

MACHAKOS COUNTY ASSEMBLY**OFFICIAL REPORT****Tuesday, 2nd September, 2014**

The House met at 2.44 p.m.

*[The Deputy Speaker (Mr. Nganga) in the Chair]***PRAYERS****PAPER LAID****MACHAKOS ASSEMBLY HOUSING SCHEME FUND**

Hon. Muinde: Mr. Speaker, Sir, I beg to lay the following paper on the table of the assembly today Tuesday, 2nd September, 2014 report of the budget and appropriation committee on the Machakos Assembly Housing Scheme Fund and regulations 2014.

Hon. Deputy Speaker: Proceed.

NOTICE OF MOTION**MACHAKOS ASSEMBLY HOUSING SCHEME FUND**

Hon. Muinde: Mr. Speaker, Sir, I would wish to give this notice of the following motion that this honourable house discusses and approves the budget and appropriation report on the Machakos Assembly Housing Scheme Fund and Regulations 2014 as presented today on Tuesday, 2nd September, 2014.

STATEMENTS**STATUS OF COUNTY GRADERS**

Hon. Deputy Speaker: No. There is a statement? Hon. Dominic.

Hon. Maitha: Thank you Mr. Speaker. I wish to move the following statement. I wish to enquire to know from the ministry of roads and public works, the current status of the graders which were bought by the county government of Machakos because I am informed that already, as we are talking, five graders and two bulldozers are already grounded and that

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hinders the performance and delivery of services in the wards. I need a statement to know the current position of the graders because I have information five of them, are already grounded.

IMPLEMENTATION OF ROAD PROJECTS

Secondly, Mr. Speaker, I wish also to get information from the same ministry regarding the implementation of the first, second and third phases of the roads project Mr. Speaker. Right now, anyone can attest anytime from now, the rains can fall down anytime from now. It has been reported by the metrological department that we are expecting heavy rains Mr. Speaker, which is confirmed by the heavy rains we have received about a week ago. Right now, the first phase of the roads project was implemented and less than 50 percent of the second third phase of the road has not been implemented and we have no information as to when they are going to be implemented bearing in mind that it was to anchored by 2013/14 financial year. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Chairman roads, is he present? Vice chairman, when do you undertake to respond or offer the statement?

Hon. (Ms.) Kaluki: Thank Mr. Speaker, Sir, and the entire house at large. With your permission Mr. Speaker, Sir, regarding the question which has been raised by the honourable member, I request for time. The time of two weeks on our first sitting day after the two weeks, I shall present a report to the floor of this house regarding the questions.

Hon. Deputy Speaker: Two weeks?

Hon. (Ms.) Kaluki: Yeah, two weeks Mr. Speaker, Sir.

Hon. Deputy Speaker: Are you comfortable with that hon. Maitha? Let us do next week but one on Tuesday, right? You are comfortable with that hon. Dominic. Yes. Reasons?

Hon. Maitha: Mr. Speaker, when we are talking of two weeks, even a week from today, Mr. Speaker, two weeks the rains will have already started. Mr. Speaker some areas, for example my area, it is a cotton soil area. Same case when we come to some areas in Matungulu. Anytime from now, the clouds can show rains are expected.

Hon. Deputy Speaker: So the reason you are not comfortable is---

Hon. Maitha: I need it a maximum, if possible, within a weeks' time we get a response about this. Thank you, Mr. Speaker. Even three days time, it is possible.

Hon. Deputy Speaker: Let us give her two weeks to bring a more comprehensive report, right. Make sure that the report encompasses all the issues that have been raised. The situation of those roads, whether they have been done or not, the graders and the dozers, we want a more valid report in this house to be discussed. So in two weeks time, the other week, on Tuesday, afternoon. Any other statement?

Hon. Deputy Speaker: Proceed, Clerk

MOTIONS AND BILLS

MACHAKOS ASSEMBLY HOUSING SCHEME FUND

Hon. Muinde: Mr. Speaker, Sir, aware that housing is a primary human need next in importance to food and clothing. Housing is a major expenditure and cannot be funded out of family's normal monthly income or savings, it remains a basic human need. Mr. Speaker, Sir, aware that a prospective owner today in urban areas must look for a loan, a substantial size and so structured that can be paid over a period of time, in many cases during the working life of that person.

Mr. Speaker, Sir, loans are offered to a borrower to purchase or build a new house on the basis of his or her eligibility and the lending rules. Mr. Speaker, Sir, aware that the county Executive committee member has established a fund under section 116 of the PFM Act, I would wish to move the motion that this honourable house discusses and approves the Machakos county assembly housing scheme fund regulations, 2014 report as laid today Tuesday, 2nd September, 2104 as per the budget and appropriation committee. Thank you Mr. Speaker, Sir. Mr. Speaker, I call upon Hon. Sammy Nduva to second the motion.

Hon. Nduva: Mr. Speaker, housing is an important facility to any family. Mr. Speaker, I want to concur with the minister responsible for finance for having introduced or created this fund where each hon. member will have access to borrow money at a reasonable rate and will be able to own a house. As a member of Budget committee, we have looked at the document and since time is of essence, and the remaining life of this assembly is heading to the middle, I request this hon. house to discuss and approve this document so that each hon. member can owner the house. Mr. Speaker, I second the motion.

Hon. Deputy Speaker: Yes, what is your point of order?

Majority Leader (Hon. Mwonga): Mr. Speaker, as every member of this house knows, this is not a dining hall neither is it a dancing club. Mr. Speaker, anytime any member is coming to this hon. house, should dress properly and in decorum. I want to draw to the house that hon. Cornelius Kitheka, member for Machakos Central is not properly dressed. He is in leather jacket. We cannot call that one a suit. I also want to draw to your attention-----

Hon. Deputy Speaker: Order, hon. Kitheka.

Majority Leader (Hon. Mwonga): I also want to draw to your attention that hon. member for Kangundo North, Hon. Matheka is also not properly dressed.

Hon. Deputy Speaker: Yes, point of information?

Hon. Matheka: Thank you Mr. Speaker and the House at large, I would like to address the hon. member that is the Majority Leader, to tell this hon. house what is proper dressing and if I am not in a jacket. Thank you, Mr. Speaker, Sir, and on top of that I am also in a tie. Thank you Mr. Speaker, Sir.

Hon. Deputy Speaker: I can see hon. Kitheka your hand is up. Is it on a point of order or a point of information? Yes, what is your point of information?

Hon. Kitheka: Mr. Speaker, I would like to inform the Majority Leader that---

Hon. Deputy Speaker: Inform the Speaker.

Hon. Kitheka: ...Inform the Speaker that it is in order to come in a coat and this is a coat regardless of the material. I have been coming with this coat for the last one year and nothing has happened to me in this house. So I see it as witch hunt for me to be told I am not observing decorum at this time. I suspect there is witch hunt.

Hon. Deputy Speaker: Yes Hon. Kavuu.

Hon. Kavuu: Thank you Mr. Speaker. I remember yesterday on the house business committee and you were the chairman and the communication you made to us you said that when we had a liaison committee, that nobody should come to the house wearing a jacket. I am surprised if you can allow the members who have been named wearing jackets to raise a point of information.

Hon. Members: Point of information.

Hon. Kavuu: Mr. Speaker protect me---

Hon. Deputy Speaker: Order members, remain seated. Let the member conclude his remarks.

Hon. Kavuu: It is you Mr. Speaker, who made that communication when we had a house business committee, saying that a member should come in the house well-dressed and those members who have been named in the house wearing jackets should honour what you said in the liaison committee. Thank you, Mr. Speaker.

