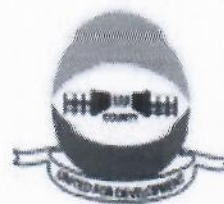


CC_PC5_4.2(IMPLEMENTATION PLAN FOR SRC ECOMMENDATIONS)



COUNTY GOVERNMENT OF BUSIA

DEPARTMENT OF PUBLIC SERVICE MANAGEMENT,

ADMINISTRATION AND GOVERNANCE

IMPLEMENTATION PLAN FOR SRC RECOMMENDATIONS

(2025 – 2028)

Strengthening Performance Management and Wage Bill Sustainability

Prepared by:

Department of Public Service Management,
Administration and Governance

Supported by:

Kenya Devolution Support Programme Phase II (KDSP II)

Date:

March 2026

Location:

Busia County

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1. CONTEXT AND FOCUS AREAS

The Salaries and Remuneration Commission (SRC), in exercise of its constitutional mandate to advise on remuneration and benefits in the public sector, undertook a monitoring and evaluation (M&E) assessment of the County Government of Busia on the implementation of its advisory. This engagement, conducted with support from the Kenya Devolution Support Programme Phase II (KDSP II), provided critical insights into the status of human resource management and fiscal sustainability within the County.

Following this assessment, SRC formally communicated its observations and recommendations to the County Government, highlighting key structural gaps requiring urgent intervention.

Two critical issues emerged:

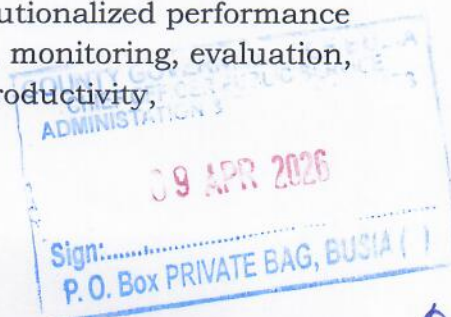
1. Absence of a Performance and Productivity Framework
The Commission observed that the County lacks a policy and institutional framework to facilitate the measurement, management, and reward of employee performance. This gap limits the County's ability to incentivize exemplary performance, weakens accountability mechanisms, and undermines the linkage between staff output and service delivery outcomes.
2. High and Unsustainable Wage Bill
The County's wage bill was noted to stand at approximately 40% of total revenue, significantly exceeding the statutory threshold of 35% prescribed under the Public Finance Management (PFM) framework. This level of expenditure constrains fiscal space for development priorities and poses a risk to long-term financial sustainability.

In response, SRC recommended that the County Government:

- Develop and operationalize a Performance and Productivity Framework to support reward of exemplary performance; and
- Implement targeted strategies to progressively reduce the wage bill from 40% to 35% by June 2028.

This Implementation Plan has therefore been developed as a structured response to the SRC feedback and is anchored on two strategic focus areas:

- Restoration of Performance-Based Human Resource Management
Establishing a robust, transparent, and institutionalized performance management system that integrates planning, monitoring, evaluation, and reward mechanisms. This will enhance productivity,



accountability, and alignment of individual performance with County development objectives.

- Progressive Wage Bill Rationalization

Implementing sustainable measures to gradually reduce the wage bill to compliant levels ($\leq 35\%$ by 2028) while safeguarding service delivery. This will be achieved through improved workforce planning, controlled recruitment, enhanced productivity, payroll integrity, and strengthened own source revenue performance.

Overall, this Plan translates SRC's recommendations into a coherent reform programme aimed at strengthening public service performance, ensuring fiscal discipline, and enhancing institutional accountability within the County Government.

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2. IMPLEMENTATION MATRIX

A. Performance & Productivity Framework

Objective	Strategic Intervention	Key Activities	Expected Output	Key Indicators (M&E)	Timeline	Responsible Entity	Estimated Budget (KES)
Establish a County Performance & Productivity Framework	Develop and institutionalize a performance framework	<ul style="list-style-type: none"> Develop framework Validate with stakeholders Secure CPSB & CEC approval 	Approved Performance & Productivity Framework	<ul style="list-style-type: none"> Framework approved Adoption across departments 	Q1-Q2 2026	PSM, CPSB	2,000,000
Link performance to rewards	Introduce reward and recognition system	<ul style="list-style-type: none"> Develop performance-based reward policy Define criteria and guidelines Roll out reward system 	Operational reward and recognition system	<ul style="list-style-type: none"> % of staff receiving performance-based rewards 	Q3 2026	PSM, CPSB	3,000,000 annually
Strengthen performance management system	Automate and integrate PMS with HR decisions	<ul style="list-style-type: none"> Design/upgrade PMS Integrate with HRMIS Roll out system across departments 	Functional and automated PMS	<ul style="list-style-type: none"> % of staff with quarterly reviews System usage rate 	2026-2027	PSM, ICT	5,000,000
Build supervisor capacity	Strengthen performance management skills	<ul style="list-style-type: none"> Train supervisors and managers Develop training modules Institutionalize continuous learning 	Trained supervisors and managers	<ul style="list-style-type: none"> % of supervisors trained Quality of performance reviews 	Annual	PSM	2,000,000 per year

