

SPECIAL ISSUE

Kenya Gazette Supplement No. 99 (Acts No. 13)



REPUBLIC OF KENYA

KENYA GAZETTE SUPPLEMENT

ACTS, 2011

NAIROBI, 30th August, 2011

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THE URBAN AREAS AND CITIES ACT

No. 13 of 2011

Date of Assent: 27th August, 2011

Date of Commencement: See Section 1

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AN ACT of Parliament to give effect to Article 184 of the Constitution; to provide for the, classification, governance and management of urban areas and cities; to provide for the criteria of establishing urban areas, to provide for the principle of governance and participation of residents and for connected purposes

ENACTED by the Parliament of Kenya, as follows—

PART I—PRELIMINARY

Short title and commencement.

1. (1) This Act may be cited as the Urban Areas and Cities Act, 2011.

(2) Subject to subsection (3), this Act shall come into operation after the first elections held under the Constitution.

(3) Part VIII of this Act shall come into operation on the repeal of the Local Government Act.

Cap 265.

Interpretation.

2. (1) In this Act, unless the context otherwise requires—

“board” means the board of a city or municipality constituted in accordance with section 13 and 14 of this Act;

“Cabinet Secretary” means the Cabinet Secretary responsible for matters relating to urban areas and cities;

“capital city” means a city conferred with the status of a capital city under this Act;

“city” means an area conferred with the status of a city under section 8 of this Act;

“city county” means a city which is also a county;

“Citizen Fora” means a forum for citizens organised for purposes of participating in the affairs of an urban area or a city under this Act;

“transition period” means the period between the commencement of this Act and three years after the first general elections; and

“urban area” means a municipality or a town.

(2) Despite subsection (1), until after the first elections under the Constitution, references in this Act to the expression “Cabinet Secretary” shall be construed to mean “Minister”.

3. The objects and purposes of this Act are to establish a legislative framework for—

Objects and purposes of the Act.

- (a) classification of areas as urban areas or cities;
- (b) governance and management of urban areas and cities;
- (c) participation by the residents in the governance of urban areas and cities; and
- (d) other matters for the attainment of the objects provided for in paragraphs (a) to (c).

PART II—CLASSIFICATION AND ESTABLISHMENT OF URBAN AREAS AND CITIES

4. An area may be classified as an urban area or city if it satisfies the criteria set out under this Act or any other written law.

General classification of urban areas and cities.

5.(1) Subject to subsection (3), an urban area may be classified as a city under this Act if the urban area satisfies the following criteria—

Criteria for classifying an area as city.

- (a) has a population of at least five hundred thousand residents according to the final

gazetted results of the last population census carried out by an institution authorized under any written law, preceding the grant;

- (b) has an integrated urban area or city development plan in accordance with this Act;
- (c) has demonstrable capacity to generate sufficient revenue to sustain its operation;
- (d) has demonstrable good system and records of prudent management;
- (e) has the capacity to effectively and efficiently deliver essential services to its residents as provided in the First Schedule;
- (f) has institutionalised active participation by its residents in the management of its affairs;
- (g) has infrastructural facilities, including but not limited to roads, street lighting, markets and fire stations, and an adequate capacity for disaster management; and
- (h) has a capacity for functional and effective waste disposal.

(2) Nothing in this section may preclude an area from being conferred with the status of special purpose city under this Act if it has significant cultural, economic or political importance.

Management and infrastructure in the capital city.

6. (1) The capital city of Kenya is Nairobi.

(2) The capital city shall be governed and managed in the same manner as a county government.

(3) The capital city shall provide infrastructure necessary to sustain the following—

- (a) the seat of the national government;
- (b) offices of diplomatic missions;
- (c) efficient transport network connecting to rural areas, towns and other local, regional and international cities; and
- (d) commerce and industry.

(4) The capital city shall decentralise its functions and the provisions of its services to the extent that it is efficient and practicable to do so.

(5) Subject to subsection (2), the two levels of government shall enter into an agreement regarding the performance of functions and delivery of services by the capital city.

(6) An agreement entered into under subsection (5) may provide for—

- (a) the administrative structure of the capital city, subject to the provisions of this Act;
- (b) funding of operations and activities of the capital city;
- (c) the joint projects to be undertaken by both governments in the capital city;
- (d) dispute resolution mechanisms; and
- (e) such other information as the two levels of government may determine.

7. The President may, on the resolution of the Senate, confer the status of a city on a municipality that meets the criteria set out in section 5, by grant of a charter in the prescribed form.

Conferment of city status.

Application for
conferment of city
status.

8. (1) The board of a municipality may, upon a resolution, apply to the county executive committee for consideration for the conferment of city status.

(2) Where the executive committee approves the application, the county governor shall constitute an ad hoc committee to consider the recommendation and advise as appropriate.