(Loud consultations)

Hon. Deputy Speaker: Order, order, Hon. members, order hon. Kitheka. The rules of this house are very clear on the manner in which we should conduct ourselves as members of this house. The title honourable depicts the way we should conduct ourselves, whether private or public, must reflect that we are honourable. Even in engagement during debate and such, it should always come forth and to be seen that we have integrity. Any visit, going forward, as a resolution from the Liaison Committee, the house business committee and all the committees that govern implementation of rules of the house, members should be advised that, going forward, you are expected to turn up within the precincts of the house properly dressed. Properly dressed in traditions and practices of the assemblies' means you come in a suit and a tie. Any other time, whether we are in recess or during any business of the house.

So members, going forward, if you are coming to conduct any business, even if it is going to collect your vouchers or anything or imprest, you come properly dressed for the house. By the Standing Order No. 1, for all matters that have not been provided for, the Speaker has the prerogative to rule. Therefore, I want to urge those two hon. members that have been named, I will pardon you for today but starting tomorrow, take note that you should come dressed properly.

Once the house concludes, you can look at how Hon. Dominic Maitha is dressed, how Hon. Benson Kasyoka or even the Majority Leader or even Hon. Sammy Nduva and you borrow a leaf. We want to implement the rules of the house to the letter to ensure that each and every one of us takes the business of this house seriously. Thank you, members. I would like us to proceed. I don't want us to go back to the same matter. Unless you are rising on a point of order, that is before the house. Hon. Muinde, proceed.

Hon. Muinde: Mr. Speaker, Sir, the Machakos assembly housing scheme fund regulations, 2014 was committed to the committee of budget and appropriation to be scrutinized and give their recommendations after it was fully deliberated and approved in the Loans Management committee. The Salaries and Remuneration Commission, on mortgage facility, recommends that members and staff of the county assembly be entitled to a mortgage of Ksh 3 million payable at an interest rate of 3 per cent per annum.

This is a cash back fund subject to budgetary allocation, under availability of funds. The loan is payable within five years or before the end of term of office for members of members of county assembly and for a specified period of time for the members of staff or before the retirement date, whichever comes earlier. The budget and appropriation committee, as currently constituted, comprises of the following hon. members who have extensively scrutinised Machakos county housing fund regulations 2014.

1. Hon. Isaac Muinde - chairman.
2. Hon. Rachel Nduku - vice-chairperson.
3. Hon. Charles Mutisya - member
4. Hon. Wilson Mutiso - member
5. Hon. John Sila - member
6. Hon. Renson Muthiani - Member
7. Hon. Sammy Nduva - Member
8. Hon. Christine Mutune -member
9. Hon. Ruth Ndumi -member

Mr. Speaker, CEC member of finance has prepared a housing scheme fund regulations for the members and staff of the county assembly. One of the important benefits of taking a home loan with the scheme would be the interest rate that is allowed in the scheme. Mr. Speaker, the county executive committee member for finance made the regulations to be known as the Machakos county assembly housing scheme fund regulation, 2014, under section 116 of Public Finance Management Act, 2012 which gives the executive committee member powers to establish other county public funds with the approval of the county executive committee and the county assembly.

The budget and appropriation committee scrutinized all the sections of the Machakos county assembly housing scheme fund regulations, 2014 and found that the housing scheme fund regulations, 2014 were in line with the law. In line with the provision of PFM Act 2012 section 116, I hereby present to this hon. house, the committee's report on the Machakos county assembly housing scheme fund regulations, 2014 which the committee on budget and appropriation discussed and recommends for the county assembly for consideration.

Mr. Speaker, the objectives of these regulations is to create a frame work for use of monies set aside for the provision of affordable housing scheme facility. The need for these regulations has been necessitated by the urgent need to provide an urgent scheme facility for members and staff of the county assembly. This is especially important in the light of the rise of purchasing a single family home in relations to income particularly in Machakos town and other urban areas.

These regulations will therefore guide the provision of financial assistance to members and employees to help purchase and finance their primary residences. The regulations will create clear a frame work that clearly outlines the procedure of accessing the long obligations in regard loans for both beneficiaries and management of the fund set upon up for the same matters that are incidental thereto. So Mr. Speaker, I urge members to approve these regulations so that once funds are available, members can access the funds immediately so that they can benefit and reduce the financial pressure that may be occasioned by the lapse of a time.

Mr. Speaker, the duration of this loan is five the members and when you calculate the period to 2017 or 2018, whichever is applicable, you find that it is about 30 months. Meaning as we keep delaying, the period will become less meaning, the principle and interest rate, interest amount to be paid will be higher and members may not be able to accommodate that within their payslips. So I urge members to go through the regulations and approve so that immediately this assembly receives money from our treasury members can access this money to purchase their own houses or build their own houses, whichever is applicable at individual level.

Thank you, Mr. Speaker. I urge Hon. Sammy Nduva again to come and second the report for debate. Thank you, Mr. Speaker.

Hon. Nduva: Thank you Mr. Speaker, Sir. I stand to second the motion thank you.

Hon. Deputy Speaker: Thank you members. I now invite contributions for and against the report before we delve into the matters of the bill. So I invite contributions.

Hon. Maitha: Thank you Mr. Speaker, Sir. I am shocked to receive such kind of a motion that involves the welfare of members that was discussed in a hidden room somewhere within the precincts or outside the assembly, regarding the welfare of these members. It is clear that anything Mr. Speaker, that concerns members, as is past experience, members need to go sit down either within or out of the assembly, agree or disagree, be explained the advantages and the disadvantages of that kind of a scheme that is going to benefit members.

I remember very well the SRC document that landed in to this house. It was giving benefits to individual members. Mr. Speaker, some of us, I being one of them, I sacrificed my Ksh 2 million, to pay for the car loan so that I can get the Ksh 3 million mortgage. So I don't want to be part and parcel of this scheme, personally. If I don't qualify for the Ksh 3 million, then let me not qualify. I don't want to be involved in a scheme that is bound to fail.

If I don't qualify for the Ksh 3 million, because I sacrificed my Ksh 2 million, knowing that I will qualify for the mortgage, Mr. Speaker. I don't want to be part and parcel of it. If you read section five of this document, it says clearly that, 'the county assembly may appropriate additional monies to the fund.' From which basis, Mr. Speaker---

Hon. Deputy Speaker: Hon. Dominic, we are debating the report. The report on county assembly housing scheme fund. Do you have that copy?

Hon. Maitha: Mr. Speaker, where was the report discussed? I was not there and it is regarding the welfare of this members.

Hon. Deputy Speaker: Hon. Dominic.

Hon. Maitha: We were supposed to sit as members, discuss and agree about the same, Mr. Speaker

Hon. Deputy Speaker: Hon. Dominic, may you be guided. We are discussing about the report that came from the committee on budget. You don't need to pre-empt debate on the regulations because we are not yet there. The house will dissolve into a committee of the whole house, where you will support the deleting or the preservation of the clause that we are in agreement with. So you don't need to pre-empt debate on a matter that is yet to come before this house.

The regulations that have been passed across to all members will be handled when the house----- because immediately after we approve the report, then the house will dissolve into a committee of the whole house, where you will consider clause by clause of the regulations, then you will rally your colleagues, to reject that clause that you are not in agreement with or support that clause that you so favour.

So going forward, can you align yourself and limit yourself to the matters before the house. We are discussing the report. Another contribution? Hon. Mueni.