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B. Wage Bill Rationalization (40% → ≤35%)

Objective	Strategic Intervention	Key Activities	Expected Output	Key Indicators (M&E)	Timeline	Responsible Entity	Estimated Budget (KES)
Reduce wage bill to compliant levels (≤35% by 2028)	Establish optimal staff establishment and organizational structure	<ul style="list-style-type: none"> Conduct staff establishment review Align staffing with approved structure Validate positions against service delivery needs 	Approved staff establishment and structure	<ul style="list-style-type: none"> Wage bill as % of revenue Staff numbers vs approved establishment 	Q1-Q3 2026	PSM, Treasury, CPSB	3,000,000
Improve revenue-to-wage bill ratio	Strengthen Own Source Revenue (OSR) mobilization	<ul style="list-style-type: none"> Develop OSR strategy Strengthen revenue systems Expand revenue base 	Increased county revenue (OSR)	<ul style="list-style-type: none"> % increase in OSR Wage bill/revenue ratio 	2026-2028	Treasury, Directorate of Revenue	-
Control growth of wage bill	Enforce recruitment controls	<ul style="list-style-type: none"> Align recruitment to budget ceilings Enforce multi-agency approvals Freeze non-essential hiring 	Controlled recruitment aligned to budget	<ul style="list-style-type: none"> % of recruitments budget-approved Staff growth rate 	Ongoing	CPSB, PSM, Treasury	-
Optimize workforce size	Implement attrition and early retirement strategies	<ul style="list-style-type: none"> Freeze non-critical positions Manage exits through attrition Implement voluntary retirement (where feasible) 	Gradual workforce rationalization	<ul style="list-style-type: none"> Staff reduction rate Wage bill trend 	2026-2028	PSM, CPSB	-

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Improve productivity per employee	Workforce optimization and redeployment	Conduct HR audits• Skills mapping• Redeploy staff to priority areas	Improved staff efficiency and utilization	• Output per employee• Staff-to-service ratios	2026-2028	PSM, Departments	2,000,000
Strengthen payroll control	Enhance payroll integrity systems	• Conduct payroll audits• Eliminate ghost workers• Integrate payroll with HRMIS/IFMIS	Clean and accurate payroll system	• Payroll accuracy rate• Ghost workers eliminated	2026-2027	PSM, ICT, Treasury	1,000,000

C. Cross-Cutting HR System Strengthening

Objective	Key Activities	Output	Indicators	Timeline	Responsible	Budget (KES)	Risks	Mitigation
Improve HR data and decision-making	Strengthen HRMIS	Functional HRMIS	Real-time HR reports	2026	ICT, HR	6M	System failure	Vendor support
Enhance transparency	Publish HR reports quarterly	Public HR reports	Reports produced	Quarterly	PSM, CPSB	1M	Data gaps	Standard reporting templates
Strengthen accountability	Quarterly HR performance reviews	Review reports	% of actions implemented	Quarterly	CPSB, PSM	-	Weak follow-up	Assign accountability

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3. MONITORING & EVALUATION FRAMEWORK

A. Key Results to Track

Result Area	Key Indicator	Baseline	Target	Data Source	Frequency	Responsible Entity	Output/Reporting Tool
Performance Framework	Performance & Productivity Framework established and approved	No framework	Framework approved by 2026	HR reports, CPSB records	Annual	PSM, CPSB	Approval reports
Performance Management	% of staff with quarterly performance reviews	<50%	≥90%	HRMIS, performance appraisals	Quarterly	PSM, Departments	Performance reports
Reward System	% of staff receiving performance-based rewards	0%	≥60%	HR records	Annual	PSM, CPSB	Reward reports
Wage Bill Control	Wage bill as % of total revenue	40%	≤35% by 2028	Payroll, IFMIS, Treasury reports	Quarterly	Treasury, PSM	Financial reports
Recruitment Control	% of recruitments aligned to approved budget	Low	100% compliance	CPSB, HR records	Quarterly	CPSB, PSM, Treasury	Recruitment reports
HR Data Management	Functionality of HRMIS (real-time reporting)	Partial	Fully functional HRMIS by 2026	HRMIS system	Continuous	ICT, HR	System reports