(3) The ad hoc committee shall comprise of relevant professionals in good standing nominated by the following institutions —

- (a) the Institution of Surveyors of Kenya;
- (b) the Kenya Institute of Planners;
- (c) the Architectural Association of Kenya;
- (d) the Law Society of Kenya;
- (e) an association of urban areas and cities;
- (f) the Institute of Certified Public Accountants of Kenya; and
- (g) the business community.

(4) Where the ad hoc committee under subsection (2) determines that the municipality under review meets the requisite criteria for classification as a city, the county governor shall transmit the recommendation to the county assembly for approval.

(5) Where the county assembly approves the recommendation for conferment of city status to a municipality under this section, the clerk of the county assembly shall transmit the resolution to the senate for consideration.

(6) Where the senate approves the recommendation, the clerk of the senate shall forward the resolution to the President for conferment of city status on the municipality.

9.(1) The county governor may, on the resolution of the county assembly, confer the status of a municipality on a town that meets the criteria set out in subsection (3), by grant of a charter in the prescribed form.

Conferment of
municipal status.

(2) The procedure set out under section 8 (1) to (4) shall apply with necessary modifications to the conferment of municipal status to a town, except that the conferment shall be done by the county governor.

(3) A town is eligible for the conferment of municipal status under this Act if the town satisfies the following criteria—

- (a) has a population of at least two hundred and fifty thousand residents according to the final gazetted results of the last population census carried out by an institution authorized under any written law, preceding the grant;
- (b) has an integrated development plan in accordance with this Act;
- (c) has demonstrable revenue collection or revenue collection potential;
- (d) has demonstrable capacity to generate sufficient revenue to sustain its operations.
- (e) has the capacity to effectively and efficiently deliver essential services to its residents as provided in the First Schedule ;
- (f) has institutionalised active participation by its

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residents in the management of its affairs;

- (g) has sufficient space for expansion;
- (h) has infrastructural facilities, including but not limited to street lighting, markets and fire stations; and
- (i) has a capacity for functional and effective waste disposal.

Eligibility for grant
of a town status.

10. (1) The county governor may, in consultation with the committee constituted under section 8(2), confer the status of a town on an area that meets the criteria set out in subsection (2).

(2) An area shall be eligible for the grant of the status of a town under this Act if it has—

- (a) a population of at least ten thousand residents according to the final gazetted results of the latest population census carried out by an institution authorized under any written law, preceding the grant;
- (b) demonstrable economic, functional and financial viability;
- (c) the existence of an integrated development plan in accordance with this Act;
- (d) the capacity to effectively and efficiently deliver essential services to its residents as provided in the First Schedule; and
- (e) sufficient space for expansion.

**PART III—GOVERNANCE AND MANAGEMENT OF
URBAN AREAS AND CITIES**

11. The governance and management of urban areas and cities shall be based on the following principles—

Principles of
governance and
management.

- (a) recognition and respect for the constitutional status of county governments;
- (b) recognition of the principal and agency relationship between the boards of urban areas and cities and their respective county governments including—
 - (i) the carrying out by a board of such functions as may be delegated by the county government;
 - (ii) financial accountability to the county government; and
 - (iii) the governance by each board for and on behalf of the county government;
- (c) promotion of accountability to the county government and residents of the urban area or city;
- (d) institutionalised active participation by its residents in the management of the urban area and city affairs;
- (e) efficient and effective service delivery; and
- (f) clear assignment of functions.

Management of
cities and
municipalities.

12. (1) The management of a city and municipality shall be vested in the county government and administered on its behalf by —

- (a) a board constituted in accordance with section 13 or 14 of this Act; .
- (b) a manager appointed pursuant to section 28; and
- (c) such other staff or officers as a the county public service may determine.

(2) The board of an area granted the status of a city or municipality under this Act shall be a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of—

- (a) suing and being sued;
- (b) taking, purchasing or otherwise acquiring, holding, charging or disposing of movable and immovable property;
- (c) borrowing money or making investments;
- (d) entering into contracts; and
- (e) doing or performing all other acts or things for the proper performance of its functions in accordance with this Act or any other written law which may lawfully be done or performed by a body corporate.

(3) The governance and management of a city county shall be in accordance with the law relating to county governments.

Boards of cities.

13. (1) A board of a city shall consist of not more than

eleven members, six of whom shall be appointed through a competitive process by the county executive committee, with the approval of the county assembly.

(2) Of the members referred to in subsection (1), at least five shall be nominated by—

- (a) an umbrella body representing professional associations in the area;
- (b) an association representing the private sector in the area;
- (c) a cluster representing registered associations of the informal sector in the area;
- (d) a cluster representing registered neighbourhood associations in the area; and
- (e) an association of urban areas and cities,

and appointed by the county executive committee with the approval of the county assembly.

(3) The executive committee shall, while appointing members of the board, ensure gender equity, representation of persons with disability, youth and marginalised groups.

