US\$ Bn:</i>	0.520	<i>US\$ Bn:</i> 0.107	<i>US\$ Bn:</i> 0.624
Vote Function Cost	US\$ Bn:	5.283 US\$ Bn:	0.958 US\$ Bn: 5.183
Cost of Vote Services:	US\$ Bn:	5.183 US\$ Bn:	0.958 US\$ Bn: 5.183

* Excluding Taxes and Arrears

2016/17 Planned Outputs

The Commission for FY 2016/17 plans to hold Stakeholder's workshop to cascade the recommendations of the organization structure, Train staff in managing change, conduct team building for staff members, carry out performance management, carry out refreshed appreciation of proper records handling and management at all levels in the LGFC and Up to date knowledge and skills shared amongst agencies.

Under Budget analysis there are plans to validate and verify Fiscal data, and collection in 10 LGS, hold 6 meetings of budget analysis taskforce meetings, Hire 2 data entry assistants to help capture LGS budget analysis data and provide feedback to 15 LGS on the findings of the LGS budget analysis

Local revenue department plans to roll out establishment of local revenue databases to 30 Local governments 15 districts and 15 urban councils, support 10 Local governments with improved methods for

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collecting property rates, hold 2 Regional meetings on local revenue mobilization, support 2 meetings of Local Revenue Enhancement Coordinating Committee and hands-on support and follow up on the existing databases in 24 districts and their urban councils

The Grants Department plans to advise the President on the share of national budget to LGs, Provide technical on LG budget formulation support to weak in 25 LGs, support 2 Local Government Budget Committee (LGBC) meetings, Organize and facilitate negotiations between LGs and sector ministries and support validation by the Taskforce Committee as a quality assurance strategy It needs operational funds plus conduct of Stakeholder Consultations to develop consensus on the Recommendations of the draft reports of the 2 studies of (Re-Design FDA; and Determine the share of LGs transfers out of the National Budget - these will be funded by FINMAPIII, but validation and quality assurance will be funded under LGFC)

Institutional capacity maintenance and enhancement plans to 2 outreach activities for the Commission, purchase Antivirus Licenses and Network cables, Firewall maintenance and spam filter serviced, Tracking of Laptops software installed on 10 Laptops, Service the Internet and ICT equipments, Website Hosting, Server Room AC and Fire Extinguisher serviced, Biometric Systems serviced and Website update

2 planning staff retreats will be organized and held to prepare annual work plan and ministerial policy statement for FY2017/18, Budget Working group Committee meetings Held and 20 monitoring visit conducted in urban councils and districts. Vote quarter progress reports in OBT, Prepare LGFC Annual report for 2015/16 LGFC half year performance report prepared and submitted to OPM/MOFPED

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

Vote Function Key Output Indicators and Costs:	2014/15 Outturn	2015/16		MTEF Projections		
		Approved Plan	Outturn by End Sept	2016/17	2017/18	2018/19
Vote: 147 Local Government Finance Comm						
Vote Function: 1353 Coordination of Local Government Financing						
Average length of time taken to provide feedback on analyzed budgets (Days)		30	0	0	0	0
No. of Local Governments complying with budgeting legal requirement		133	0	133	133	133
No. of Local Governments provided with skills in Budget Formulation		40	6	25	40	20
No. of LGs applying Best Practices in Local revenue collection		0	10	40	100	100
No. of LGs provided with skills in the collection of property rates		40	5	10	40	40
No. of LGs provided with skills to establish local revenue databases		60	5	30	60	60
Percentage change in annual local revenue performance (Districts)		0	0	0	0	0
Percentage change in annual local revenue performance (MC)		0	0	0	0	0
Number of agreements between UNAT and Sectors implemented		7	7	7	7	7
Number of negotiation forums held		7	7	7	7	7
Proportion of unconditional grant compared to total transfers to LGs		4.5	3.8	0	0	0

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Vote Function Key Output Indicators and Costs:	2014/15 Outturn	2015/16		MTEF Projections		
		Approved Plan	Outturn by End Sept	2016/17	2017/18	2018/19
Vote Function Cost (US\$ bn)	2.691	5.183	0.958	5.183	29.393	34.519
Cost of Vote Services (US\$ Bn)	2.691	5.183	0.958	5.183	29.393	34.519

Medium Term Plans

Contribute to Improvement of the state of funding for LGs in the National Budget;

Promote Equity In Resource Allocation Among LGs;

Support LGs to improve Local Revenue Performance

Enhance the Institutional Capacity of the LGFC to Effectively Perform its mandate.