Transparency & Accountability	Number of HR reports published	Irregular	Quarterly publication	HR reports	Quarterly	PSM, CPSB	Published reports
Accountability Mechanism	% of HR review action points implemented	Low	≥90% implementation	Review reports	Quarterly	CPSB, PSM	Review meeting reports
Overall Implementation Progress	% of planned activities implemented	-	≥90% annually	Consolidated M&E reports	Quarterly & Annual	PSM, CPSB, Treasury	Dashboard reports
Independent Evaluation	Annual assessment conducted	No	Annual evaluation reports	External evaluation reports	Annual	Independent Evaluator, CPSB	Impact assessment report

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4. BUDGET AND COST OF IMPLEMENTATION

The successful implementation of this Plan will require targeted financial investment to support system development, capacity building, and institutional strengthening. The estimated budget has been structured to align with the key reform areas and will be financed through the County's annual budgetary allocations, supplemented where necessary by development partner support.

4.1 Summary of Estimated Costs

Component	Description	Estimated Cost (KES)
Performance & Productivity Framework Development	Development, validation, and approval of the County Performance & Productivity Framework	2,000,000
Performance Management System (PMS) Automation	Design, acquisition/customization, and rollout of automated PMS integrated with HRMIS	5,000,000
Training & Capacity Building	Continuous training of supervisors and staff on performance management (3-year period)	6,000,000
HRMIS Strengthening	System upgrades, integration, maintenance, and data management improvements	6,000,000
Wage Bill Rationalization Interventions	Staff establishment review, organizational structuring, and workforce optimization	3,000,000
Monitoring, Evaluation & Reporting	Development of M&E tools, quarterly reviews, reporting, and annual evaluations	2,000,000
Total Estimated Cost		24,000,000

4.2 Budget Rationale

The budget prioritizes investments that deliver long-term institutional efficiency and fiscal sustainability:

- a. System Development Investments (PMS & HRMIS): These constitute the largest share of the budget, as automation is



- critical for improving efficiency, data-driven decision-making, and transparency in human resource management.
- b. Capacity Building and Change Management: Sustained training ensures that staff and supervisors are adequately equipped to operationalize performance-based management systems and adapt to reforms.
 - c. Wage Bill Rationalization Measures: Resources are allocated to support evidence-based workforce planning, organizational restructuring, and staff optimization to achieve compliance without disrupting service delivery.
 - d. Monitoring and Evaluation: Continuous tracking and reporting are essential to ensure accountability, measure progress, and inform policy adjustments throughout the implementation period.

4.3 Financing Strategy

The implementation will be financed through a combination of:

- a. County Government Budget Allocations through the Department of Public Service Management, Administration and Governance and the County Treasury
- b. Development Partner Support, particularly under KDSP II and other governance reform programmes
- c. Reallocation of Efficiency Gains realized through improved HR systems and reduced operational inefficiencies

4.4 Cost Efficiency and Sustainability Measures

To ensure prudent use of public resources, the following measures will be adopted:

- a. Integration of activities into existing institutional frameworks to avoid duplication
- b. Phased implementation of high-cost components such as ICT systems
- c. Leveraging existing government infrastructure and technical expertise
- d. Linking expenditure to measurable outputs and outcomes through the M&E framework

4.5 Budget Implementation Approach

The budget will be implemented on a multi-year, phased basis (2025–2028) aligned with annual work plans and budget cycles. Each component will be

subjected to annual review to ensure alignment with fiscal realities and evolving priorities.

5. KEY RISKS AND REALITIES

Risk Area	Key Risk	Impact	Mitigation Measures	Responsible Entity
Governance	Political pressure on recruitment	Wage bill escalation beyond limits	Enforce strict budget-linked recruitment controls; strengthen oversight	CPSB, PSM, Treasury
Change Management	Resistance to performance-based systems	Weak adoption of reforms	Sensitization, transparent criteria, and grievance mechanisms	PSM, CPSB
Capacity	Limited technical and institutional capacity	Poor implementation of PMS and HR reforms	Continuous training, technical support, phased rollout	PSM
Systems & Data	Weak HRMIS and data integrity issues	Poor decision-making and reporting	Strengthen HRMIS; standardize data and reporting systems	ICT, PSM
Financial	Budget constraints	Delayed or incomplete implementation	Integrate reforms into annual budgets; leverage partner support	Treasury, PSM
Workforce	Service delivery gaps due to staff rationalization	Disruption in critical services	Prioritize critical roles; phased attrition and redeployment	PSM, Departments
Accountability	Weak follow-up on implementation actions	Low execution of planned reforms	Quarterly reviews; assign clear accountability and tracking	CPSB, PSM
Institutional Processes	Delays in approvals and decision-making	Implementation delays	Early engagement; clear timelines and follow-up mechanisms	PSM, CPSB

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Date: _____

Approved by:

County Executive Committee Member (CECM)

Public Service Management, Administration and Governance

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Signature: _____

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