(4) A person shall not be appointed a member of the board unless that person—

- (a) is a citizen of Kenya;
- (b) is ordinarily resident or has a permanent dwelling in the city;
- (c) carries on business in the city; or

(d) has lived in the city for at least five years.

Boards of
Municipalities

14. The provisions of section 13 shall apply with respect to the board of a municipality except that such board shall comprise nine members of whom four shall be appointed and five elected in the prescribed manner.

Term of office.

15. A member of a board shall hold office for a term of five years, on a part-time basis.

Vacation of office.

16. A member of a board shall cease to hold office if the member—

- (a) is unable to perform the functions of the office by reason of mental or physical infirmity;
- (b) is declared or becomes bankrupt or insolvent;
- (c) is convicted of a criminal offence and sentenced to a term of imprisonment of six months or more;
- (d) resigns in writing to the county governor;
- (e) without reasonable cause, the member is absent from three consecutive meetings of the board or committee within one financial year;
- (f) is found guilty of professional misconduct by the relevant professional body;
- (g) is disqualified from holding a public office under the Constitution;
- (h) is convicted of an offence and is

sentenced to imprisonment for a term of six months or more;

- (i) in any particular case, the member fails to declare his or her interest in any matter being considered or to be considered by the board or committee;
- (j) engages in any gross misbehaviour or gross misconduct; or
- (k) dies.

17.(1) Subject to subsection (2), there shall be a chairperson and vice-chairperson for each board.

Chairperson and
vice-chairperson of
the Board

(2) The chairperson and the vice chairperson shall be elected by the members of the board from among themselves during the first meeting of the board, and subsequently whenever a vacancy arises and shall be of opposite gender.

(4) The chairperson and vice chairperson shall hold office for a term of five years.

(5) The chairperson shall—

- (a) except in the case of a city county, be the head of the board;
- (b) chair meetings of the board;
- (c) perform such duties as may be delegated by the board.

(6) The vice chairperson shall, in the absence of the chairperson, perform the functions of chairperson and shall perform such other functions as may be delegated by the chairperson or the board.

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Removal from
office.

18.(1) A person may be removed from the office of chairperson, vice chairperson or a member of the board on any of the grounds provided under section 16 (a), (b), (c), (e), (f), (g), (h), (i) and (j).

(2) A person may be removed under subsection (1)—

- (a) by the county governor;
- (b) by the board, supported by the vote of at least two-thirds of the members of the board; or
- (c) upon petition by the residents of a city or municipality.

(3) A resident of a city or municipality may file a writing petition with a board for the removal of a chairperson or vice chairperson.

(4) The procedure for the removal or petition for removal of a chairperson or vice chairperson under subsections (1) and (2) shall be provided by regulations.

Filling of vacancy.

19. A vacancy in the office of a chairperson, vice chairperson or a member of the board shall, with necessary modification, be filled in accordance with section 13 or 17 of this Act as the case may be.

Functions of a board.

20.(1) Subject to the provisions of this Act a board of a city or municipality shall—

- (a) oversee the affairs of the city or municipality;
- (b) develop and adopt policies, plans, strategies and programmes, and may set targets for delivery of services;
- (c) formulate and implement an integrated development plan;

- (d) control land use, land sub-division, land development and zoning by public and private sectors for any purpose, including industry, commerce, markets, shopping and other employment centres, residential areas, recreational areas, parks, entertainment, passenger transport, agriculture, and freight and transit stations within the framework of the spatial and master plans for the city or municipality as may be delegated by the county government;
- (e) as may be delegated by the county government, promote and undertake infrastructural development and services within the city or municipality;
- (f) develop and manage schemes, including site development in collaboration with the relevant national and county agencies;
- (g) maintain a comprehensive database and information system of the administration and provide public access thereto upon payment of a nominal fee to be determined by the board;
- (h) administer and regulate its internal affairs;
- (i) implement applicable national and county legislation;
- (j) enter into such contracts, partnerships or joint ventures as it may consider necessary for the discharge of its

functions under this Act or other written law;

- (k) monitor and, where appropriate, regulate city and municipal services where those services are provided by service providers other than the board of the city or municipality;
- (l) prepare its budget for approval by the county executive committee and administer the budget as approved;
- (m) as may be delegated by the county government, collect rates, taxes levies, duties, fees and surcharges on fees;
- (n) settle and implement tariff, rates and tax and debt collection policies as delegated by the county government;
- (o) monitor the impact and effectiveness of any services, policies, programmes or plans;
- (p) establish, implement and monitor performance management systems;
- (q) promote a safe and healthy environment;
- (r) facilitate and regulate public transport; and
- (s) perform such other functions as may be delegated to it by the county government or as may be provided for by any written law.

(2) The functions performed by the board of a city or

municipality under this Act shall, in the case of a town, be performed by a committee appointed by the county governor and approved by the county assembly.

21. (1) Subject to the Constitution and any other written law, the board of a city or municipality shall, within its area of jurisdiction—

Powers of boards of cities and municipalities.