Improve the percentage change in revenue performance

(ii) Efficiency of Vote Budget Allocations

As a measure to improve service delivery and improve efficiency for value for money the Commission plans realign its budget and streamline it to priority areas as stipulated in the National Development Plan II

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			
	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19
Key Sector	1.4	1.5	1.5	1.5	26.6%	28.9%	5.2%	4.4%

N/A

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

Unit Cost Description	Actual 2014/15	Planned 2015/16	Actual by Sept	Proposed 2016/17	Costing Assumptions and Reasons for any Changes and Variations from Plan
<i>Vote Function: 1353 Coordination of Local Government Financing</i>					
N/A					

(iii) Vote Investment Plans

For the medium term the Commission has a capital expenditure over the medium term of Ugshs. 48.2bn FY 2016/17, FY 2017/18 and FY 2018/19

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

Billion Uganda Shillings	(i) Allocation (Shs Bn)				(ii) % Vote Budget			
	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19
Consumption Expenditure (Outputs Provided)	4.6	4.6	4.6	4.6	89.0%	89.0%	15.7%	13.4%
Investment (Capital Purchases)	0.6	0.6	24.8	29.9	11.0%	11.0%	84.3%	86.6%
Grand Total	5.2	5.2	29.4	34.5	100.0%	100.0%	100.0%	100.0%

The Commission plans to purchase two 4W drive vehicles to effectively and efficiently perform their statutory assignments to oversee and monitor the Local Government Finance Commission's operations and projects/programme implemented so as to appropriately advise government on the financing of LGs.

The plan is to use the available development budget of Ugshs.0.571bn

Table V2.6: Major Capital Investments

Project, Programme	2015/16		2016/17
	Approved Budget, Planned Outputs (Quantity and Location)	Actual Expenditure and Outputs by September (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
<i>US\$ Thousand</i>			
Project 0389 Support LGFC			
135375 Purchase of Motor Vehicles and Other Transport	Purchase of two 4WD Vehicles	.	Purchase of two 4WD Vehicles

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Project, Programme Vote Function Output <i>US\$ Thousands</i>	2015/16		2016/17
	Approved Budget, Planned Outputs (Quantity and Location)	Actual Expenditure and Outputs by September (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
Equipment			
Total	611,700	0	511,700
<i>GoU Development</i>	<i>611,700</i>	<i>0</i>	<i>511,700</i>
<i>External Financing</i>	<i>0</i>	<i>0</i>	<i>0</i>

(iv) Vote Actions to improve Priority Sector Outcomes

Proper budgeting to ensure priority areas are allocated more funds for activities as stated in the work plan to improve revenue performance financing for Local governments

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

2015/16 Planned Actions:	2015/16 Actions by Sept:	2016/17 Planned Actions:	MT Strategy:
Sector Outcome 0:			
Vote Function: 13 53 Coordination of Local Government Financing			
<i>VF Performance Issue: (i) Inadequate Institutional capacity of the Commission</i>			
Staff trained on development of fundable project proposals, Terms of reference and report writing skills records management	Terms of reference for LGFC restructuring developed and approved Terms of Reference for Assets Management developed and approved Concept note for Performance Management Framework developed	Conduct Outreach activities for the Commission Staff trained in change management and performance management 2 vehicle purchased	Strengthen the Commission's Management Information System (MIS) Strengthen the policy, planning, monitoring and evaluation function of the Commission Enhance the performance of the fiscal data bank
Performance Management Framework and Systems- both manual and web-based Developed and implemented			
Sector Outcome 2: Improved institutional and human resource management at central and local government level.			
Vote Function: 13 53 Coordination of Local Government Financing			
<i>VF Performance Issue: (iii) Inadequacy of the grant levels and allocation mechanisms</i>			
Advise President on the share of National budget going to LGs.	The agreements resulting from the recent negotiations of October 2015 are being endorsed by the respective sectors and local government representatives; after which they will be disseminated for implementation. Monitoring to track implementation will follow and a follow-up report will be discussed in the Midterm Review in April, 2016.	Support the 2 Local Government Budget Committee (LGBC) meetings Provide technical on 25 LG budget formulation support to weak LGs Organize and facilitate negotiations between LGs and sector ministries	Improve financing of LGs for effective and efficient service delivery
2 LGBC meetings held to discuss budget issues for LGs and make recommendations	This activity will await the conclusion of Review on allocation formulae (likely date is January 2016). Assess the benefits of extension of grants to LLGs conclusion of field activities for this assessment will be done in Quarters 3&4		
Support LGs on Local Economic Development			
Sector Outcome 3: Coordinated monitoring and evaluation of policies and programmes at central and local government level			

