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Sessional Paper No. 10 of 1980

ON

**THE ACCEPTANCE AND IMPLEMENTATION
OF THE
RECOMMENDATIONS OF THE CIVIL SERVICE
REVIEW COMMITTEE, 1979/80**

5 Shillings—1980

PROPOSALS BY THE GOVERNMENT OF KENYA FOR ACCEPTANCE AND IMPLEMENTATION OF THE RECOMMENDATIONS CONTAINED IN THE REPORT OF THE CIVIL SERVICE REVIEW COMMITTEE, 1979/80

I.—Terms of Reference

The Report of the Civil Service Review Committee appointed by His Excellency the President on 2nd October, 1979, under the Chairmanship of Mr. S. N. Waruhiu was presented to His Excellency the President, on 12th September, 1980.

2. The Committee had the following terms of reference:—

- (i) To examine Government Sessional Paper No. 5 of 1974 with a view to assessing the extent to which the recommendations of the Public Service Structure and Remuneration Commission, 1970–71 (Ndegwa Commission Report) have been implemented, and to recommend further necessary action in relation thereto.
- (ii) To study the existing structure of salaries and other fringe benefits in the public sector and seek to harmonize them where appropriate, bearing in mind the need to attract and retain qualified personnel within the public service.
- (iii) To study the present structure and philosophy of the Civil Service and recommend reforms which may be necessary for greater efficiency and productivity.
- (iv) To examine the present deployment and utilization of professional and technical personnel in the public service and recommend how best such personnel could be utilized in the promotion of Kenya's economic and social development.
- (v) To study the existing superannuation arrangements and provide for a scheme which could facilitate mobility of personnel within the public service and which could accommodate the private sector employees who may wish to join it.

Note.—Paragraph numbers appearing after each heading in this Sessional Paper refer to the paragraphs in the Committee's Report.

II.—Introduction

3. The Government wishes to take this opportunity to express its gratitude to the Chairman, Members and the staff who manned the Committee's Secretariat for their valuable report and to state that it has accepted the majority of their recommendations with modifications in certain aspects as indicated in this Sessional Paper.

4. The Development Plan for 1979-83 established definite objectives for the strengthening of the nation's institutions because they play a vital role in the development of the nation. Public leadership encompassing as it does town and municipal councils, Members of Parliament, civil servants, leaders of co-operative and welfare associations, directors and senior officials of statutory boards and corporations, K.A.N.U. leaders at all levels and organizers of Harambee efforts, has an especially critical role to play. The public service is responsible for the design and implementation of public policies and programmes and is the principal guardian of the public interest.

5. The terms of reference given to the Civil Service Review Committee by His Excellency the President reflect two principal concerns—the integrity of the public service should be impeccable and its members should be adequately rewarded so that the quality of their work is unquestioned. The Committee has dealt with these issues analytically and constructively. Its recommendations have been studied carefully and this Sessional Paper presents the views of Government on the major recommendations made by the Committee.

6. The critical current economic situation and the prospect that these difficulties will not easily be overcome places a heavy burden on the public service. It must seek to provide basic human and developmental needs with severely limited resources. Hence, the efficiency and integrity of the public service in the years ahead is a matter of crucial importance.

7. The Government's commitment to the alleviation of poverty and the provision of basic needs has been undertaken in recognition of the fact that genuine development is the improvement of the quality of life of the ordinary family. The objectives clearly deli-

berated in the development plan, are now more difficult to achieve because population is growing so rapidly and economic activity and Government revenues are growing so slowly.

8. Basic needs, such as health care, education, adequate nutrition, and the opportunity to earn a living, grow about as rapidly as the nation's population which is now growing at about 3.9 per cent per annum. Hence, simply to increase the quantity of basic need services in line with population growth requires an increase in Government expenditure on these services of 3.9 per cent per annum. If some progress is to be made on reducing the backlog of basic needs that now exist and improving the quality of essential services, Government expenditures would have to increase much more rapidly. It is Government's perception that the quality of life and particularly for children must improve with the passage of time. Families also should plan to ensure a high quality of life for their children.

