

BEING THE Y2015 BUDGET PRESENTATION OF HIS EXCELLENCY, THE GOVERNOR OF LAGOS STATE, MR. BABATUNDE RAJI FASHOLA (SAN), DELIVERED AT THE CHAMBERS OF THE LAGOS STATE HOUSE OF ASSEMBLY, ALAUSA ON MONDAY 24TH NOVEMBER 2014

About 7 (Seven) years ago, December 17, 2007, I stood before this House to present my first budget as Governor of for Lagos State.

How time flies, and if I must say so, they have been good times.

Good times for the people of Lagos, for the reputation of our State, our Party and our Government, that has defined herself as a model of public service.

Even the progress we have made is embodied in where we gather today.

When I presented that first budget, it was in a legislative chamber that once represented the far sightedness of one of my illustrious predecessors.

Today, this generation has built a new legislative chamber that ranks easily as the best in the country, and from which many pace setting, life changing and odds defying laws like the Security Trust Fund Law, the Cremation Law, the amended Road Traffic Law and the amended Coroner's Law to mention a few have been debated and passed for the benefit of our people.

Thus, while the old legislative chamber has become historic, the legislative ideas that it represents remains enduring in this new building.

As a grateful generation, this legislative house has acknowledged the service of this visioner and named the original chamber after him. It is now known and called the Lateef Kayode Jakande Legislative Chamber and it is still being put to use.

Thank you Mr. Speaker, and members of the House for this great honour and appreciation to our predecessor, may you all receive recognition and honour for your service to our people in God's most deserving time.

Today, my own journey comes one step closer to the terminus, as I present my last budget as Governor before you.

Everything has a time and a season. This is the time to wind down; and prepare to hand over to a new team of leaders who hopefully would raise the bar of service even higher.

If we were still naming budgets, it would have been difficult to choose a name, because there is a little and a lot for almost every person in this budget. Thankfully that era of budget naming is very long behind us.

Today our budgets, are more remembered for their level of implementation, their sectoral allocation, and most importantly their impact on our people.

So I will start by recapping the highlights of our implementation of the 2014 Budget which as at the end of the 3rd Quarter on 30th September 2014 had achieved an 86% performance cumulatively.

The 1st, 2nd and 3rd Quarter performances were at 67%, 106% and 84% respectively to give us the total cumulative of 86% at the end of Quarter 3.

From the first budget of 2008 to 2013 this has been the character of our budgets, achieving implementation levels of no less than 70% and in the last 3 years now comfortably performing in the eighties such as 89% in 2012, 85% in 2013 and as at September this year 86%.

As I said at the 3rd Quarter Budget report, a quarterly reporting that has become a hallmark of Lagos budgeting which we are pleased some equally serious States have adopted, our budget implementation successes of over 80% is a tough act to follow.

It is the strongest evidence of the dedication of the public servants of Lagos, if any is needed, and I cannot thank them enough.

For macro-economists, these numbers are good, but it is the micro assessments, that really give meaning to a budget.

This is where budget impact in Lagos has been most defining in the number of life changing products, services and benefits our budgets have delivered, using the human resources and the taxes at our disposal.

I have made it a duty to report these developments, products and services to you every one hundred days since 2007 and this year I have done so on April 2, 2014, 2500 days, on 11th day of July, 2014, 2600 days and on the 19th October 2014, 2700 days.

While no useful purpose will be served by repeating them here, I cannot leave the issue of service to the people and impact on their daily lives without sharing with you two text messages I received in the last few days.

The first text from a resident says:-

“Good morning just like yesterday when we started the training programme, to the glory of God I can do things which took many years to learn. Thank to God and You. Lastly, thank you for empowering so much people with the training kits materials needed for future practice. God will reward you”

And the second from a resident who sent me a complaint about a burst pipe which I forwarded to the Lagos Water Corporation reads:-

“R-E-P-A-I-R-E-D. Burst major underground water pipeline in Okota, which I informed you about has been fixed. It was painful seeing all that clean, precious water gushing into the canal. Thank you for giving 3149 men and women opportunity to tell their families: “I am going to work” I don’t regret paying tax in Lagos. Regards”

Ladies and gentlemen, eminent Lagosians, as I said a few years ago, when we set out on this journey, *“if people did not believe what we promised to do, they will be unable to disbelieve what we have done”*.

As recently as September and October, we were still opening and handing over new schools in Ifako Ijaiye, a new Energy Academy in Ikeja, a new Independent Power Plant in Ikeja, to provide uninterrupted power to critical services like healthcare in LASUTH, security in the State Police Command, water supply in the Ikeja Water Works and access to justice in the Ikeja High Court and Magistrate Courts.