- (a) exercise executive authority as delegated by the county executive;
- (b) ensure provision of services to its residents;
- (c) impose such fees, levies and charges as may be authorised by the county government for delivery of services by the municipality or the city;
- (d) promote constitutional values and principles;
- (e) ensure the implementation and compliance with policies formulated by both the national and county government;
- (t) make bye-laws or make recommendations for issues to be included in bye-laws;
- (f) ensure participation of the residents in decision making, its activities and programmes in accordance with the Schedule to this Act; and
- (g) exercise such other powers as may be delegated by the county executive committee.

(2) Notwithstanding any other provision in this Act, the board of a city or municipality shall exercise such executive authority as may be delegated by the county executive committee for the necessary performance of its functions under this Act.

Citizen Fora.

22.(1) Subject to the Second Schedule, residents of a city, municipality or town may —

- (a) deliberate and make proposals to the relevant bodies or institutions on—
 - (i) the provision of services;
 - (ii) proposed issues for inclusion in county policies and county legislation;
 - (iii) proposed national policies and national legislation;
 - (iv) the proposed annual budget estimates of the county and of the national government;
 - (v) the proposed development plans of the county and of the national government; and
 - (vi) any other matter of concern to the citizens;
- (b) plan strategies for engaging the various levels and units of government on matters of concern to citizens;
- (c) monitor the activities of elected and appointed officials of the urban areas and cities, including members of the board of an urban area or city; and

- (d) receive representations, including feedback on issues raised by the county citizens, from elected and appointed officials.

(2) A board shall invite petitions and representations from the Citizen Fora with regard to the administration and management of the affairs within an urban area or city under its jurisdiction.

(3) A board shall make recommendations on the manner in which issues raised at the Citizen Fora, if any, may be addressed and shall accordingly pass the recommendations to the manager for implementation.

(4) The manager shall make a report on the decision made in respect of a petition or presentation made by a citizen fora and reasons for such decision.

23.(1) A board shall hold its sittings to transact the business of the board once every three months.

Ordinary and special meetings of a board.

(2) Notwithstanding subsection (1), the chairperson may, and upon request in writing by at least one-third of the members of the board shall, convene a special meeting to transaction any urgent business of the board.

24. (1) A board shall publish and publicise important information within its mandate affecting the city or urban area.

Management of information and publicity.

(2) A request for information in the public interest by a citizen-

- (a) shall be addressed to the manager or administrator or such other person as the board or committee may for that purpose designate, and may be subject to the payment of a reasonable fee in instances where the board or committee incurs an expense in providing the information; and

(b) may be subject to confidentiality requirements of the board.

(3) Subject to Article 35 of the Constitution, the board or committee may decline to give information to an applicant where -

(a) the request is unreasonable in the circumstances;

(b) the information requested is at a deliberative stage by the board or committee;

(c) the applicant fails to pay the prescribed fee; or

(d) the applicant fails to satisfy any confidentiality requirements by the board or committee.

(4) The right of access to information under Article 35 of the Constitution shall be limited to the nature and extent specified under this section.

(5) Every member and employee of the board or committee shall sign a confidentiality agreement.

(6) The board or committee shall, in such manner as it considers appropriate, publish a notice for public information specifying-

(a) the location of all its offices; and

(b) its address or addresses, telephone numbers and other means of communication or contact with the board or committee.

a board shall not receive a salary from the board but shall be paid such allowances and benefits as the county executive committee shall, with the approval of the county assembly, and on the advice of the Salaries and Remuneration Commission, determine.

26. A board may—

Committees of a board.

- (a) establish such committees for any general or special purpose which, in its opinion, would regulate or manage its affairs more efficiently and as may be necessary for the performance of its functions under this Act;
- (b) delegate to such committee such functions as are necessary for the efficient performance of its duties in respect to the whole or any part of the area under the jurisdiction of a board; and
- (c) include persons who are not members of the board in any committee .

27. A city county shall be governed and managed in the same manner as a county government.

Management of city county.

28. There shall be a city or municipal manager for every city or municipality established under this Act, who shall implement the decisions and functions of the board and shall be answerable to the board.

City or municipal manager.

29. A city or municipal manager shall be competitively recruited and appointed by an institution responsible for recruiting public servants in the county.

Appointment of city or municipal manager.

30 .(1) Subject to Article 232 of the Constitution, a person shall qualify to be appointed as city or municipal manager if the person—

Qualifications for appointment of city or municipal manager.

- (a) is a citizen of Kenya;
- (b) holds a degree from a university recognised in Kenya or its equivalent; and
- (c) has proven experience of not less than five years in administration or management either in the public or private sector.

(2) In appointing a manager under subsection (1) the body responsible for county public service shall ensure—

- (a) gender equity;
- (b) the inclusion of minorities and marginalised communities; and
- (c) the person satisfies the requirements of Chapter six of the Constitution.