9. The nation's ability to provide the basic needs required by its people depends on a growing level of economic productivity. Unfortunately, rising energy costs and world-wide recession have worsened Kenya's balance of payments and reduced the rate of domestic growth to a level well below that achieved in the past. Gross Domestic Product grew by only 3.1 per cent in 1979. The rate for 1980 may fall below 3.0 per cent and prospects for 1981 are not much brighter.

10. Government revenues reflect the low rate of economic growth and the ability of Government to achieve expenditure targets for basic services has been seriously impaired.

11. In these circumstances it is essential that families, voluntary associations, co-operatives, and the rest of the private sector shoulder more of the responsibility for providing basic needs for themselves and others. The Government will continue its own efforts, but those are now seriously constrained by the general economic situation.

12. The Government is seeking to improve the efficiency of its own planning and implementation machinery in order to provide more services per shilling of expenditure. The role of the public service in this essential exercise is critical. For this reason the recommendations of the Civil Service Review Committee, which are the subject of this Sessional Paper, are matters of the highest priority.

III.—Recommendations

Economic Background (paras. 20–81)

13. The Government accepts the principal arguments and guidelines advanced by the Committee in Chapter III relating to economic and social constraints facing the country.

14. The Government notes the Committee's recommendation and reiterates its policy commitment that while the nation strives to attain self-sufficiency in all areas of production, the national development strategy must be made much more export oriented.

15. The Government accepts the recommendations of the Committee that the expansion of the Civil Service should be kept at a minimum and that the country should avoid commitments on un-planned programmes.

16. While agreeing in general with the recommendations on restructuring and up-grading of jobs and job qualifications in the Civil Service, it is the Government's view that this is a process which requires continuous study and evaluation.

The Challenges of the 1980s (paras. 93–110)

17. The Government concurs with the Committee's general observations that the Civil Service should play a major and central role in the fulfilment of national goals and aspirations especially with regard to the alleviation of poverty and the provision of the basic needs for the people. It is also accepted that the public service should be more motivated to enable it to face the challenges of the 1980s which are expected to be harsher and more demanding than they have been in the past. The Committee has rightly pointed out that some of the problems to be faced will be external to the national environment and has emphasized the need for the Government to improve its capacity to respond and adapt to the dynamic and rapidly changing circumstances. The Government has already recognized this position and will continue to strive to create appropriate administrative and managerial capabilities in the public sector to ensure the optimum utilization of the nation's scarce resources in the process of providing basic needs to the people, taking advantage of economic opportunities as they present themselves.

18. The Government further agrees that the question of population and its dynamics must be treated as central to the challenges which the public services must address themselves to throughout the 1980s.

19. The Government also accepts the Committee's recommendation that the people should be given proper information and education on anticipated short-term and long-term effects of the harsh economic challenges in order to arrest any panic or misunderstanding in the face of repercussions and that all members of the public service should avoid making statements which indicate or imply that the Government is in possession of infinite means of providing for needs.

Management of Planned Development (paras. 143-182)

20. The Government agrees with the observations of the Committee that there is need for improvement in development strategy and policy making. The Government particularly accepts the Committee's recommendation on the need to so restructure or reorganize the planning, implementation and administration divisions of the functional ministries in order to make them better suited to their tasks.

21. The need for accurate data collection cannot be over-emphasized. It is the Government's view that the collection of data should not be an end in itself, and that proper interministerial data dissemination systems need to be developed. The Government, through the Ministry of Economic Planning and Development, will, in future, address itself more vigorously than hitherto to this vital aspect of planning and plan implementation.