Life changing assets under development such as the 70 million gallons per day Adiyin Water Works, the Lagos Blue Line Light Rail project and the Mile 12-Ikorodu Town 13.5km expansion and BRT corridor are making progress.

We are also touching lives very directly by providing training to over 25,000 Lagosians mostly women and young people who are learning new surviving and entrepreneurial skills that provides a livelihood for them under our expanded economic empowerment programme.

In the same way, we directly set up over 3,000 young and old farmers, by taking them through training and imparting new skills, while providing them with title documents to their farm lands as collateral to access loans,, in addition to directly supplying them with farm implements, tools, seedlings, and inputs to set them up to become productive members of our society.

Today, I am proud to say that every morning when they wake up, they do not do so to despair and uncertainty.

Instead, because of our public servants, because of our prudent and compassionate use of your taxes, these members of our society can say every morning when they wake up; I am going to work.

This is the dignity, the participatory democracy and the brighter and rewarding future that our Government promises.

Our budgets have been a critical tool to their delivery.

Your support and useful criticisms, suggestions and encouragement have been more defining tools to bring them to fruition. Thank you.

Today, I therefore now present before you our proposals for 2015 for a total sum of **N489.690bn.**

Our Capital to Recurrent ratio is 51:49 for Y2015 which is the same as Y2014 Budget.

The breakdown and sectoral allocations are as follows:

Sectors	Y2015 EXCO (Nbn)	%
General Public Service	107.690	22.0
Public Order & Safety	15.547	3.2
Economic Affairs	146.306	29.9
Environmental Protection	34.953	7.1
Housing & Community Amenities	49.033	10.0
Health	44.617	9.1
Recreation, Culture & Religion	3.118	0.6
Education	82.114	16.8
Social Protection	1.589	0.3

Planning Reserve	2.260	0.5
Contingency	2.448	0.5
	489.690	100

As you will observe, we have retained essentially the same budget size as 2014. This is for many reasons.

One reason is that we have kept a zero deficit in order to ensure that the next Government does not inherit a deficit.

This will give them room to start off very quickly when their programmes begin to crystallize and they may need to raise funds in order to start off.

Another reason is that our budgets, like all good budgets are not only defined by plans and expectations, they make more sense if they are defined by resources.

Our resources have been severely adversely affected by the management and lack of transparency of the Federal Government and her agencies of the nation's oil proceeds.

The Federal Government is still owing Lagos State Government ~~N~~51Billion certified and unpaid, out of N59Billion expended on Federal Government roads in Lagos.

They are also owing pension obligations of ~~N~~673,673,355.25 (Six Hundred and Seventy Three Million, Six Hundred and Seventy Three Thousand, Three Hundred and Fifty Five Naira, Twenty Five Kobo) which they have not paid.

And as all of us are aware, oil prices have dropped from \$100 per barrel and above to just around \$80 per barrel at the time we finalized the budget.

Our monthly receipts from FAAC have fallen below our usually conservative expectations for the first time in 7 (seven) years.

And lately, we are noticing that reduced patronage of the tourism and entertainment facilities has occurred in the aftermath of the Ebola outbreak. This has translated to reduced consumption and consequently reduced incomes in the Consumption Tax sub-head of our Internally Generated Revenue.

Because we will not implement this budget fully by ourselves, we have thought it fit to moderate expectations in order to avoid disappointments.

I remain optimistic however that our workers successful and courageous containment of the Ebola infection is the strongest statement of who we are and in no time I expect that activities in those tourist facilities will pick up because the confidence in our Government is very high out there.

In spite of these challenges, the 2015 budget will focus on payment of contractors liabilities to enable us complete as many projects as we can and progress those that we cannot complete before handing over.

For example, out of the 400 (Four Hundred) roads that we promised, we have completed 190 (One Hundred and Ninety) over the last 3 years with 210 (Two Hundred and Ten) at very advanced stages mostly nearing completion. The onset of dry weather provides the opportunity to complete all of them.

We have also started compiling a list of another 400 roads that we will hand over to the next administration for their consideration, adoption and implementation.

This should help to accelerate and deepen the penetration of our policy of reconstructing inner city roads that are several decades old.

One of the highlights of the 2015 Budget will be the settlement of outstanding pension liabilities that were imposed by the Federal Government which later became contentious.

Without consultation with the States, the Federal Government had reviewed pensioners' entitlements upwards by 142% without a corresponding 142% upward review of States' revenues.

While I remain convinced that the Federal Government which receives 52% of national revenues and leaves the 36 States and 774 Local Governments to share 26% and 20% of national revenues has no legal basis to impose financial obligations on States and Local Governments, our Government's compassion for the plight of these pensioners has weighed more heavily on our minds, than the legal misfeasance of the Federal Government.