Governance and management of towns.

31. (1) An area granted the status of a town under this Act shall not be a body corporate.

(2) There shall be an administrator for every town established under this Act.

(3) The administrator of a town shall perform such functions as the committee appointed under section 20 (2) may determine.

(4) Section 29 and 30 of this Act shall apply to the appointment of an administrator.

PART IV—DELIVERY OF SERVICES

Service delivery by a board.

32.(1) Subject to Article 187 (2) (a) of the Constitution, a board shall, on behalf of the county government, deliver such services as may be specified under this Act or any other

national or county legislation.

(2) Subject to Article 176 (2) of the Constitution, a city or municipal board may, if it considers it necessary, establish operational sectors and service delivery entities, with the approval of the county executive committee, for the efficient carrying out of its functions and the delivery of the services within its area of jurisdiction.

(3) Subject to the provisions of this section, a county assembly may legislate on the set up and establishment of service delivery entities.

33. (1) A board may, in consultation with the county governor and with the approval of the county assembly, enter into partnership with a utility company either within or outside the county or internationally for the provision of social infrastructural services.

Partnership and joint ventures.

(2) For efficient service delivery, cities and municipalities may jointly provide cross-city and cross-municipality services and may, in that regard jointly finance the services.

(3) A board may, where it is of the opinion that a private sector entity is best able to provide a service, and with the approval of the county assembly, contract a private-entity for purposes of delivering the services within its area of jurisdiction.

(4) Where a board decides to contract a private entity for the delivery of services, it shall do so in accordance with the Public Procurement and Disposal Act, 2005.

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34. The provisions of this Part shall, with necessary modifications, apply in the case of the delivery of services in towns by the town committee.

Service delivery in towns.

35. A resident may object to any partnership or joint venture under section 33 in accordance with the regulations made under this Act.

Objections by residents.

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PART V—INTEGRATED DEVELOPMENT PLANNING

Objectives of integrated urban areas and city development planning.

36. (1) Every city and municipality established under this Act shall operate within the framework of integrated development planning which shall—

- (a) give effect to the development of urban areas and cities as required by this Act and any other written law;
- (b) strive to achieve the objects of devolved government as set out in Article 174 of the Constitution;
- (c) contribute to the protection and promotion of the fundamental rights and freedoms contained in Chapter Four of the Constitution and the progressive realization of the socio-economic rights;
- (d) be the basis for—
 - (i) the preparation of environmental management plans;
 - (ii) the preparation of valuation rolls for property taxation;
 - (iii) provision of physical and social infrastructure and transportation;
 - (iv) preparation of annual strategic plans for a city or municipality;
 - (v) disaster preparedness and response;
 - (vi) overall delivery of service including provision of water, electricity, health, telecommunications and solid

waste management; and

- (vii) the preparation of a geographic information system for a city or municipality;
- (e) nurture and promote development of informal commercial activities in an orderly and sustainable manner;
- (f) provide a framework for regulated urban agriculture; and
- (g) be the basis for development control.

(2) In addition to the objectives set out in subsection (1), an integrated urban or city development plan shall bind, guide and inform all planning development and decisions and ensure comprehensive inclusion of all functions.

(3) A county government shall initiate an urban planning process for every settlement with a population of at least two thousand residents.

37. (1) A city or urban area integrated development plan shall be aligned to the development plans and strategies of the county governments.

Plan to align to county government plans.

38. A city or urban area shall prepare an integrated city or urban area municipal development plan in accordance with the Third Schedule to this Act.

Preparation of integrated city or urban development plans.

39. (1) A board or town committee shall, within the first year of its election, adopt a single, inclusive strategic plan for the development of the city or urban area for which it is responsible.

Adoption of an integrated development plan.

(2) An integrated development plan adopted by a board or town committee under subsection (1) may be reviewed and amended during the term of the board or committee and shall remain in force until a new integrated

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urban area or city development plan is adopted by the succeeding board or town committee, but the incoming board or committee shall ensure that the viable projects are continued or completed.

(3) A city or urban area shall, within fourteen days of the adoption of its integrated development plan—

- (a) give notice of the adoption of the plan to the public in such manner as a board or committee may determine;
- (b) inform the public that copies of or extracts from the plan are available for public inspection at specified places; and
- (c) provide a summary of the plan.

Contents of
integrated city and
urban area
development plan.