22. In view of the fact that the district is the basic unit for development, the Government accepts the recommendation that the Rural Works Programme Co-ordinating Unit of the Ministry of Economic Planning and Development be strengthened to cope with the bids of all District Development Committees, advise them, inspect and monitor their projects, and that in addition to being the chairman of District Development Committee, the District Commissioner be the A.I.E. holder for those works undertaken by the District Development Committee.

23. The Government further accepts that a secretariat which should be headed by the District Development Officer be established for each District Development Committee and be manned by qualified technical personnel and that District Development Committees be made responsible for co-ordinating all Harambee projects. The details of how this secretariat will function will be worked out by operating ministries in conjunction with the Office of the President and the Ministry of Economic Planning and Development.

24. The Government also accepts that the Monitoring and Implementation Unit within the Office of the President should initiate a regular progress reporting system and convene inter-ministerial meetings to appraise all development activities in the country.

Management Practices (paras. 183–219)

25. In this chapter the Committee has emphasized the need for better utilization of human resources through greater use of competent and professionally qualified officers, adequate staffing of the Directorate of Personnel Management, the introduction of a systematic application of some of the properly documented management practices such as performance evaluation and career planning. The Government accepts these recommendations.

26. The Government also accepts that the Training Review Committee's Report of 1971-72 covering training requirements in the Civil Service and the K.I.A. Review Committee Report of 1978-79 on the restructuring of the institute should be implemented at an appropriate time.

27. The Government further accepts that the syllabus of the Certified Public Secretaries—Central Government Stream—should be made more relevant to the needs of the personnel function in the public service.

28. The Government also accepts that provincial personnel branches should be strengthened and that the Office of the President should continue to offer personnel services in the provinces to other ministries.

29. The Committee's recommendation that the Scheme of Service for Personnel Officers should recognize individual achievement as well as academic and professional qualifications is acceptable.

Deployment and Utilization of Professional and Technical Personnel (paras. 220-245)

30. The Government shares the Committee's view that there is need to maintain comprehensive and up-to-date information on the demand and supply of professional and technical personnel. The Government considers the maintenance of such information to be of paramount importance for planning and implementation of development programmes.

31. The Government also concurs with the Committee's observations that the production, deployment and utilization of professional and technical personnel should aim at achieving optimum output.

32. While the Government generally accepts the Committee's recommendations in this chapter, it maintains the view that the role of the National Council of Science and Technology requires further examination. It is the Government's view that this Council should seek to improve the research capability in the country as well as continuing to play its present co-ordinative role.

33. The Government further agrees to the recommendation that it should co-ordinate training on a national basis in order to ensure that all available capacity for technical and professional training is fully utilized. In this regard, the reactivation of the Co-ordinating Committee for Harambee Institutes of Science and Technology will lead to the creation of extra capacity for training, particularly so if the institutes are staffed with better qualified personnel.

The Public Service Commission (paras. 246-255)

34. In this chapter, the Committee has come out with a major recommendation that the Public Service Commission should not only be expanded but also restructured so as to embrace the entire public sector including parastatal bodies but excluding the Judiciary. To this end, the Committee has recommended the creation of five service boards under the Public Service Commission to cover the Civil Service, the Prisons Service, the Police Service, the Teaching Service and the Local Government Service. Although the Committee has not indicated in any concrete manner how these service boards will operate, the recommendation is accepted in principle

as this change is likely to bring about the desired harmonization and flexibility in the management of the country's public services. Consequently, the Government will initiate the necessary legislative changes to effect the proposed reorganization of the Public Service Commission. The Government, therefore, accepts the recommendation that the Teachers Service Commission Act be repealed and the powers and functions of the Teachers Service Commission be vested in the reorganized Public Service Commission.

Philosophy of the Public Service (paras. 256-273)

35. In discussing the public service ethics, the Committee was of the view that the term "public service" had for a long time been narrowly used in reference to civil servants only. The Committee considers the term "public service" as having a wider meaning and should embrace all those persons in leadership roles in the country ranging from town and municipal councils, Members of Parliament, senior civil servants, leaders of co-operative and welfare associations, directors and senior officials of statutory boards and corporations, K.A.N.U. leaders at all levels and organizers of Harambee efforts. This concept had, in fact, been accepted by the Government and is clearly enunciated in the current National Development Plan, 1979-83.