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2015/16 Planned Actions:	2015/16 Actions by Sept:	2016/17 Planned Actions:	MT Strategy:
Vote Function: 1353 Coordination of Local Government Financing			
<i>VF Performance Issue: (ii) Inadequate local revenues collected by local governments</i>			
60 local governments provided with skills and approaches to establish and consolidate local revenue databases.	Provided skills and Approaches to establish Local Revenue Data Bases to 5 Local Governments. - namely Ngora District, Ngora Town Council, Nakaseke District, Butalango & Ngoma Town Councils	30 Local Government were supported in the establishment of local revenue databases 10 Local Government supported to improve on methods of collecting property rates	Support LGs to improve local Revenue performance by identifying, reviewing and recommend implementation measure for local revenue sources
40 local governments supported to improve methods of collecting property rates	Supported 5 local governments – namely Kyotera Town Council, Lukaya Town Council, Butunduzi Town Council Masulita Town Council and Hamurwa Town Council to improve methods of collecting property rates Hands on and follow up support on existing data bases was done in 6 local governments of Iganga, Tororo, Wakiso, Masaka, Arua and Kabarole and their town councils		

V3 Proposed Budget Allocations for 2016/17 and the Medium Term

This section sets out the proposed vote budget allocations for 2016/17 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*

	2014/15 Outturn	2015/16		MTEF Budget Projections		
		Appr. Budget	Spent by End Sept	2016/17	2017/18	2018/19
Vote: 147 Local Government Finance Comm						
1353 Coordination of Local Government Financing	2.691	5.183	0.958	5.183	29.393	34.519
Total for Vote:	2.691	5.183	0.958	5.183	29.393	34.519

(i) The Total Budget over the Medium Term

For the medium term the Commission has been allocated a budget of Ugshs.69.09bn for FY 2016/17, FY 2017/18 and FY 2018/19 respectively.

(ii) The major expenditure allocations in the Vote for 2016/17

The major expenditure allocations are providing skills in approaches to establish local revenue databases in 30 local governments; 15 districts and 15 urban councils

Hands-on and follow up support on the existing databases in 24 districts and their urban councils

Organize and facilitate negotiations on sector conditional grants funded programmes between LGs and 7 sector ministries

(iii) The major planned changes in resource allocations within the Vote for 2016/17

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The major changes in resource allocations are due to the reallocation from wage under the Human Resource Output that was distributed across the various outputs. There is an increase in consultancy services for the negotiations and the midterm review but the rest of the reallocations are as a result of proper budgeting procedures

Table V3.2: Key Changes in Vote Resource Allocation

Changes in Budget Allocations and Outputs from 2015/16 Planned Levels:			Justification for proposed Changes in Expenditure and Outputs
2016/17	2017/18	2018/19	
<i>Vote Function: 1301 Coordination of Local Government Financing</i>			
Output: 1353 01 Human Resource Management			
US\$ Bn: -1.096	US\$ Bn: -1.139	US\$ Bn: -1.139	Wage allocated to the various outputs under the various departments
Reduction in wage			
Output: 1353 02 LGs Budget Analysis			
US\$ Bn: 0.033	US\$ Bn: 0.041	US\$ Bn: 0.041	This increment is due to the reallocation from wage under the Human Resource Output that was distributed across the various outputs
Increment in wages and gratuity			
Output: 1353 04 Equitable Distribution of Grants to LGs			
US\$ Bn: 0.104	US\$ Bn: 0.114	US\$ Bn: 0.114	This increment is due to the reallocation from wage under the Human Resource Output that was distributed across the various outputs. There is an increase in consultancy services for the negotiations and the midterm review
Increase in wages, gratuity and negotiations			
Output: 1353 05 Institutional Capacity Maintenance and Enhancement			
US\$ Bn: 0.977	US\$ Bn: 1.004	US\$ Bn: 1.004	This increment is due to the reallocation from wage under the Human Resource Output that was distributed across the various outputs
Increase in wages, gratuity,			