40. An integrated urban area or city development plan shall reflect—

- (a) a board's or committee's vision for the long term development of the city or urban area with special emphasis on the board's or committee's most critical development needs;
- (b) an assessment of the existing level of development in the city or urban area, including an identification of communities which do not have access to basic services;
- (c) the determination of any affirmative action measures to be applied for inclusion of communities referred to under paragraph (b) to access funds from the equilization funds;

- (d) the board's development priorities and objectives during its term in office, including its economic development objectives, community needs and its determination on the affirmative action in relation to the marginalised groups access to services;
- (e) a board's development strategies which shall be aligned with any national or county sectoral plans and planning requirements binding the city or municipality;
- (f) a spatial development framework which shall include the provision of basic guidelines for land use management system for the city or municipality;
- (g) a board's operational strategies;
- (h) applicable disaster management plans;
- (i) a regulated city and municipal agricultural plan;
- (j) a financial plan, which shall include budget projection for at least the next three years; and
- (k) the key performance indicators and performance targets.

41. (1) The manager or administrator shall submit to the executive committee, a copy of the integrated development plan as adopted by the board or committee within twenty one days of the adoption or amendment.

Submission of integrated cities and municipal development plan to the county governor.

(2) The copy of the integrated development plan submitted to the county executive committee shall be

accompanied by—

- (a) a summary of the process of its formulation plan provided under this Part; and
- (b) a statement that the process has been complied with, together with any explanations that may be necessary to clarify the statement.

(3) The county executive committee shall, within thirty days of receipt of a copy of the plan—

- (a) consider the integrated development plan and make recommendations; and
- (b) submit the plan to the county assembly for its approval.

Annual review of integrated development plan.

42. A city or municipal board shall review its integrated development plan annually to assess its performance in accordance with performance management tools set by it under this Part, and may amend the plan where it considers it necessary.

PART VI—FINANCIAL PROVISIONS

Funds of a board.

43. (1) The funds of a board shall consist of—

- (a) monies allocated by a county assembly for the purposes of the management and service delivery of the board;
- (b) monies or assets that may accrue to the board in the course of the exercise of its powers or the performance of its functions under this Act; and
- (c) all monies or grants from any other

legitimate source provided or donated to the board.

(2) Where an urban area or city has a joint venture with another entity, the monies allocated for the joint venture shall be determined by a joint budget.

(3) No payment shall be made out of the funds of a board or town committee unless it has been provided for in the approved annual or revised or supplementary estimates of expenditure and authorized by a board.

44. The financial year of a board or town committee shall be the period of twelve months ending on the thirtieth June in each year.

Financial year.

45. (1) Three months before the commencement of each financial year, a board or town committee shall cause to be prepared estimates of the revenue and expenditure of a board or town committee for that year.

Annual estimates.

(2) The annual estimates shall make provision for all the estimated revenue and expenditure of the board for the financial year to which it relates.

(3) The annual estimates shall be tabled before the board or town committee for adoption and approval.

(4) The annual estimates approved by the board or town committee under subsection (3) shall be submitted to the county governor for submission to the county assembly for its approval.

46. (1) The board or town committee shall cause to be kept all proper books and records of account of its income, expenditure, assets and liabilities.

Accounts and audit.

(2) Within a period of three months after the end of each financial year, the board or town committee shall submit to the County Executive Committee its accounts for that year for transmission to the Auditor - General together with—

- (a) a statement of the income and expenditure of a board for that year; and
- (b) a statement of the assets and liabilities of a board on the last day of that financial year.

No. 12 of 2003.

(3) The Auditor-General shall prepare a financial audit as required under the Public Audit Act, 2003 or its successor and shall forward a copy of the report to the relevant board and the County Executive Committee in respect of which the audit report is made.

Audit report to be laid before board or town committee.
No. 2 of 2003.

47.(1) As soon as is practicable, and in any event not later than thirty days from the date of receipt of the audit report together with the annual statements and abstracts of accounts, the manager or administrator shall —

- (a) lay the documents before the board or town committee for consideration; and
- (b) make them available to any resident of the area within the jurisdiction of the board, upon application and payment of the prescribed fee.

(2) Where the manager or the administrator of a board fails to table the report as required under this section, that report shall be laid by any other person authorised by the county governor.

Display of audited financial statement.

48. The board shall cause its audited annual financial statement to be posted in full in a conspicuous place in the board's offices, or in two widely circulated newspapers and, on the board's website.

Pension Schemes.

49. All members and officers of a board shall, on the commencement of this Act, subscribe to an existing pension scheme approved by the Retirement Benefits Authority.

PART VII—MISCELLANEOUS PROVISIONS

50. If it comes to the knowledge of an officer employed by a board that a bargain, contract or arrangement in which he or she has any direct or indirect pecuniary interest (other than a bargain, contract or arrangement to which he or she is a party) has been or is proposed to be made or entered into by the board, that officer shall as soon as practicable give notice in writing to the board disclosing the fact that he or she has interest therein.

Disclosure of personal interest by officers.

51. Every board shall furnish the county executive committee and any other person as the county executive committee may designate, with certified copies of—

Board to furnish county executive with copies of proceedings.

- (a) any proceedings or minutes of the board or its committees within twenty one days after the confirmation of the minutes;
- (b) records of any of its accounts; and
- (c) reports, statistics and documents as the county executive committee may require.