36. The Committee has also expressed a strong feeling that there had been a tendency among public servants to compromise their positions in that they had, in some instances, misused their offices for personal gains. In order to curb this malpractice, the Committee has recommended the establishment of a committee to formulate a "Leadership Code of Conduct" for all elected and appointed public servants. This recommendation is in line with what was agreed to during the recent National Leaders Conference at the Kenya Institute of Administration and is, therefore, accepted by the Government.

37. The Government will consider the Committee's recommendations regarding public officers' involvement in private interests after the formulation of the "Leadership Code of Conduct" referred to in paragraph 36 above.

The Judiciary (paras. 274–291)

38. In this chapter, the Committee has written at length and emphasized the need to maintain an independent Judiciary as stipulated in the Constitution. While the Government concurs with the views expressed by the Committee, it does not consider that official linkage of the Judicial Department with the Attorney-General's Chambers or any other Government Ministry solely for the purposes of representation in Parliament or elsewhere compromises, in any way, the independence of the Judiciary in the exercise of its judicial functions. Indeed, our Judiciary is already self-accounting and self-administering institution.

39. In this regard, therefore, the Government accepts the Committee's recommendations that—

- (i) judges and magistrates should be employed on permanent and pensionable terms of service. This is in fact in line with the current practice. Only non-Kenyan judges and magistrates are offered contract terms;
- (ii) all efforts should be made to train and recruit local lawyers who will fill positions of judges and magistrates; and that
- (iii) there should be a training scheme for clerical staff, executive officers and interpreters serving in the Judicial Department.

The Teaching Service (paras. 292–310)

40. In this chapter, the Committee has considered and proposed that in line with the overall objective to bring about closer co-ordination and harmonization of the management of the country's public service, the administrative matters of the Teaching Service such as recruitment, promotion and discipline should come under the purview of the Public Service Commission. Consequently, the Government accepts the proposal together with related recommendations that—

- (i) the Teachers Service Commission Act be repealed and the functions of the Teachers Service Commission vested in the expanded Public Service Commission;
- (ii) the graduate/approved teacher scale be segmented to facilitate promotion from one segment to another.

41. The Government further takes the view that the Kenya National Union of Teachers should place greater emphasis on the maintenance and improvement of professional standards and ethics of the teaching profession.

42. While it will be necessary to streamline certain aspects and practices currently in force within the Teaching Service, the Government accepts the recommendation that other terms and conditions of service should be similar to those applicable in the Civil Service.

Local Government (paras. 311–325)

43. In this chapter, the Committee has highlighted certain important aspects of the role of local government institutions, including their usefulness and the difficulties they face. It is the view of the Committee that local government is an essential democratic organ which ensures participation by the people at the local level in the policy-making machinery of the Government as well as being a system in which local people can decide on matters of local nature, while at the same time, implementing certain functions on behalf of the Government.

44. The Committee has also pointed out that whereas local authorities could have been more effective organs for development, their ability to do this continues to be hampered by various problems such as inadequate revenue, lack of adequate professional and technical personnel, erosion of available resources through uncontrolled migration of people and, in some instances, the failure of councillors to execute their duties effectively because of incompetence and tendencies to allow personal interests to take precedence over their duties to councils.

45. The Government considers the Committee's views and comments to be valid and accepts its recommendations that—

- (i) the Government takes an urgent decision on the functions and usefulness of local authorities;
- (ii) harmonization of terms and conditions of service for both the Civil Service and local authorities should be undertaken and that a committee should be established for this purpose;

- (iii) the recruitment, promotion and discipline of staff working for local authorities be vested in the expanded Public Service Commission and that the Government sets up the necessary machinery to bring this about.

