



Salaries & Remuneration
Commission
Rewarding productivity

PRESS RELEASE

Second Quarter Wage Bill Bulletin (October to December 2023)

Wage Bill Trends

Friday, 19 April 2024, Nairobi: The Salaries and Remuneration Commission (SRC) has released the Second Quarter Wage Bill Bulletin for the period, October to December 2023, for the financial year (FY) 2023/2024. An extract is presented hereby below:

Requests from public institutions *(See bulletin with detailed table)*

During the period under review, SRC approved requests worth Ksh 815.57 million, representing 49.8 per cent of the total requests from public service institutions, which amounted to Ksh 1,637.63 million. Of the 17 requests received by SRC from public institutions, 10 requests accounting for 59 per cent were on Collective Bargaining Agreements (CBAs), and 7 requests accounting for 41 per cent were bonus requests.

Personnel Emolument for the county government *(See bulletin with detailed table)*

The total expenditure of county governments in the second quarter of FY 2023/2024 is projected to increase to Ksh 137.73 billion, representing a 52.4 per cent expenditure growth, compared to the same period in FY 2022/2023. In FY 2023/2024, the expenditure on Personnel Emolument (PE) is projected to increase from Ksh 41.79 billion in the first quarter to Ksh 50 billion, representing a 19.6 per cent growth.

This growth in PE expenditure is partly attributed to the growth of the county government's expenditure in absolute terms. This resulted from the implementation of the third cycle of salary reviews, which awarded county governments a pay review of 18.8 per cent spread across two fiscal years, in addition to the implementation of the annual salary increments.

Weighed against the 35 per cent threshold set by PFM Regulations, 2015, the PE expenditure, as a proportion of the total expenditure, is projected to increase from 42.1 per cent in the first quarter of FY 2023/2024, to 46.9 per cent in the second quarter of FY 2023/2024. This is still above the threshold.

Personnel Emoluments for the national government *(See bulletin with detailed table)*

In the second quarter of FY 2023/2024, the expenditure on PE in the national government is projected at Ksh 127.79 billion, compared to Ksh 123.53 billion in the same period in FY 2022/2023. The total expenditure is projected to increase from Ksh 511.38 billion in the second quarter of FY 2022/2023, to Ksh 691.04 billion in the same period in FY 2023/2024.

Although the total PE is projected to grow in absolute terms, the PE expenditure as a share of the total revenue is projected to reduce from 16.4 per cent in the second quarter of FY 2022/2023, to 15.5 per cent in the same period in FY 2023/2024.

Local and foreign travel expenditure *(See bulletin with detailed table)*

Although the total Daily Subsistence Allowance (DSA) expenditure of the national government has continued to grow in absolute terms as a share of GDP, this has remained relatively stable under 1 per cent for the last five years. For instance, the total DSA expenditure grew from Ksh 33.41 billion (0.33 per cent of GDP) in FY 2018/2019 to Ksh 37.87 billion (0.26 per cent of GDP) in FY 2022/2023.

Public wage bill trends *(See bulletin with detailed table)*

The wage bill to nominal GDP ratio is projected to reduce marginally from 7.58 per cent in FY 2022/2023 to 7.19 per cent in FY 2023/2024. Further, the wage bill to ordinary revenue ratio is projected to take a trajectory from 43.54 per cent in FY 2022/2023 to 40.45 per cent in FY 2023/2024. The total wage bill is projected to continue growing, but at a slightly slower rate of 6.37 per cent in FY 2023/2024.

Wage payment in the public service *(See bulletin with detailed table)*

An analysis of the Economic Survey 2023 shows that Kenya's total workforce stands at 12 million. Out of this, approximately 2 million are in the formal sector, which includes government civil service, parastatals, and the private sector employees. Wage payments in the public service grew by 4.8 per cent in FY 2021/2022 and projected to grow further by 6.5 per cent to Ksh 1,100 billion in FY 2022/2023.

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 Second Quarter Wage Bill Bulletin (October-December 2023), or other past quarterly wage bill bulletins, visit SRC website: <https://src.go.ke/resource-centre/reports/>

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