52. (1) No act, matter or thing done or omitted to be done by—

Protection against personal liability.

- (a) the chairperson or vice chairperson of a city or municipality;
- (b) any member of a board or its management or committee;
- (c) any member of staff or other person in the service of city or municipal board; or
- (d) any person acting under the direction of a board,

shall, if that act, matter or thing was done or omitted to be

done in good faith in the execution of a duty or under direction, render that member or person personally liable to any civil action, claim or demand.

(2) Notwithstanding the provisions of subsection (1), a person who misappropriates, or authorises the use of funds contrary to existing law or instructions shall be accountable for any loss arising from that use and shall be required to make good the loss even if that person has ceased to hold office.

Regulations.

53. (1) The Cabinet Secretary may make regulations, for the better carrying out of the provisions of this Act, or for prescribing anything which is required to be prescribed under this Act.

(2) Regulations made under this section shall be tabled before the Senate for approval, and shall not take effect until such approval is obtained.

PARTVIII—TRANSITIONAL PROVISIONS

Assessment and classification of existing urban areas and cities.

54.(1) During the transition period assessment shall be undertaken on the existing urban areas and cities in order to ascertain whether they meet the criteria for classification as urban areas or cities under this Act, and shall be classified accordingly.

Rights and liabilities.

Cap. 265.

55. All rights, assets and liabilities accrued in respect of the properties vested in the local authorities established under the Local Government Act which shall stand repealed after the first election under the Constitution shall be dealt with as provided by law.

Existing bye-laws and orders of local authorities.

56. All directions, resolutions, orders and authorizations given by by-laws made, and licenses or permits issued by the local authorities established, under the Local Government Act and subsisting or valid immediately before the commencement of this Act shall be deemed to have been given, issued or made by the boards established pursuant to this Act, as the case may be, until their expiry, amendment or repeal.

57.(1) Every person who, immediately before the commencement of this Act was an officer, agent or member of staff appointed, seconded or otherwise employed by a local authority shall, on the commencement of this Act be seconded or otherwise deployed as may be provided by law.

Staff, officers, etc.

58.(1) Any act, matter or thing lawfully done by any local authority before the commencement of this Act and any contract, arrangement, agreement, settlement, trust, bequest, transfer, division, distribution or succession affecting any service delivery, trade of any form, sale or dealings on land or any other matter affecting assets, liabilities or property belonging to any local authority whether moveable, immovable or intellectual property shall, unless and until affected by the operation of this Act, continue in force and be vested in a body established by law.

Existing contracts, etc.

59. Any legal right accrued, cause of action commenced in any court of law or tribunal established under any written law in force, or any defence, appeal, or reference howsoever filed by or against any local authority shall continue to be sustained in the same manner in which they were prior to the commencement of this Act against a body established by law.

Pending actions and proceedings.

60. Notwithstanding any other provisions of this Act, the municipalities of Mombasa and Kisumu existing immediately before the commencement of this Act shall be deemed to be cities established under this Act.

Municipalities of Mombasa and Kisumu.

SCHEDULES**FIRST SCHEDULE**

(s.5)

CLASSIFICATION OF CITIES AND TOWNS BY SERVICES

In classifying an area as a city, municipality or town, regard shall be had to the ability to provide the following services:

City – (Population at least 500,000)

Planning and Development Control
Traffic Control and Parking
Water and Sanitation
Street Lighting
Outdoor Advertising
Cemeteries and Crematoria
Public Transport
Libraries
Storm Drainage
Ambulance Services
Heath Facilities
Fire Fighting and Disaster Management
Control of Drugs
Sports and Cultural Activities
Electricity and Gas Reticulation
Abattoirs
Refuse Collection
Solid waste management
Air pollution
Child Care Facilities
Pre-Primary Education
Local Distributor Roads
Conference Facilities
Community Centres
Five Star Hotel
Guest Houses
National Hospital
Referral hospital
County Hospital

University
Constituent University Campuses
Polytechnic
Training Institution
National School
County School
Stadium
National Stadium
International Airport
Airport
Airstrip
National Theatre
Theatre
Library Service
Administrative Seat
Financial Hub
Diplomatic Hub
Consulate
Museum
Historical Monument
Fire Station
Emergency Postal services
National TV station
National Radio Station
Regional Radio Station

Community Radio
Casinos
Funeral Parlour
Cemetery
Recreational Parks
Management of Markets
Marine Water front
Animal control and welfare
Religious Institution

Municipality - (Population at least 250,000)

Planning and Development Control
Traffic Control and Parking
Water and Sanitation
Street Lighting
Outdoor Advertising
Cemeteries and Crematoria
Public Transport
Libraries
Storm Drainage
Ambulance Services
Heath Facilities
Fire Fighting and Disaster Management
Control of Drugs
Sports and Cultural Activities
Electricity and Gas Reticulation
Abattoirs
Refuse Collection
Solid waste management
Air noise
Child Care Facilities
Pre-Primary Education