The Ombudsman (paras. 326–335)

46. The Waruhiu Committee has suggested the revival of setting up the Office of the Ombudsman which had been proposed by the 1970-71 Ndegwa Commission. The Government rejected the establishment of this office in the Sessional Paper No. 5 of 1974 on the grounds that such an office might be misused by unscrupulous elements for witch-hunting and undue victimization. The Government still maintains the same views and accordingly rejects the establishment of the office of the Ombudsman.

The Civil Service Salaries (paras. 336–360)

47. In proposing the salaries and salary structure for the civil servants and teachers, the Committee has recommended the retention of the basic structure adopted on the recommendation of the 1970-71 Ndegwa Commission. The Committee has, however, made slight changes which involve the abolition of Job Group “ θ ” (theta) and the creation of Job Groups R and S at the top of the salary structure. These changes are intended to remove certain anomalies which have been existing in the higher grades of the Civil Service and also to reflect the immense responsibilities shouldered by officers holding posts at that level. The Government accepts these recommendations.

48. In recommending the new salary scales, allowances and other fringe benefits for the various job groups, the Committee has taken into account the state of the country's economy, past and present inflationary trends, the ruling wage guidelines and the ability of the Government to pay. The Government agrees with the Committee's views that it is not possible for the country to fully compensate the public servants for the loss of their purchasing power due to inflation. However, it is considered that the recommended salary increases of approximately 33.3 per cent for the lower income group (Job Groups A to F); 26.5 per cent for the middle income group (Job Groups G to K) and 20.2 per cent for the upper income group (Job Groups L to P) are reasonable in the prevailing circumstances. The Government also accepts periodic reviews of salaries and allowances recommended by the Committee.

49. Having considered salaries and other remunerative aspects of the Committee's recommendations, the Government has decided to implement salaries and house allowances for civil servants and teachers with effect from 1st October, 1980. Appropriate circulars will be issued in due course in respect of the implementation of other accepted recommendations.

Salaries for the Judiciary (paras. 361-367)

50. The Government agrees with the Committee's recommendation that there is need to provide adequate remuneration for the judges and magistrates as well as Kadhis in order to preserve the independence and impartiality of the Judiciary. This will also be in recognition of the heavy responsibilities which they bear as final arbiters between litigants and between individuals and the State. An improvement of salaries for the Judiciary will not only attract more local talent from the Bar but will also compensate them for the restricted lifestyle and their inability to earn a living after retirement. The Government further accepts the Committee's recommendation that members of the Judiciary should not be allowed to engage in any business whatsoever except in the ownership of land, buildings or quoted public shares. In the light of the foregoing, the Government accepts the recommendation that certain senior members of the Judiciary including the Registrar of the High Court should be placed in the higher income categories of the proposed salary scales for the Civil Service.

51. In view of the fact that emoluments of judges are covered by an Act of Parliament, the Government will seek the approval of Parliament for the amendment of the Constitutional Offices Remuneration Act to put the Committee's recommendation in this regard into effect.

Salaries and Terms of Service for the University (paras. 368-377)

52. The Government agrees to the Committee's recommendation that appropriate atmosphere conducive to the functions of a university be promoted at the institution so as to attract both scholars and students by providing adequate facilities for teaching and research.

53. The Government also accepts the recommendation that Lugonzo Committee's proposals on salaries and wages should be adopted by the University Council. The proposal that the Vice-Chancellor's salary be within the range of salary scale "S" recommended for the Civil Service is also accepted.

54. The Government further accepts the Committee's recommendation that other terms and conditions of service for the University staff should generally be in line with those applicable in the Civil Service.

Civil Service: Other Terms and Conditions of Service

(paras. 378-479)

55. The Government accepts the majority of the Committee's recommendations in this chapter on the other terms and conditions of service for the Civil Service. The major ones are:—

(a) Premature Retirement Scheme

That the scheme whereby superscale officers who have served for ten years or have reached the age of 45 years may retire with full benefits, be extended for a further five years and that the Government should use this scheme to rid itself of ineffective officers, who cannot be retired under other retirement schemes.