Hon. (Ms.) Mueni: Thank you Mr. Speaker, Sir. I think everybody should be given his money but not to be given as a house.

Hon. Deputy Speaker: Yes, Hon. Kitheka.

Hon. Kitheka: Mr. Speaker, Sir, respect to the Chair and the house at large. I feel short-changed when such a motion comes to this house purporting members to be put in a collective loan agreement. Mr. Speaker, as per the regulations which we are approving for consideration in another meeting, I can point for you in the clause number five where the issue of capital will emanate from---

Hon. Deputy Speaker: Hon. Kitheka, did you listen to the Chair. You are out of order. I have said limit your debate to the report from the committee. We are not yet to the regulations.

Hon. Kitheka: We are objecting the tabling of the same document.

Hon. Deputy Speaker: No. What you need to discuss is about the same report. Hon. Kitheka you are out of order. Can we have another member?

Hon. Kitheka: But Mr. Speaker, we cannot debate a document which is unconstitutional. It is unconstitutional.

(Loud consultations)

Hon. Deputy Speaker: Hon. Kitheka you are out of order. Members, you need to be guided. Hon. Ndawa, speak through the Chair. The matter before the house is on the report from the committee of budget and that report has been supplied to you. This issue on the housing scheme, the regulations, you refer to this document immediately the house dissolves to the committee of the whole house. Therefore, order mheshimiwa, order. I am not through. Before we get into discussing what is in the regulations, limit yourself to what is in the report

Hon. Muinde: Mr. Speaker, I want to put this clearly to the house, that once the budget committee received the fund regulations, we went through them and agreed with the regulations clause after clause, with no amendments and it was our opinion that we table procedurally to the house. The concern for members is that some could feel that all members are being tied to one scheme where one is not....Mr. Speaker, I am on the floor and I need protection.

Hon. Deputy Speaker: What is your point of order?

Hon. Muinde: Mr. Speaker, I am also on a point of order.

Hon. Deputy Speaker: Let us hear her point of order.

Hon. (Ms.) Ndawa: Mr. Speaker, I would like to know, from either the chairman of budget or the Speaker, where did these regulations come from because this is unconstitutional.

Hon. Deputy Speaker: Why is it unconstitutional?

Hon. (Ms.) Ndawa: Because Sarah Serem (SRC chairperson) had a circular. According to this report, we can see here the hon. chairman for budget, you are telling us here in the second paragraph, Mr. Speaker, Sir, the Salary and Remuneration Commission, on mortgage facility, recommends that members and staff be entitled to a mortgage of Ksh 3 million. Can we have the circular because it was sent, we confirm if it is members of the county assembly and the staff of the county assembly. Mr. Speaker, let us not run this *bunge* on self interest way because it will be very unfair. This is an affair concerning hon. Ndawa. I am the one who is going to pay.

Hon. Deputy Speaker: So your point of order was what?

Hon. (Ms.) Ndawa: My proposal is I don't want this report to be discussed in this house because it is not worthy these hon. members. It is unconstitutional, Mr. Speaker. Not unless we have members here who have their own interests. I did not see anywhere in the circular where we were told members of the county assembly and the staff. Don't think we don't go through these things, Mr. Speaker. We do. Thank you very much.

Hon. Deputy Speaker: Hon. Majority Leader, yes.

Majority Leader (Hon. Mwonga): Mr. Speaker, the members who are against these regulations are putting me in an awkward position, Mr. Speaker. I think this hon. house sat and came up with a committee to manage the car loan and mortgage. It is that same committee that brought it to the house. That committee was approved by this hon. house. It was a committee to manage the car loan---

(Loud consultations)

Hon. Deputy Speaker: Order members. Just before you continue, I want to put members on notice that I will firmly address the rule of law now. You should only speak through the Chair. We are not here for a shouting match. If you have been given opportunity to contribute, can you wait for any other member who has been given the same opportunity to be heard?

Hon. Dominic, you need to behave and carry yourself with the decorum. If we must listen to each other, we must know we have to give the opportunity to other members to be heard. If you raise a point of order, the Speaker will hear you and give you an opportunity but not to shout out so that the other member cannot be heard. That is not how we are supposed to conduct our business. Hon. Mwonga, can you continue.

Majority Leader (Hon. Mwonga): Mr. Speaker, I was saying and tried to urge my hon. colleagues that the regulations, the report of the budget committee and the regulations Mr. Speaker, there is in this regulation nowhere it says that the members will access the money as a group. No Mr. Speaker. Each and every member, when we pass the regulations, there are those who will be able to access the facility, the mortgage facility and I am sure there are others who will not be able to access, Mr. Speaker. The issue of accessing the mortgage facility is upon an individual member, not a collective issue, Mr. Speaker.

The members who are raising issues with the regulations have not gone through them. It is only that Mr. Speaker, maybe, they have been misadvised by one of the members who sits in that board, Mr. Speaker. The procedure is, whenever the committee presents its report in the house, it is upon the house to reject or adopt the report. We cannot go on allowing members to scuttle or pre-empt what is in the regulations and yet we have not gone through the regulations. So, Mr. Speaker, I huge the hon. Chair of the Speaker, to give guidance on what should happen. Thank you, Mr. Speaker.

Hon. Deputy Speaker: I am allowing debate on the report. Yes. I want debate on the report and restrict yourselves to that. Hon. Stephen Muthuka.

Hon. Muthuka: Thank you Mr. Speaker, Sir, and the rest of the house. Looking at report and the preamble, the regulations are what we are calling the report and has been just been circulated in the house and we have not gone through so I don't understand why are you calling for discussion of the report that we have not gone through. So to my knowledge, we can take 30 minutes to go through the report or even we can adjourn this report we can discuss tomorrow when we have gone through it because what we are doing we are pre-empting everything and it is as if we are not guided by the procedures of this house. Thank you.

Hon. Deputy Speaker: Hon. Kyalo Kyuli.

Hon. Kyuli: Mr. Chairman it is as if hon. Stephen Muthuka has just read my mind. Going back to the order paper, Mr. Speaker, this is now a motion to before the house. I am praying that I want to support Hon. Muthuka, if we can adjourn. I am praying that we adjourn, look at this regulations afresh, everyone goes through them and looks thoroughly so that when we come to discuss tomorrow or any other day, we argue from an informed position unless people sat somewhere else, although the committee sat, unless the rest of the members had the information before this meeting. So Mr. Speaker, this is something of a lot of essence of every member here in this house.

Therefore, I would urge again, some of things, just like before, it is always fair sometimes I thought when Englishmen said 'once bitten twice shy,' we would actually be shy Mr. Speaker and therefore for us not to be shy of something that is going to affect our life positively. Mr. Speaker, Sir, I beg that we adjourn or let us scrutinize this and we come to discuss this tomorrow or call for a *kamukunji*, we discuss it elsewhere. Thank you.

Hon. Deputy Speaker: Hon. Alice.

Hon. (Ms.) Nzioka: Bw. Spika, ningependa kusema jambo. Kama vile ambavyo mimi mheshimiwa, wakati nikipewa mkopo wa kununua gari niliangaliwa vizuri sana kama vile nikipewa mkopo naweza kulipa mkopo na nikajitwika mzigo wa kusema naweza lipa. Sasa hapa nina mkopo wa kununua nyumba ama kujijengea nyumba nzuri ambayo mheshimiwa anaweza kaa. Nashindwa wakati tumepewa mkopo na nimepatiwa, naambiwa naenda kujenga mahali.