Local Distributor Roads
Conference Facilities
Community Centres
Hotel Homestays
Guest Houses
County Hospital
Constituent University Campuses
Polytechnic
Training Institution
National School
County School
Municipal Stadium
Stadium
Airport
Airstrip
National Theatre
Theatre
Library Service
Administrative Seat

Financial Hub
 Museum
 Historical Monument
 Fire Station
 Emergency Preparedness
 Postal services
 National TV station
 National Radio Station
 Regional Radio Station
 Community Radio
 Casinos
 Funeral Parlour
 Cemetery
 Recreational Parks
 Management of Markets
 Marine Water front
 Animal control and welfare
 Religious Institution
 Organised Public Transport

Town - (Population at least 10,000)

Street Lighting
 Cemeteries and Crematoria
 Libraries
 Heath Facilities
 Sports and Cultural Activities
 Abattoirs
 Refuse Collection
 Solid waste management
 Air noise
 Child Care Facilities
 Pre-Primary Education
 Community Centres
 Guest Houses
 Homestays
 Polytechnic
 Training Institution
 County School
 Airstrip
 Unclassified roads

Museum
 Historical Monument
 Postal services
 Regional Radio Station
 Community Radio
 Funeral Parlour
 Cemetery
 Recreational Parks
 Management of Markets
 Marine Water front
 Animal control and welfare
 Religious Institution

SECOND SCHEDULE

(s.22)

**RIGHTS OF, AND PARTICIPATION BY
 RESIDENTS IN AFFAIRS OF THEIR CITY OR URBAN
 AREA**

Rights and duties
 of residents.

1.(1) Subject to paragraph (2), residents of a city or urban area have the right to—

- (a) contribute to the decision-making processes of the city or urban area by submitting written or oral presentations or complaints to a board or town committee through the city or municipal manager or town administrator;
- (b) prompt responses to their written or oral communications;
- (c) be informed of decisions of a board, affecting their rights, property and reasonable expectations;
- (d) regular disclosure of the state of affairs of the city or urban area, including its finances;

- (e) demand that the proceedings of a board or committee and its committees or sub committees be—
 - (i) conducted impartially and without prejudice; and
 - (ii) untainted by personal self-interest;
- (f) the use and enjoyment of public facilities; and
- (g) have access to services which the city or municipality provides.

2. (1) A city or urban area shall develop a system of governance that encourages participation by residents in its affairs, and shall for that purpose—

Participation by residents.

- (a) create appropriate conditions for participation in—
 - (i) the preparation, implementation and review of the integrated development plan;
 - (ii) the establishment, implementation and review of its performance management system;
 - (iii) the monitoring and review of its performance, including the outcomes and impact of its performance;
 - (iv) the preparation of its budget; and
 - (v) making of strategic decisions relating to delivery of service;
- (b) contribute to building the capacity of—
 - (i) the residents to enable them participate

- in the affairs of the city or urban area;
and
- (ii) members of the board or town committee and staff to foster community participation;
- (c) apply its resources, and allocate funds annually as may be appropriate for the implementation of paragraphs (a) and (b); and
- (d) establish appropriate mechanisms, processes and procedures for—
- (i) the receipt, processing and consideration of petitions and complaints lodged by residents;
 - (ii) petitions and public comments procedures, when appropriate;
 - (iii) notification of public meetings and hearings organised by a board or town committee;
 - (iv) consultative sessions with locally recognized resident organisations; and
 - (v) reporting to the residents.

(2) The provisions of paragraph (1) shall not be construed as permitting interference with a board's or town committee's right to govern and exercise its functions.

(3) When establishing mechanisms, processes and procedures under subsection (1), the city or urban area shall take into account the special needs of—

- (a) people who cannot read or write;
- (b) people with disabilities;
- (c) youth;

- (d) gender equity; and
- (e) minority and marginalised groups.

THIRD SCHEDULE

(s.38)

PREPARATION OF AN INTERGRATED PLAN

In the preparation of the integrated urban area or city development plan a city or urban area shall provide for—

- (a) an assessment of the current social, cultural, economic and environmental situation in its area of jurisdiction;
- (b) a determination of community needs and aligning them to the requirements of the Constitution;
- (c) protection and promotion of the interests and rights of minorities and marginalized groups and communities;
- (d) a shared vision for its development and that of the county as a whole;
- (e) an audit of available resources, skills and capacities;
- (f) prioritization of the identified needs in order of urgency and long-term importance;
- (g) integrated frameworks and goals to meet the identified needs;

- (h) strategies to achieve the goals within specific time frames;
- (i) specific implementation programmes and projects to achieve Intended goals; and
- (j) performance management tools to measure impact and performance and make appropriate corrections;
- (k) linkage, integration and coordination of sector plans;
- (l) development control; and
- (m) any other necessary matter.