



Salaries & Remuneration  
Commission  
Rewarding productivity

## PRESS RELEASE

### First Quarter Wage Bill Bulletin (July to September 2023)

#### Wage Bill Trends

**Friday, 1 December 2023, Nairobi:** The Salaries and Remuneration Commission (SRC) has released the First Quarter Wage Bill Bulletin for the period, July to September 2023, for the financial year (FY) 2023/2024. An extract is presented hereby below:

#### **Requests from public institutions**

During the quarter, SRC approved requests worth Ksh 24,052.58 million, representing 60.4 per cent of the total requests from public service institutions, which amounted to Ksh 39,801.57 million.

This amount represents 36 requests received from public institutions. These included; 24 requests accounting for 67 per cent on allowances and benefits; 8 requests accounting for 22 per cent on collective bargaining agreements; and 4 requests accounting for 11 per cent on bonus.

*The Table below shows the value of SRC's advice compared to the requests received from public service institutions during the first quarter of FY 2023/2024.*

Financial Year	Quarter	Value of Requests by Public Service Institutions (Ksh million)	Value of Requests Approved by SRC (Ksh million)	Approved advice as a share of requests received (%)
<b>2022/2023</b>	Q1	2,099.84	1,611.95	76.8
	Q2	614.37	571.16	93.0
	Q3	3,240.44	411.43	12.7
	Q4	2,224.00	1,679.24	75.5
<b>Total for FY 2022/2023</b>		<b>8,178.65</b>	<b>4,273.78</b>	<b>52.3</b>
<b>2023/2024</b>	Q1	39,801.57	24,052.58	60.4

**Source:** SRC 2023, Internal data; \*\* projections

#### **Personnel Emolument for the county government**

The total expenditure of the Personnel Emolument (PE) in county governments in the first quarter of FY 2023/2024 is projected to increase to Ksh 107.23 billion, representing a 95.6 per cent rise compared to the same period in FY 2022/2023. The expenditure on PE is projected to increase from Ksh 43.15 billion to Ksh 48.77 billion, representing a 13 per cent growth.

This increase is attributed to the partial effect of the third cycle of salary reviews, which awarded county governments a pay review of 18.8 per cent spread across two fiscal years. This could also be attributed to the growth of the county government's expenditure in absolute terms.

Although the county quarterly PE component, as a share of the total expenditure, is projected to reduce from 78.7 per cent in the first quarter of FY 2022/2023 to 45.5 per cent in FY 2023/2024, this is still above the not more than 35 per cent threshold set by the Public Finance Management (County Government) Regulations, 2015.

### **Personnel Emoluments for the national government**

The expenditure on PE in the national government is projected at Ksh 126.83 billion, compared to Ksh 130.89 billion in a similar period in FY 2022/2023.

The total expenditure is projected to increase from Ksh 336.65 billion in the first quarter of FY 2022/2023 to Ksh 363.38 billion in the same period in FY 2023/2024. Although the total PE is projected to grow in absolute terms, the PE vote as a share of the total revenue is projected to reduce from 19.2 per cent in the first quarter of FY 2022/2023 to 17.3 per cent in the same period in FY 2023/2024.

### **Public wage bill trends**

The wage bill to nominal GDP ratio is projected to reduce marginally to 7.19 per cent in FY 2023/2024. This ratio is projected to decline towards 7.5 per cent, which is the average for developing countries, and 7 per cent, which is the internationally desirable level.

The wage bill to ordinary revenue ratio is projected to be 43.54 per cent in FY 2022/2023 and 40.45 per cent in FY 2023/2024. Further, over the last eight years, the public wage bill to total revenue ratio was highest in FY 2020/2021 at 45.9 per cent. It is projected to reduce to 32.15 per cent in FY 2023/2024. The total wage bill is projected to grow at a slightly slower rate of 6.37 per cent in FY 2023/2024.

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### **About the Salaries and Remuneration Commission**

The Salaries and Remuneration Commission (SRC) is established under Chapter 12, Article 230 of the Constitution of Kenya, 2010. Its mandate is to: a) Set and regularly review the remuneration and benefits of all State officers; and, b) Advise the national and county governments on the remuneration and benefits of all other public officers.

To get the First Quarter Wage Bill Bulletin (July-September 2023), or other past quarterly wage bill bulletins, visit SRC website: <https://src.go.ke/resource-centre/reports/>

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