Huo mpango wangu kabisa, kama nitapewa mkopo, nataka kuangaliwa vizuri sana kama naweza lipa. Niangaliwe kwa ile kamati ya mkopo ambayo inaniangalia kama naweza lipa mkopo. Kama siwezi, mimi mheshimiwa Alice Nzyoka, nasema nisipewe mkopo. Yule mwenye anafuzu kupewa, apewe kwa sababu mwenyewe, kwa muda wa miaka tano ama hiyo mitatu kama vile imesemekana, yeye mwenyewe alipe. Na hata nikitoka kwenye hii bunge ya Machakos, nikienda nje kabla sijalipa mkopo, itanilazimu nitalipa. Mimi mheshimiwa Alice nasema mimi nipewe mkopo kama nafuzu na kama siwezi, hewala!

Hon. Deputy Speaker: Just before we continue, I would want to offer advice to the house that those that are of opinion that they want the matter adjourned for further debate, the matter can only arise with you when you propose for the same and it is supported by the members through a secondment and then supported. Before we come to your point of confirmation, let us check on Hon. Collins Mbithi.

Hon. Mbithi: Thank you chair, Mr. Speaker. Mr. Speaker, I am one of those people who have passion with the real estate and I want to support this report. However, Mr. Speaker, I think we need to do some changes and I want to appreciate the committee for budget but when we say recommend that the members and staff. In our budget Mr. Speaker,

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we said Ksh 180 million, specifically for the members of county assembly. My question is who is this staff? If we have to put up a structure which involves the staff and I am the only one who is being taxed, the 3 per cent, that means someone is benefitting from my pocket.

So, I will appreciate those who can qualify. Let them take the mortgage those who cannot let us join but only the members of the county assembly because I don't want to pay for any staff. Thank you.

Hon. Deputy Speaker: Yes hon. chairman.

Hon. Muinde: Mr. Speaker, I want to appreciate that---

Hon. Deputy Speaker: Order members please.

Hon. Muinde: Looking at the mood of the house, Mr. Speaker there is a lot of mistrust in this house. Mr. Speaker the report on budget was on fund regulations and we are yet to get there but members have pre emptied the debate on their regulations so that all members can be carried along and that no one feels left out although it would have been addressed under the committee of the whole house reading clause after clause, page after page, it is not so complicated but since members would want to read and re-read, and familiarize themselves with the regulations, Mr. Speaker, I have no objections.

If a question raised, a request is made that this motion be adjourned to another date so that members can read it. But Mr. Speaker, I want to say that these regulations are not so different from the regulations on car loan. In fact, the creation of the fund if you also read the car loan scheme, as passed by this house it is that the other one was to purchase cars and this one is to purchase a building or construct your own structure.

Mr. Speaker, I also want to take this early opportunity to assure members that there is no collective or group mortgage. These regulations do not anticipate such. So I get astonished when I see members getting afraid, long even before they have looked into the regulations. I also want to say that this is a loan, and to qualify for a loan because it is backed by a payslip, each of us in this house has a different payslip.

Some have over committed their payslips others do not have a loan. So even when it comes to taking a loan, we are not on the same level. I want to tell you for sure that some will not be able to afford the Ksh 3 million because, it is backed by the payslip. Others will be. So, there is no way all members will be tied into one group and access the same loan. That is the fear I want to uplift from the members because I believe some may have wrong information. Mr. Speaker, so that all members can be satisfied, and that we can pass this rules, for the harmony of this house Mr. Speaker, let members be allowed to read the regulations and be allowed to come to the house, debate the budget report and then we can get into a committee of a whole house, and we can go clause after clause. Areas where members have an issue can be deleted or any other additions can be made where members at

the end of the day, will feel that the regulations are theirs and they can own them. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Hon. Peter Nzoka.

Hon. Nzoka: Thank you, Mr. Speaker. I would like to support adjournment and support what madam Ndawa said. We need a circular from SRC. We study it, we study the other documents because this is where we are paying money and I agree many payslips are much accommodated. So we should like to see how much we can get from there. This word of scheme is coming like we getting it as a group. We shall go the way we did on the car loan. Thank you.

Hon. Deputy Speaker: Hon. Michael.

Hon. M. Mutuku: Let me first applaud the budget and appropriation Committee for the report and I would like to say to this hon. house, the scheme we are trying to come up with is not only for this term but it is a scheme for the future, it is a scheme which we need to put all the systems in the place because we are talking on the face value considering the short term. We are not looking the long term of the scheme. The next term for those who will come? Hon. members as I can read the mood of the house, as we adjourn because I can read the faces of many, let us come up with a scheme which is not short lived. A scheme with a vision for future. Thank you.

Hon. Deputy Speaker: Hon. Ndawa.

Hon. (Ms.) Ndawa: Mr. Speaker, allow me to quote what hon. Mutuku for Athi River just said. Future. The future for politicians is your term. What we don't know, we leave it to God my friend. So I would like to ask hon. Muinde. If this scheme, as he says because this members need to be addressed at least about the whole issue. They need to be told this scheme is about what. Are you telling us may be this time around we don't go to the bank to get the money from the bank or do we form a scheme so that the assembly is going to give Ksh 3 million and an agreement between the members of the county assembly, with the office of the county assembly? Indeed each individual will qualify?

So we need to get in a class somewhere and you explain this report of yours before we pass it here. Because this is an issue of money or what do you think members? It is an issue of money. Mr. Speaker, everybody wants this Ksh. 3 million but according to what I have read here, because I didn't have this report, I almost went nuts and almost gave birth and I don't want to give birth to a premature baby. So we need an explanation.

Hon. Deputy Speaker: Hon. Kathinzi.

Hon. Kathinzi: Thank you Mr. Speaker. Let me first appreciate the job well done by the chairman budget and his committee. However, the committee, which sits for the welfare of this members, should have seen sense to call this members into a *kamkunji* to explain to them because this touches, this is the heartbeat of each and every member. So Mr. Speaker, we hold you with all due respect and it is up to you to go for the proposed adjournment or maybe we go for the Speaker's *kamkunji*, maybe tomorrow morning for it to be explained in details because personally, I will not allow to suggest or move in a way where I may be a victim in future, about the welfare of my money because I am very careful when it comes to the to the use of my cash. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you and members, so far, be advised that no member has proposed for an adjournment so we are still debating on the matter. Yes hon. Nzeki.

Hon. Nzeki: Thank you Mr. Speaker. I stand in support of the report and according to the housing scheme, what they have said is the housing scheme. It is just a leeway of accessing money. You don't have to be told to go and buy a house. It is a way of accessing money and it will be individually not collectively.

Majority Leader (Hon. Mwonga): Thank you Mr. Speaker and the house at large. If there is a member who will not agree to partner with some members here, it is Joshua Kiilu Mwonga, Mr. Speaker. I want to put it very clear that there is nothing like collective mortgage where the members will access the money in a group. It is only the word scheme which is bringing a problem here. We had a car loan scheme and there were no issues. Each and every member had to access his own money individually and going by the mood of the house, we have to adjourn and discuss the same document tomorrow in the morning session. Thank you Mr. Speaker

Hon. Deputy Speaker: Who seconds for the adjournment? You need to call for the secondment.

Majority Leader (Hon. Mwonga): Mr. Speaker, allow me to call Hon. Sammy Nduva to second the adjournment.

Hon. Nduva: Thank you Mr. Speaker, Sir. I want to second the adjournment so that as majority of the members have suggested that they read and digest this document so that each of us, tomorrow we will be in position to address the area that needs to be put into consideration. Thank you, Mr. Speaker. I support the adjournment.