(b) Maternity Leave

The granting of two months' paid maternity leave to female officers should continue except that officers who avail themselves of such leave will forfeit their annual leave entitlement for that year in conformity with the provisions of paragraph 7 (2) of the Employment Act, No. 2 of 1976.

(c) Rental Deduction from House Allowance

Rental for equivalent Government quarters hitherto deducted from house allowance payable to officers living in their own houses should be discontinued. This is in recognition of the fact that these officers are responsible for the maintenance of their own houses.

(d) *Car Loans*

In view of the escalating cost of motor vehicles, the levels of car loans should be adjusted upwards as indicated below and the loan repayment period extended from four to five years:—

<i>Officers in Job Groups</i>	<i>Present Maximum Loan K.Sh.</i>	<i>New Maximum Loan K.Sh.</i>
L and above ..	48,000	90,000
J and K ..	36,000	72,000
H and below ..	24,000	48,000

56. The Government has, however, rejected or modified some of the Committee's recommendations as set out below:—

(a) *Housing and House Allowance*

- (i) The Committee has recommended that in future, house allowance for the Civil Service should be assessed on the basis of 12.5 per cent of three times an officer's annual basic salary multiplied by a factor of 10/9. On examination, the formula has proved to be costly, cumbersome, and difficult to administer, discriminatory and has no relevance to cost of buildings, rents payable or mortgage repayments. In view of these shortcomings the recommended formula is rejected in favour of the existing arrangements whereby house allowance for privately rented houses is paid on production of rent receipts while house allowance for officers living in their own houses assessed on the basis of 15 per cent of the cost of the house subject to prescribed capital cost ceilings.

In recognition of the high rents and escalating construction of costs as well as high interest rates on borrowed money, the present maximum house allowance will be

adjusted upwards as follows with effect from 1st October, 1980:—

PRIVATELY RENTED HOUSE ALLOWANCE

<i>Officers in Job Groups</i>	<i>Present Maximum House Allowance</i>		<i>New Maximum House Allowance</i>
	<i>K.Sh. p.m.</i>		<i>K.Sh. p.m.</i>
A and B	130		200—Nairobi Area and Mombasa Municipality.
	80		150—Other Municipalities.
	50		120—All Other Areas.
C and D	350		450
E	400	}	600
F	450		
G	650		850
H and J	750		1,200
K	900		1,450
L and M	1,000		1,850
N and P	1,000		2,250
Q, R and S	—		3,000

OWNER-OCCUPIED HOUSE ALLOWANCE

<i>Officers in Job Groups</i>	<i>Capital Cost Ceilings</i>		<i>New Maximum House Allowance</i>
	<i>Present</i>	<i>New</i>	
	<i>K£</i>	<i>K£</i>	
A and B	—	1,600	400
C and D	2,500	3,000	750
E and F	4,000	4,000	1,000
G and H	5,500	6,000	1,500
J and K	7,500	9,000	2,250
L and M	8,500	12,000	3,000
N and P	10,000	14,000	3,500
Q, R and S	10,000	20,000	5,000

(ii) *Housing for Married Women.*—The Committee has recommended that married women officers whose husbands are not public servants should be eligible for housing privileges in respect of their employment. This recommendation is considered unworkable in that it assumes that the husbands of such women officers do not enjoy housing privilege from their employers. To avoid the provision of double housing privilege to such families, the recommendation is not accepted.

(b) *Leave and Leave Allowance*

(i) *Leave.*—The Committee has recommended that Government employees in Job Groups “F” and below currently eligible for 21 working days’ annual leave be granted 24 days’ leave, but no change is recommended for other categories of officers. In view of the Employment Act which provides for the grant of a minimum of 21 working days’ leave and considering that Sundays and Public Holidays are excluded from annual leave rates, there are no grounds to justify any change in the current leave rates. The Government does not also accept the Committee’s recommendation for removal of the provision in the Code of Regulations to the effect that leave is not a right.