Our Government has therefore committed to pay and now budgets for the 142% arrears, in addition to 12% and 6% recent reviews.

This is the least that we think these public servants deserve.

Apart from this, our Contributory Pension have been largely up to date, except for a few parastatals for whom we are also making provisions.

Today, the Lagos State Government's implementation of the Contributory Pension Scheme is the most successful in the country.

We want to substantially reduce pension difficulties in Lagos before the next administration resumes and even if we cannot totally solve them, we intend to leave behind a sustainable plan for their final resolution.

So as I said earlier, it would have been difficult to find a name for this budget. It would have qualified as a Pensioner's Budget.

As challenging as resources are, we have kept our focus on human capital development and our sectoral allocation to Education has increased from 15.78% in 2014 to 16.8% in 2015.

This does not include the school milk programme budget in the Ministry of Health, the provision of running water in all schools out of which we have done 495 (Four Hundred and Ninety Five) through the Lagos State Water Corporation budget, or the school waste removal and school drainage, which is carved out by the Ministry of Environment.

It also does not include the annual maintenance contracts for repairs of breakages in our public schools, which is carried out through the Ministry of Works.

It also does not include the supply and maintenance of computers to the schools by the Ministry of Science and Technology.

These are all education financing, and it is impractical to put all of these under the Ministry of Education. They do not have the capacity and the skill in-house to deal with works, water and refuse issues.

They must be allowed to focus on their core competencies.

This explanation is necessary to inform the public who insist that a certain fixed percentage of the budget must go to education.

The truth is that in Lagos, a lot more money is spent on education by support Ministries such as I have mentioned beyond the 16.8% that is now allocated in 2015 Budget for example.

On the other side of the human capital development spectrum is the issue of healthcare.

While our medical missions which take healthcare, consultation, surgeries and treatments to the grassroots continue, our commitment to the wellbeing of women and children continues to gain momentum.

We have extended the maternity leave period for nursing mothers from 3 to 6 months with full pay, and we are the only Government to do this in Nigeria.

We are also making progress towards the completion of the 100-bed specialist maternal and child hospitals in Lekki, Epe and Badagry to complement those of Ikorodu, Ifako-Ijaiye, Isolo, Ajegunle, Surulere, Amuwo-Odofin and Alimosho, to bring the total number to ten.

This will deliver a total number of 1000 bed spaces dedicated only to women and children in the state.

The seven that have been completed are already having a huge impact to reduce the distance that pregnant women have to travel to get specialized care and have saved many lives and reduced infant and maternal mortality.

The expansion and re-equipment of the Ayinke House as the premier gynaecological specialist centre should be completed before the end of the first quarter of 2015.

The impact of this budget has reached vulnerable children like 4 (Four) year old Abraham Omonigho who was unfortunately attacked by dogs.

After being attended and stabilized by our health workers at Igando General Hospital, where his life-threatening wounds were treated, he has been recommended for overseas specialist attention, for mesh skin graft and reconstructive surgery to repair the scars of his wounds.

Because you pay taxes, it was easy for me to approve this recommendation that enables us to use our commonwealth to look after the ordinary and vulnerable members of our society.

Another area where our budget continues to deepen impact, is our Housing sector.

Our Lagos Homs initiative has constantly delivered 200 homes to the market since March of this year and we intend to sustain this and hand over to the next administration.

Currently there are 5,432 (Five Thousand, Four Hundred and Thirty Two) housing units in 21 (Twenty One) Schemes under construction.

In order to enable the private sector increase their investment and participation in the provision of housing supply, the Executive Council has considered and agreed the principle of a further reduction in the amount charged as consent and related to fees for land transactions.

I will shortly be signing the Executive Order to designate the commencement date of these new rates.

This policy complements others that we have made in the past, such as the reduction of rates for consent on mortgages to 1% of the value of the property; the reduction of registration fees to 0.5%; the introduction of Saturday services for Land and Physical Planning transactions by which we have rendered service on Saturdays to 33,675 Residents, and the introduction of the Electronic Certificate of Occupancy.

Our commitment to PATH, our acronym for Power, Agriculture, Transportation and Housing as the critical job creating and economic empowerment sectors of our society remains unflagging.

Health services, emergency services, life-saving equipment, security and environmental protection are all areas that our 2015 Budget seeks to impact.

Our royal fathers' welfare for their palaces, their vehicles and general well-being have also received the usual consideration.

In order to increase our operational efficiency, we will invest in technology and in particular information and communication technology to enable us serve you quicker and better.