Hon. Deputy Speaker: Therefore, I can see nobody is willing to contribute further so I put the question. Yes hon. Kitheka, what is your matter.

Hon. Kitheka: I wish Mr. Speaker, we should have been given some adequate time like what the hon. member is saying, the chairman for budget to take us through the document before it is tabled in the house and we will be healing the wounds in this house instead of just bringing hate in this house again. I would request for a peaceful *kamukunji*, we sit, talk and iron these issues. Thank you very much Mr. Speaker.

Hon. Deputy Speaker: Thank you. Hon. Alphonce.

Hon. A. Wambua: Thank you Mr. Speaker. First, I support adjournment. Secondly, I request chairman of budget committee, if it is possible, they can take members out, we scrutinize this document and bring it to the house then we pass it. This is to the advantage of the members. Thank you.

Hon. Deputy Speaker: Hon. Veronica.

Hon. (Ms.) V. Mbithe: Thank you Mr. Speaker, I stand here to second the adjournment, and to support. By supporting, I mean when good things are coming in our way let us be in one accord. I think what is missing in this is only understanding and trust. We need to peruse this document together as a team because at the end of the day the Ksh 3 million belongs to us. We need to know the way forward, the more we dilly dally, the time is elapsing. Thank you Mr. Speaker, Sir.

Hon. Deputy Speaker: Therefore at that point I therefore put the question, that in as many are of the same opinion that this matter be adjourned for debate until tomorrow 2.30 in the afternoon.

(Question put and negatived)

Therefore, you continue debating. Debate continues. Hon. Chairman of Budget committee.

Hon. Muinde: Mr. Speaker, I did mention that the passage of these regulations will allow the Executive committee member for finance to put money in our mortgage funds so that members can access these loans. Mr. Speaker, the more period we take, before we can pass these regulations and do harm to ourselves. Therefore, there is need for the members of this house to sit in a sober mind, look clause after clause of the regulations and be able to pass

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the regulations so that we have the legal basis on which monies that can be apportioned or allocated to these funds, Mr. Speaker.

These regulations are a nine-page document. This can be read at the committee of the whole house, and can be completed. The literature in it, though legal, is not so that complicated that members need to go to a *kamukunji*. I think this can be handled in the committee of the whole house and I propose that the house turns into a committee of a whole house so that we can deliberate on the funds regulations, 2014. Therefore Mr. Speaker, I call upon hon. Sammy Nduva to second my proposal that the house turns into a committee of a whole house.

Hon. Deputy Speaker: We take the proposal. Hon. Nduva.

Hon. Nduva: Thank you Mr. Speaker. I second the chairman of budget and appropriation committee for the house to be turned to a committee of a whole house to discuss the motion. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Order! Members, there is a proposal on the floor of the house that the house turns into a committee of the whole house to be able to digest the matter. Therefore I put the question the house turns into a committee of a whole house.

(Question put and agreed to)

Therefore, the House turns into committee of the whole house.

COMMITTEE OF THE WHOLE HOUSE

(Order for Committee read)

[Mr. Deputy Speaker left the Chair]

IN THE COMMITTEE

[Mr. Chairman (Hon. Muinde) took the Chair]

MACHAKOS ASSEMBLY HOUSING SCHEME FUND

Mr. Chairman: I call the meeting to order. Order members! I call the meeting to order. Hon. Dominic, can you please be seated. Hon. Member can you please get seated or you get out. You are out of order, hon. Dominic. I suspend you for three days. You are out of order you are already out for three days. Hon. Members, we need to pass this regulations, you

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are free, according to your opinion, to raise any matter so that you can pass a regulation that suits you and within the law.

This level of mistrust, I don't understand, we also passed the car loans scheme here. Nothing is so different. There is some misinformation that members are going to be tied into one scheme where you cannot access your money individually. It cannot apply. People have different capacities to access money because it is based on your payslip. I want to insist that again. So, this misinformation is creating mistrust in this house. We are passing the regulations and it is a requirement that the minister finance cannot allocate money to the fund without us passing this regulations.

Remember we are a house to pass laws and this is part of the laws that we must pass. So members, please, let us be sober, let us go through this regulations. Be patient. Take your time no one is being pushed to pass laws that are not favorable to him. So please, members let us proceed.

(Clauses 3, 4, and 5 agreed to)

Mr. Chairman: Hon. Collins, you are on a point of order?

Hon. Mbithi: Thank Chairman. The reasons why we adjourned is that we have a proper interpretation of his document. I don't think it is wise for us just to rubber stamp. If there is something a member does not understand, I think it will be in order to ask and then it will be explained. Even if we are saying 'ayes' there are things that are not very clear here. I will propose, even saying "ayes" if there is a member with burning issue and wants some clarification, it is cleared so that we just don't rubber stamp everything and move forward. I have an issue---

Mr. Chairman: It is ok, hon. member, but the house did not adjourn. The Speaker put the question and adjournment was not allowed. What we can do under this committee is that if there is a clause that you feel you have an issue with, you are allowed to raise your concern and as the Chair, I will give you the opportunity to bring forth the matter. What is it hon. Ndawa. You cannot tell the Chair that he is misleading the House. Do you have any matter that you need to be clarified? Did you raise it before the question was asked? Hon. member, you started murmuring when the Chair had proposed and put the question. We need to be orderly, but if there is any matter, please, within the law and with a lot of respect, we need to put up the matter. What is it hon. member. Let me deal with one hon. member at a time. What was your matter?

Hon. Mbithi: Thank you chairman. I want to take back to the report. As I had said in the plenary, the second paragraph recommends that the Salaries and Remuneration Commission on mortgage facilities recommends that the members of the county assembly

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and staff be entitled to a mortgage of Ksh. 3 million. Chairman, in regulation 5 (1)(a), the initial capital of Ksh. 180 million paid out of the vote of County Assembly. My layman's understanding is that the Ksh. 180 million is entitled for the members of the County Assembly. Elected and nominated.

Mr. Chairman: You are right.

Hon. Mbithi: Then, we are saying staff in the report. I have a feeling and I want hon. members you share that feeling with me, if all that amount of Ksh. 180 million is going to include the staff, as per my understanding, I will be paying 3 per cent to an un-honourable member and that will be taxing my pocket. So maybe you can explain that to this hon. house and in a local language, in a layman's language like o a standard two class kid only to ensure that the 3 per cent will be for Collins and Collins alone. Not to pay for somebody else as far as the mortgage is concerned.

Mr. Chairman: Hon. Collins, remember we are passing the regulations and this is the first term for this county assembly. These regulations will run beyond our term. The initial capital was based on the number of MCAs and the Speaker. That is why it amounted to Ksh. 180 for each of the 60 members getting Ksh. 3 million. For this year, it is clear that the Ksh. 180 million will be accessed by only the 59 members and the Speaker. But because these regulations are meant for posterity, the word staff which I feel is bringing in issues is not meant that the initial capital of Ksh. 180 million is going to be shared. No.

In future, if the assembly service board and the Sarah Serem commission allows members of staff to access, just like in parliament because in the national assembly, the staff also access, that time, the budget committee then, and the CEC member for finance would allocate money to the fund and they will be able to access. But for this financial year, I want to allay those fears that his money is not going to be shared. You have your Ksh. 3 million, hon. member, but it will be subject to your ability to pay.

After passing these regulations, it will go back to the loans management committee. Members will be invited to apply for these loans. They will be able to access the loans on their own individual capacity to pay. I want to draw your attention to the car loan scheme, it is the same way. If you read the car loan scheme, it appears the same. Members of the assembly and staff but the staff did not get the loan because the initial capital was Ksh. 120 million. The same procedure that we followed under the car loan scheme is the same.