(ii) *Leave Allowance.*—The Committee has recommended replacement of the current travelling privilege and baggage allowance with a new allowance to be called “Leave Allowance” at the following rates:

<i>Officers in Job Groups</i>	<i>Leave Allowance K.Sh.</i>
Q and above	1,400
L, M, N and P	1,200
H, J and K	1,000
F and G	800
C, D and E	600
A and B	400

The concept of replacing the current system with flat leave allowance is reasonable but the Government considers the recommended rates as rather high and will prove expensive

to implement during the current financial year. Although it is felt that a flat leave allowance may not adequately compensate those officers travelling long distances, its introduction will remove the difficulties which are currently faced in the administration of the present system. The Government, therefore, agrees to the introduction of leave allowance to be paid once a year at the following reduced rates to officers who avail themselves of at least one-half of their annual leave entitlement with effect from 1st January, 1981:—

<i>Officers in Job Groups</i>	<i>Rate K.Sh.</i>
Q, R and S	1,000
N and P	900
L and M	800
H, J and K	650
F and G	500
C, D and E	400
A and B	300

(c) *Miscellaneous Allowances*

- (i) *Bicycle Allowance*.—The Committee's recommendation that bicycle allowance be increased from the current rate of K.Sh. 25 per month to K.Sh. 40 per month in rural areas and K.Sh. 35 in towns is accepted on the grounds that the current rate is considered inadequate to assist employees concerned to maintain their bicycles. Furthermore, the Government considers that it should be possible for each Ministry/Department to acquire its own bicycles for official use. In view of the tempo of development, particularly in the rural areas, the Government will encourage its employees to purchase motor-cycles to assist them in the performance of their duties.
- (ii) *Disturbance Allowance*.—In view of the increase in salaries, the Government does not see any justification for increasing disturbance allowance from 1/50 to 1/40 of an officer's basic salary as recommended by the Committee.

(iii) *Examination Allowance*.—This allowance which has hitherto been payable as “Examination Bonus” to certain categories of officers who pass specified examinations has proved to be discriminatory as it has not been uniformly applied to all civil servants. The Committee’s recommendation for its improvement is rejected.

(iv) *Motor Transport Allowance*

Motor-cars.—The Committee has argued that in view of the increased running and maintenance cost of motor vehicles, the rates of motor transport allowance should be adjusted upwards. The Government has accepted the recommended rates as modified below :

<i>Engine Capacity c.c.</i>	<i>Present Rate K.Sh.</i>	<i>New Rate K.Sh. per Km.</i>
900 and below	-/95	1.25
1,000	1.10	1.55
1,100	1.10	1.70
1,200	1.10	1.80
1,300	1.10	1.90
1,400	1.30	2.05
1,500	1.30	2.15
1,600	1.30	2.35
1,700	1.30	2.50
1,800	1.30	2.60
1,900	1.30	2.75
2,000 and above ..	1.85	2.90

Motor-cycles.—Although the Waruhiu Committee did not make any recommendation in respect of motor-cycles, the Government will allow corresponding increase and adjust the rates as follows :

	<i>Present Rate Cents per Km.</i>	<i>New Rate Cents per Km.</i>
Motor Cycles with side-car	50	75
Motor Cycles without side-car	40	60
Motor Scooters	30	45

(d) *Loans to Civil Servants*

(i) *Loans for Consumer Durables.*—The Committee's recommendation that the Government grants loans to civil servants for the purchase of certain consumer durables such as furniture, refrigerators, television sets, etc., is not acceptable. There exist loan facilities elsewhere which officers may take advantage of if they so wish without the necessity of resorting to Government for assistance.