We are expanding our broadband connectivity capacity, taking up cloud services for storage of critical data, and also strengthening our data recovery capacities that will enable us restore services in the shortest possible time in the event of a system crash.

The intensification of the training of our staff in the utilization of the oracle software remains a necessary and sensible commitment to reducing the cost of business, increasing output and saving money which we can deploy to other sectors of the economy.

Ladies and gentlemen, as you will see, there is something in this Budget for everyone. Men and women, young and old, and for those who are physically challenged.

Its successful implementation will be dependent on the kind of men and women who take control after this administration.

This leads me to the issue of choice that is upon us; as the 2015 general election beckons.

This State has worked because we managed it with the sense of responsibility and dedication that is required to give inclusion and hope to 21 million people of diverse ethnic, religious and cultural dispositions.

This State has worked because an APC Government is in charge here and the work is a work in progress recording success after success.

This State is too strategic to itself, to Nigeria, and to West Africa and the World at large to be entrusted to beginners to experiment with.

In choosing your next leaders you must choose sensibly to ensure that budget performance does not drop below 70%, so that projects like the Light Rail, Adiyin Water Works, Odo-Iya Alaro, Lagos Badagry Expressway, Lagos Homs, and so on, can be completed by the party and the team that started them, with men and women who have imbibed an ethos of daily service against election season propaganda and unfulfilled promises.

Our record of budget performance of not less than 70% is not matched anywhere else.

The reason why most of Nigeria is running on generators or in darkness is the failure to implement budgets effectively at the Federal level by the party in power at that level.

You must vote to keep that kind of budget inefficiency out of Lagos; and use your vote to sustain the budgetary discipline and efficiency that we have already achieved.

Unfortunately I have no cheering words to say about the Independent National Election Commission (INEC) who seemed to have surpassed themselves in their inefficiency and disorganization.

As far as their conduct in Lagos has been concerned, I can only come to the conclusion that it is deliberate and calculated to undermine the right and the freedom to choose.

Let me use this occasion to appeal once again to INEC to retreat from this path of destruction that it appears to have deliberately chosen.

There is time to do so. There is every good reason to do so. Nothing will threaten this republic to its foundation as an attempt to deny the people the right to freely choose who leads them to the future.

Ladies and gentlemen, before I conclude, let me again remind all of us that one of our two weather seasons, the rainy season, has all but come to an end, with the challenges of rain storms, flooding and all, which we have increasingly got better at managing and controlling as a people and as a Government.

Now a new season, the dry season, is upon us and it brings on its own challenges, such as high risk of fire and end of year rush.

As we go out this season, I appeal to all of us to be fire and safety conscious.

I will continue to urge that all of us take out fire insurance policies to cover our valuables such as homes, goods, markets, household appliances and so on. They do not cost too much and they provide a re-assuring fall back in the unlikely event of a fire incident.

While we expect you to be safety conscious and to take out insurance policies, our fire service is ever ready to respond to emergencies whenever they arise.

They are daily being trained and retrained, and with your taxes and our budgets, we are expanding fire service and equipment provision close to you.

We have revived almost 400 fire hydrants that used to operate in old Lagos and very soon they will be deployed to complement our water tankers to provide firefighting capacity when fire accidents occur.

In the next few days we will be handing over new fire service stations and new fire engines that demonstrates our level of preparedness to do our most important job, which is to protect lives and save properties.

The end of the year also brings on the risk of high crime, by those who have not done any hard work all year and who wish to benefit where they did not sow.

For those kind of people, Lagos will be a very unpleasant place for them to seek to perpetrate crime.

We will outthink them, we will outwit them, we will outrun them, we will outspend them, we will diminish their capacity to act and we will overcome them to ensure that they do not threaten our people.

To our residents, your State is safe. However, you must continue to be interested in your personal safety. Our work is less difficult if you are vigilant and our new

police formations in Surulere, Alimosho and Ibeshe built again through budgets and your taxes will be opened in the next few days to show that we are promise keepers.

Of course, the end of year is a festive season. I urge all of you who can afford it to paint our houses.

It helps in many ways. It puts a shine on your homes, helps to maintain its value and adds colour to our State.

It creates employment for paint manufacturers, and painters along with those who provide support for them.

It is a good way to boost our economy and put money in the hands of artisans, and also food on their tables and smiles in their homes.

Finally, I wish you all a merry Christmas in the next few weeks and an even more prosperous year in 2015.

I wish you the best as you go out to vote for development in 2015.

I thank all of you for your support since 2007 to date and urge you to continue to give even more support to your next Government.

Thank you all for listening.

Eko o ni baje o!

Babatunde Raji Fashola, SAN

Governor of Lagos State

November 24, 2014