But in future, if monies will be appropriated again allowing the staff to access these money, then so will it be. Remember it is a loan, it is not free cash. So, as we pay back by the end of the term, this fund will have Ksh. 180 million which will have been paid back together with any interest that may have accrued over the period. So the fund will be growing and the subsequent assemblies will appropriate money. If the assembly members are more than us, the fund will be adjusted to cater for the needs of the assembly that will follow us.

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So this fear that we only have Ksh. 180 million and that we are going to share it with the members of staff, those fears should be allayed. They are not founded; it is based on 60 members who will initially access these. In the national assembly, members of staff are also accessing but that also came later. These are only rules,. The issue of application will be individual. Satisfied, mheshimiwa. Okay.

Members, can we confine ourselves to passing the regulations and if clause after clause you feel there is matter that is not in conformity or that hurts you, we raise it but I think it is good to raise those issues because they are causing a lot of heat for nothing. In fact if you have an access to the car loan scheme, you go clause after clause and you will see a lot of similarities. Hon. Kathinzi, I can see you have an issue.

Hon. Kathinzi: Thank you Chairman. I think now we now read from the same script. What we are doing now should have been done at the Speaker's *kamukunji* or you call all of us because this is a matter which touches each and every hon. member. I can now start understanding. At least, I can now start reading from the same script with you and understand that the only message we did not get from the start is that this is a regulation that will allow each and every member to draw their Ksh. 3 million if they qualify.

If you don't qualify, that means you don't deserve to be given that money. I think that is the message and that is why members did not get the information from the start. May be in the next time when we have such issues, it is better, instead of coming and raising wrangles, because other members have just moved out because they say it is not applicable. I think, we can now move a request for us to adjourn so that we can read through it properly and then we can come and discuss. Thank you.

Mr. Chairman: Thank you my hon. brother for your admission that you were blind but now you can see. We cannot adjourn in the committee of the whole house. That opportunity was lost when you did not vote for the adjournment. So we can only proceed clause after clause. Members, the more we are taking time, the more we are delaying ourselves but as I have indicated, we will read clause after clause and I will allow enough time if you really feel there is a matter at every clause so that we can be able to dispense. Hon. Member from Kathiani.

Hon. Munyao: Hon. Chairman, you have briefed us well in regulation No. 5 which was the main cause of this wrangles in this house. I think these other hon. members do not have any issues in these full details of the scheme. The only thing that was bringing the wangles is regulation 5 and you have explained very well. We can proceed or we can adjourn. Thank you.

Mr. Chairman: Hon. Members, our own standing orders, part 10 of the committee of the whole house. Standing Order 147 states ‘a Committee may not adjourn its own sitting or the consideration of any matter to a future sitting, but the Chairperson may by Motion be directed notwithstanding that all matters referred to the Committee have not yet been considered, to report progress to the House and ask leave to sit again. So members, we are tied. We may have to proceed. Hon. Matheka.

Hon. Matheka: Thank you Chair and the house at large. I want to take you back to the issue of staff and I have my own feeling about it. Money is Ksh. 180 million divided by 60 and it becomes Ksh. 3 million per member, it is all you qualify because I don’t see many of the members qualifying, including myself. My point is this; I am assuming that all the 60 members qualify and get Ksh. 3 million each. Then after one month, we start paying the money. My question is; do we keep the money in the account waiting for the next five years to come to give to the next members or do we give the money to our staff?

The only honourable thing that we can do is very simple. The staff can benefit after the repayment of the hon. members’ loans. Only that my repayment period will be limited to that term of that assembly as the other members of new assemblies when beginning, all the Ksh. 180 million will be there. This is my thinking Mr. Chairman, thank you.

Mr. Chairman: Thank you. You have added more information but the fact is that this is the initial capital. It must be repaid for the benefit of the future assemblies and for the staff to benefit, it will depend on the service board passing the regulations. The Loans Management Committee adopting that and the support by another circular from the Sarah Serem Commission because they are also public officers.

All those regulations must go hand in hand. As you repay your loan, the fund begins to recreate back so that at the end of our term, the whole Ksh. 180 million is back for the benefit of the other assemblies. So that members, I think we can proceed. Mheshimiwa Kyalo Kyuli.

Hon. Kyuli: for the sake of continuity, I just wanted to get a clearance on regulation that has been read, No. 3 (b) so that we interrogate this accordingly. I am actually interrogating what was read to us. Part 3 (b) states..... that is the committee that is going to oversee this..... ‘the committee shall oversee the administration of the fund and shall liaise with any company, if any, to set up a revolving fund for disbursement of the loan. That is my issue. My question is, is it gonna be a housing company or a bank and again setting up a revolving fund, it is obvious because we are repaying monies to wait for other members to come or as hon. Matheka suggested members of staff can now benefit from the funds that we pay back? Is it a housing company because if we go that way, to a housing financing

company or something like that, they give different rates? Is it going to affect our fund? That is the question.

Mr. Chairman: Thank you Hon. member. I just want, just for information, to let you know that all financial institutions have a very keen boundary between them. Whether insurance firm, bank, micro finance or a housing company. Nowadays, the denominator is they provide funds and most banks are also offering insurance services. Most banks are also offering housing packages. So it is for loans management committee to receive applications from banks, housing companies or any other financial institution that qualifies to the terms and conditions of this assembly that will be awarded the contract. Just as the same way that Chase bank qualified beating other banks.

Chase Bank or Family Bank or any other, have a housing wing so it just means the same. But it does not mean that we are going to sidestep the banks and purely go for a housing company but if one qualifies as provided, that a deal is sealed between the loans management committee, ratified by the house and that you are able to access you Ksh. 3 million and develop your own residential building and that you are able to pay and the interest that you must suffer is 3 per cent. So the rest will be left to the loans management committee. Ours here is to pass the regulations.

Hon. Kyuli: Thank you Chairman. I understand. Therefore, if you just step into the No. 7, which is just saying 'notwithstanding regulation 3, the board if it considers it appropriate do so, appoint a mortgage institution to administer the fund on its behalf. I am personally opposed to giving our fund to another institution to manage it for us. Personally, I feel not comfortable with it. That is why I was asking No. 6 (3). Let us consider having our fund administered here, according to the law as it is stated here, that the Clerk will administer it but not give it to another institution to administer.

Why am I saying so? They usually have cards placed under the table. If we give another institution to administer the fund for us, then we will be running there and finding some stumbling blocks along the way. You know the way the banks deal with us. They tell you this is it and nothing else but this but at the end of the day, you find that you have been funded to do something and other charges follow you later.

I am proposing that this fund should stick to the assembly so that it is managed by the committee that is being formed in No. 6.

Mr. Chairman: Hon. Member, your concerns have been heard. But remember, even with the car loan scheme, the Chase Bank is also administering on behalf of the assembly. Just to let you know without letting the cat out of the bag, if the scheme is solely administered by the assembly, some members will not be able to pay. Even now, the car loan scheme is running into arrears because members are not paying. Soon, the bank may be

towing away members' cars if the assembly does that, it may be difficult for the Clerk to tow members' cars.

This committee can partner with that other institution, just the same way it partnered with Chase Bank to administer on behalf of the assembly so that members can be compelled to pay back. Currently, I want to tell you that over Ksh. 5 million is unpaid....is it Ksh 5 or 9 million? Ksh. 5.1 million is unpaid from the car loan scheme because members have not been paying. That is the reason that is with the car loan scheme. It is a fact. I am talking with facts and that is why the management committee of the car loans decided that we engage a bank.