V4: Vote Challenges for 2016/17 and the Medium Term

This section sets out the major challenges the vote faces in 2016/17 and the medium term which the vote has been unable to address in its spending plans.

N/A

Table V4.1: Additional Output Funding Requests

Additional Requirements for Funding and Outputs in 2016/17:	Justification of Requirement for Additional Outputs and Funding
<i>Vote Function: 1301 Coordination of Local Government Financing</i>	
Output: 1353 01 Human Resource Management	
US\$ Bn: 0.986	The commission plans to recruit staff to help manage the current work at the commission under administration and the revenue department
Revenue Officer System Administrator Administrative Officer and Library Assistant	
Wage increment for staff of the Commission Improving Capacity of 41 Staff LGFC Manpower and Organization structures Reviewed Field Visits Consultation with LGs and MCs to establish the issues that should be incorporated in LGFC restructuring (6 LGs, 6 MCs and 12 TCs) Printing 30 Copies of the Restructuring Report Easy retrieval of files and neat preservation of Records in	A considerable period of time has passed since the last salary raise for staff at the Commission. With the creation of new districts and town councils the work for Commission staff has increased hence the request for salary increment of Ughs. 768,405,080/= to cater for increment in wage NSSF and gratuity for staff.

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Additional Requirements for Funding and Outputs in 2016/17:	Justification of Requirement for Additional Outputs and Funding
<p>custody</p> <p>Output: 1353 02 LGs Budget Analysis</p> <p><i>US\$ Bn: 0.075</i></p> <p>Conduct Forums in 20 LGs newly created LGs Printing 2 Reports of the Consolidated Budget Analysis Reports (2014/15 and 2015/16)</p>	<p><i>Conducting LG budget analysis is a core function of the Commission to ensure compliance with legal compliance and also ensuring that national priorities are taken into account in the budget. Well prepared Budgets at the local level help in channeling resources to proper use. Our involvement to this end helps in achieving those goals. This also relates to the NDP sector objective of ensuring that there is greater equity and flexibility of Central Grants transferred to LGs.</i></p>
<p>Output: 1353 03 Enhancement of LG Revenue Mobilisation and Generation</p> <p><i>US\$ Bn: 0.545</i></p> <p>30 local governments; 15 districts and 15 urban councils provided with skills and approaches to establish local revenue databases. 20 local governments supported with improved methods for collecting property rates.</p>	<p><i>Establishment of local revenue data bases relates to the NDP and the PSM-SIP sector objectives of implementing measures to aimed at enhancing mobilisation and administration of local revenues. When the data bases are installed and officers trained to operate, potentially there will be efficiency in the collection of local revenues hence improve on quality and quantity in the provision of service delivery by local governments.</i></p>
<p>Output: 1353 04 Equitable Distribution of Grants to LGs</p> <p><i>US\$ Bn: 0.170</i></p> <p>Assess the contribution made by the Negotiation process towards effective operationalisation of grants in LGs for improved service delivery Conclude the the</p> <p>Assessment of Benefits from Extending transfers to LLGs and service units</p>	<p><i>These are among the major activities of the commission and they need funding because FINMAP is providing half the funds the Commission needs to contribute to these activities too but due to limited resources the activities are unfunded</i></p>
<p>Output: 1353 05 Institutional Capacity Maintenance and Enhancement</p> <p><i>US\$ Bn: 0.230</i></p> <p>Consultant procured to develop and install the MIS in the Commission Data Analysis training in Epi Info/SPSS Review of the ICT security policy Develop a resource Center Policy</p>	<p><i>Due to insufficient funding these activities that enhance the capacity of the Commission were left unfunded</i></p>

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:

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