(ii) *Overhaul of Motor Vehicles.*—For the same reason given in subparagraph (d) (i) above, the Government does not accept the Committee's recommendation that loans for overhaul of motor vehicles be extended to cover those vehicles which are not under Government assisted loan liabilities.

(e) *Medical Allowance*

(i) *Ex Gratia Payments.*—The Committee's recommendation that *ex gratia* payments in respect of excess medical expenses should be decentralized and delegated to Permanent Secretaries is not acceptable as to do so would lead to disparities in the determination of claims in this respect.

(ii) *Hospital Bills.*—The Committee has recommended that the Government should take over the responsibility for payment of in-patient and out-patient hospital bills directly to recognized non-Government hospitals. This recommendation is rejected on the grounds that it will cause delays and unnecessary administrative difficulties both to the Government and the hospitals concerned.

(iii) *Dental and Optical Treatment.*—The Committee has recommended that in addition to free dental and optical treatment, the Government should meet expenses of standard dentures and spectacles. The Government does not wish to take over such responsibility as it would be difficult to determine what constitutes standard dentures and spectacles.

Statutory Boards and Corporations (paras. 480–514)

57. The Waruhiu Committee has reiterated the recommendations contained in the 1970/71 Ndegwa Commission Report to the effect that while the statutory boards and corporations should manage their own affairs in accordance with the respective Acts establishing them, they should from time to time consult the Directorate of Personnel Management particularly with regard to harmonization of their salaries and other terms and conditions of service with those obtaining in the Civil Service. This recommendation had been accepted by the Government and is being implemented through the Parastatals Advisory Committee and the Inspectorate of Statutory Boards.

58. The Government also agrees with the Committee's suggestion that the Inspectorate of Statutory Boards should be strengthened with a view to enabling it to render effective services to statutory boards, corporations and authorities. Indeed, legislation is already in draft for presentation to Parliament to provide for closer Government supervision of the management of this vital sector.

59. The Waruhiu Committee Report has not dealt with the very important and urgent question of how to harmonize the salaries, other terms and conditions of service for the employees of statutory corporations, Government-owned companies and their subsidiaries. The Government considers it necessary to appoint a committee to examine and make recommendations towards solving the urgent and crucial problem of harmonizing the salaries, terms and conditions of service for such organizations with those that obtain in the Civil Service.

60. The Government further accepts the Committee's recommendation that—

- (i) advisory, regulatory and consultative bodies should be serviced by the Civil Service; and that
- (ii) the determination of fringe benefits for the Chief Executives of parastatal organizations should be in harmony with what obtains in the Civil Service.

Superannuation (paras. 515–527)

National Social Security Fund

61. In this chapter, the Waruhiu Committee has recommended that further work be undertaken by the Government in consultation with all interested parties represented in the National Social Security Council, to develop the National Social Security Fund into a self-supporting national pension scheme, and that this be done as soon as possible. The Government agrees with this view.

Computation of Pension

62. The Waruhiu Committee has argued for a revision of the formula used in the computation of pension. The Committee has observed that the formula currently used was fixed in 1946 but since then economic conditions have changed so much that the real value of pension has drastically dropped. In view of this, the Committee has recommended that the pension constant be revised from $1/600$ to $1/500$ and that the pension commutation factor be increased from $12\frac{1}{2}$ to 15. The Government agrees to undertake further examination of this matter in the light of actuarial consideration.

In this chapter, the Warthin Committee has recommended that the work be undertaken by the Government in consultation with all business groups represented in the National Labor Relations Board to develop the National Social Security Fund into a national pension system. The Government agrees with this view.

Continuation of Pension

62. The Warthin Committee has argued for a revision of the formula used in the computation of pension. The Committee has observed that the formula currently used was used in 1940 but since then economic conditions have changed so much that the value of pension has drastically dropped. In view of this the Committee recommended that the pension constant be revised from 1,000 to 1,200 and that the pension computation factor be increased from 121 to 125. The Government agrees to undertake further examination of this matter in the light of actuarial computation.