Similarly, this clause is put here so that if the loans management committee feels that they need that other third partner to do it, they can do it. The committee can also do it and administer it straight and the Clerk appoints an officer to administer but already we have experienced hurdles with the car loan scheme. It is difficult and perhaps who knows, because if you do pay your loan, the bank or the mortgage firm will repossess your house or sell it to recover the money, just the same way.

This is a loan, not free money just the same way like if you don't pay for your car, it will go away but if it was the Clerk is to do it, it would be difficult. But a third party will be able to do. We must protect the fund under all conditions so that as we take the money. You know you must pay back. That is why this clause is put here so that the loans management committee can have the leeway to decide whether to partner with a housing firm because a cash back facility or whatever financial institution. Mheshimiwa Ndawa.

Hon. (Ms.) Ndawa: thank you Chair. Finally you can see me. It is not all the time when a member raises the hand because you are an opposition, you want to oppose. At times, you want to enquire something. Anyway, I want enquire on interest on the loan. No. 14.

Mr. Chairman: But we will get there, mheshimiwa.

Hon. (Ms.) Ndawa: No but we are discussing before we get there---

Mr. Chairman: But why don't you wait, when we get to the clause, I will pause---

Hon. (Ms.) Ndawa: I thought we were left here to discuss and then we pass---

Mr. Chairman: When we get to the clause. I will allow it when we get to the clause. I will give the chance to you automatically to raise it.

(Clauses 6 and 7 agreed to)

Clause 8 (2)

Before I put the question, I will allow Hon. Kyuli to raise his question.

Hon. Kyuli: Clause 8 (2) alone, 'a loan obtained under these regulations shall be utilised for development, renovation or repair of residential house for the occupation of the applicant.' I wish we would stop there at 'the applicant.' Then we delete 'and, is or the immediate family.' Because that may tie us. This is a law that we are making. It may tie us because if I want to renovate a house, I will renovate and use it even if it is for rental purposes. If we pass the law like this, then it will tie us down. Mr. Chairman, and members, I would wish that we stop at 'the applicant.'

Mr. Chairman: Hon. Members, these fund, these regulations are meant to access the money. If it comes to your own will, because it is your own property in the end of your repayment, how you want to use it or how to devolve after you expire, will depend on you. When you say we stop at 'applicant,' renovation or repair of residential houses for occupation of the applicant, does it only meant it is only you to occupy and exclude members of your immediate family? Hon. Nduva.

Hon. Nduva: Mr. Chairman, it may not make a lot of sense in that but some members have more than one family. So if you say for the family, maybe ten families will be in that house or somebody may be going to court to request for the family property. Thank you.

Mr. Chairman: The house belongs to the applicant. Fine. But you are saying we stop at the applicant but when you say the applicant is the individual applicant. Why are you excluding the family? What is the danger of excluding the family?

Hon. Munyao: Thank you chairman. I don't anything wrong with including your family in your assets. This is part of your asset and I don't think what the hon. members are claiming your family is to be out of your asset is good? Thank you.

Mr. Chairman: Hon. Nzeki Munyaka.

Hon. Nzeki: I think it is in order because we can even remove 'immediate family' and put the 'next of kin.'

Mr. Chairman: Other than the spelling, is 'next of kin' and 'family' different?

Hon. Nzeki: They are two different entities.

Majority Leader (Hon. Mwonga): Mr. Speaker, I am not polygamous but I am opposed to the amendment of that clause. Sorry, Mr. Chairman. Maybe in future, you will be

a Speaker of one of the hon. assemblies out of the 49 that we have in the country, Mr. Speaker.

Mr. Chairman: Hon. Member, you are not wrong, i am only standing in for the Speaker. Os it is in order.

Majority Leader (Hon. Mwonga): Mr. Speaker, even when I was addressing that issue, I said maybe in future you will a speaker of one of the 49 assemblies in this country. Nobody knows. Mr. Chair, I was saying....yes you are standing in for the Speaker because even in committees, the chairpersons are standing in for the Speaker. That is a delegated duty, Mr. Chairman.

I am opposed to amendment of that clause. It is good as it is. Stopping where we have occupation of the applicant, that is like throwing away the individual families and maybe some members have the intention that when they access this facility, they go buy a house or renovate their current one. Because the law doesn't include their family, they start throwing their families out of that particular investment.

Even if you have one family or ten families, they are your family. No matter if they live there, the day you are passing form this world, they will see it and share out your property. I don't see anything wrong of inclusion of the immediate family. Thank you.

Mr. Chairman: Hon. Member, if you just say it is just for occupation of the applicant and that you have a bigger house, that you can then want to live in, does it mean that anyone who wants to occupy that house is occupying that house illegally? Sometimes, you could have a house which part of it could be rented. If you only limit the occupation of this house to applicant, don't you think you are limiting your own scope? Let us not read too much within the literature. Hon. Ndawa. I think after you speak i will put the question and then we proceed. Hon. Ndawa.

Hon. (Ms.) Ndawa: I wish to contribute when seated---

Mr. Chairman: Allowed.

Hon. (Ms.) Ndawa: I support that this hon. house amends this clause 2 and delete the word 'and his or her immediate family.' As you know, Chairman, I hope you are listening to me, most of our men they have two or three wives and he immediate wife is the one who normally gets included in everything. So we can leave it at applicant so that afterwards, maybe in case of anything, the man can decide or the law can decide. I think you don't understand this Chairman. Maybe you have only one wife. The last one is the most loved and most included in everything. I wish we delete that and leave the applicant. The law will decide after that because this is law.

(Laughter)

Mr. Chairman: Hon. Members, I think we have two positions. Either to delete that part after ‘applicant’ that reads ‘and his or her immediate family,’ or to maintain it. To save time, I will put the question whether you want it to be amended. If you want it amended you say ‘ayes’ and if you don’t want it amended you say ‘nay’ so that we can proceed because we cannot stay in one position.

(Clause 8 (2) as amended agreed to)

(Clause 9 agreed to)

Clause 10

Mr. Chairman: Before I put the question, I can see hon. Collins, your hand is up. What is the matter?

Hon. Mbithi: Thank you Chairman. I think as per the Standing Orders, we are running short of quorum and I will propose adjournment of this debate until tomorrow maybe 2.30 p.m. You can note also by the mood of the house that the members are not vigorously contributing to this debate. I propose for an adjournment and seconded by---

Hon. Nduva: I second.

Mr. Chairman: Hon. Member, I had earlier indicated that a committee of the whole house cannot adjourn its own sitting. This I indicated and the Clerk is advising me that here is quorum. So we must continue.

(Clause 10 agreed to)

Clause 11

Mr. Chairman: Hon. Collins, we are conducting business of the house. You cannot be walking up and down. You can only go and sit next to him and consult silently. You are disturbing the house. What is the matter hon. Mwonga?

Majority Leader (Hon. Mwonga): Mr. Chair, actually, we should be hon. members and the way mheshimiwa Collins is dressed, you can mistake him for the famous comedian of Vioja Mahakamani, one Mr. Makokha. This is not the way hon. members should dress. Can you Chairman, with indulgence, order him out. No, No. You cannot un-tuck your shirt and

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button your shirt and have a tie and pretend that you are properly dressed. Members, let us observe decorum.

Mr. Chairman: Thank you Hon. Mwonga for drawing the attention. Hon. Collins, for sure you have un-tucked your shirt, your tie is loose. For sure, this is not the way we need to dress. I allow you a few minutes you go dress up and come back if you so wish. Unless you are telling the chair that you are not well dressed and need to be kicked out. But I have given you a few minutes to dress up and come back.

(Clause 11, 12 and 13 agreed to)

Yes, hon. Nzeki. Can you repeat the question loudly so that it can be captured by the HANSARD.

Hon. Nzeki: I can see that the fund may charge an interest of not more than 4 per cent above the interest chargeable under paragraph 1 of this regulation to cover management costs. I am talking about the 4 per cent.

Mr. Chairman: Hon. member, different from the car loan scheme, this is a housing scheme and matters to do with a house are much more complicated and costly than purchase of a vehicle and the circular from SRC is that a member should suffer only 3 per cent to maintain operational costs of the fund. But in a case where we engage a mortgage firm, whether a bank or financial institution that deals with housing, other incidental costs may crop up depending on the particular institution that may have won the tender to manage the fund.

You realise they have valuations to be done and any other incidental or management cost that may occur. These laws allow, in such a situation where the loans management committee has engaged another institution, perhaps dealing with mortgage and that the situation has necessitated an additional management cost that cost we are saying should not exceed 4 per cent over and above the 3 per cent the member is suffering on application.

But we want to put it clear that as many as institutions apply and compete to get this tender, the loans management committee will be going for the best option of the best institution that can only comply with our terms and give us 3 per cent or even less. The loans management committee will go for that option.

But think of a situation where all the firms that are competing come and insist that over and above the 3 per cent, this cannot be done, you have done housing, you know. They are charging more but we cannot say this scheme will come to a halt because we have not allowed that extra part. Just the fact that exists here on paper does not mean that the loans management committee would give this tender to the highest bidder. They will still go for the lowest.

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In fact, if the loans management committee can get a scheme or a firm that is doing it for free, obviously they will go for that. But we are allowing for a small window so that just in case, other management costs may be charged by the firm at the time of agreeing, then this is allowed but to a maximum of 4 per cent. We are also saying that that extra cost will be borne by the applicant because my situation could be different from yours. Because it depends on what you do with your money and how you manage it. There those already with a title deeds to land and they will get their money and begin developing. There are those who want to use the money at this to purchase the land.

The situations are different and the loan application is individual and disputations are as many as we are. So that window is left for those incidental costs that may arise and they are purely management costs. Is there any--- Just repeat.

Hon. Nzeki: The paragraph says, “the fund may charge an interest of not more than 4 per cent above the interest chargeable under paragraph 1.’ So it is 3 per cent plus another 4 per cent?

Mr. Chairman: Yes, and the word is ‘may.’

Hon. Nzeki: It is a bit tricky.

Mr. Chairman: Yes, I agree it is tricky but it is all about legal terms and is also about money but the word ‘may’ is different from ‘shall.’

Hon. Nzeki: It can be 1 per cent?

Mr. Chairman: For ‘may,’ it could be ‘may’ or maybe ‘not.’ From what I have explained, I have used all the English vocabulary that is available to me. I don’t think i can go---

Hon. Nzeki: 4 per cent. No.

Mr. Chairman: Mheshimiwa Matheka, you are a member of the loans management committee. Are you able to explain using simpler terms?

Hon. Matheka: Thank you chairman but you are putting me in a fix because i think you did your best to explain that. The word ‘may’ is may or may not. Unlike the car loan, in a mortgage or where you are buying a property, there are some other charges. Valuation fee, transfer fee and stamp duty that are all borne by the buyer. It is here well-stipulated that the mortgage firm may charge another 4 per cent.

That means that 4 per cent will cover any other costs, which is not included in all this, over and above the 3 per cent. At the end of the day, and if I am not wrong and if I am clear,

we might pay between 5 to 7 per cent depending on the financial institution, that is my understanding Mr. Chairman.

Mr. Chairman: Thank you. Hon. member, you have put it right but I also want to repeat again that the word is 'may' and if we are lucky enough to get an institution that will bear those other costs, because we have given them business, and only charge us 3 per cent, obviously as a loan management committee will go for that.

But supposing all the applying firms are charging over and above the 3 per cent and we are not saying 4 per cent but it may not exceed 4 per cent. It can be 0.5 percent over and above the 3 per cent or 1 percent above the 3 per cent. We are leaving a window, an area of some scope but I want to assure you that even if it was you having the money and you want to build your own house, you would find other incidental costs. It is not like buying a car which is just agreeing this is how much and just pay off and drive away with the car.

A housing scheme is much more complicated. Other incidental costs must come in. There is valuation as hon. Matheka has said. There are others. You may have to supply bills of quantities and you have to pay all that. We want to confine the loan management committee to only consider those firms that cannot go beyond 4 per cent. We are trying to limit the cost not to go far. Otherwise if allowed, I want to tell you there are other hidden costs when it comes to building. We are only trying to limit so that the firms can only play according to our own rules.

If we play on their rules, then this scheme will even cost us more than that. I hope that is clear. I think we are taking too long. I want to put the question so that we can-----Hon. Nzioki, Peter. Please and make it short.

Hon. Nzioki: Thank you Mr. Chairman. On part 1, the interest chargeable on the loan shall be 3 per cent per annum on a monthly reducing balance. Please follow that. And this rate may be reviewed from time to time at the discretion of the board. This rate, what does that word mean. Thank you.

Mr. Chairman: Hon. Member, laws are meant for posterity. Already when the SRC gave us this, it was titled 3 per cent. Economic situations may change, not at the county level but even at the national level. If SRC changed these 3 per centum to any other, it will be communicated to the board and the board will pass it again to the members. But think about it this way that these laws are not just for this house. Even for the next assemblies. So the 3 per cent that is applying to us now could be different to those of the assembly that will come after 2017 because interest rates depend on the level of economy.

As we progress from time zero where we are now, inflation rates go up and interest rates also go up. Perhaps, I can see you raising your thumb. Well explained and I think when

it comes to financial terms, I know you get it right. Thank you for accepting. So, members, can I put the question.

Hon. Member, this is the best that has passed even through the legal minds and let us not put so low percentages to the point that instead we even fail to get one firm. They are also in business and please we also have members in that loans committee who are your own members and who will also be applying. They cannot fry themselves by allowing bigger interest rates. Members, real business will come under the loans management committee. We are only passing the regulations. So I propose that Clause 14 be part of the regulations.

(Clauses 14, 15, 16, 17, 18, 19, 20, 2 and 1 agreed to)

Mr. Chairman: Regulation as approved with amendments.

(Question proposed)

(Question put and agreed to)

So, members, we are through with the proceedings of the whole house and now we await the coming of the Speaker so that the committee can report its business to the plenary for adoption.

(The House resumed)

[The Deputy Speaker [Hon. Nganga] in the Chair]

REPORT, CONSIDERATION OF REPORT MACHAKOS ASSEMBLY HOUSING SCHEME FUND

Hon. Deputy Speaker: Hon. Chairman of budget committee, you can proceed.

Hon. Muinde: Hon. Speaker, Sir, I wish to report that the committee do report to the House the Machakos County Assembly Housing Scheme Fund regulations, 2014 and its approval thereof with amendments.

Hon. Deputy Speaker: I now put the question which is that the committee do report to the house its consideration of the Machakos Assembly Housing Scheme Fund regulations, 2014 and its approval thereof with amendments.

(Question proposed)

(Question put and agreed to)

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ADJOURNMENT

Hon. Deputy Speaker: Members, there being no other business, the house adjourns until tomorrow 9 a.m.

The House rose at 5.09 p.m.