

LAGOS STATE GOVERNMENT

CITIZENS' GUIDE TO Y2019 BUDGET

1.0 Lagos Socio-Economic Profile

2.0 Lagos Demographics

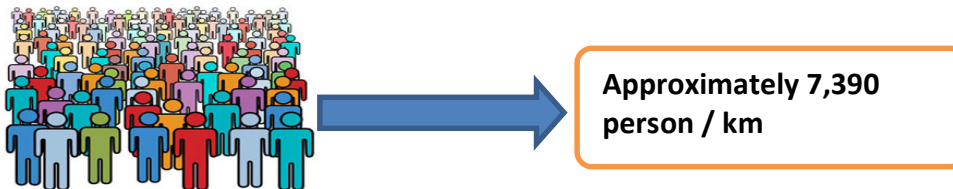
2.1 Projected Population(Y2019)



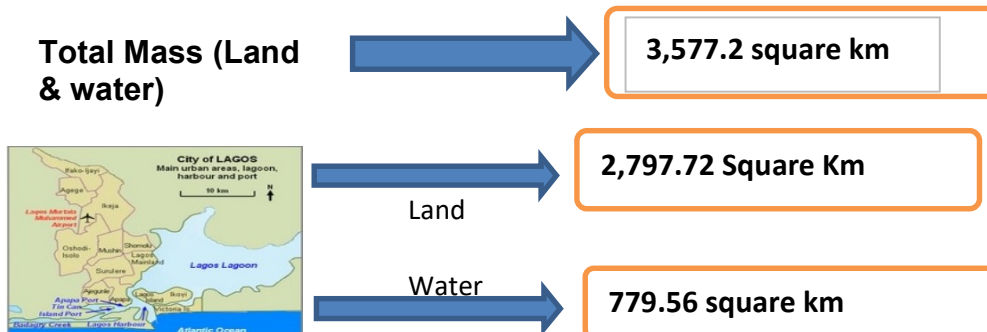
2.2 Population Growth



2.3 Population density



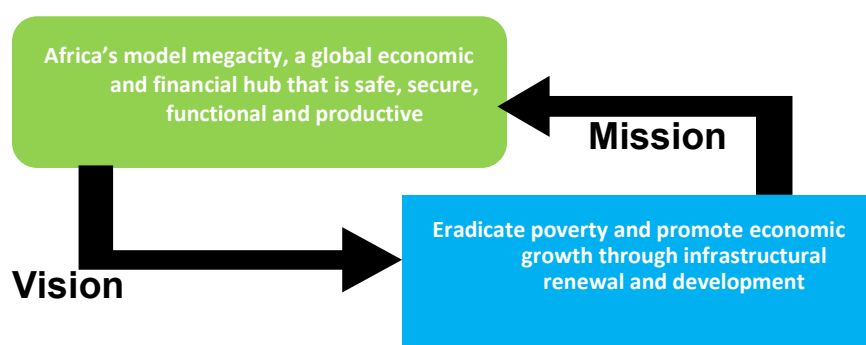
2.4 Total Mass (Land & water)



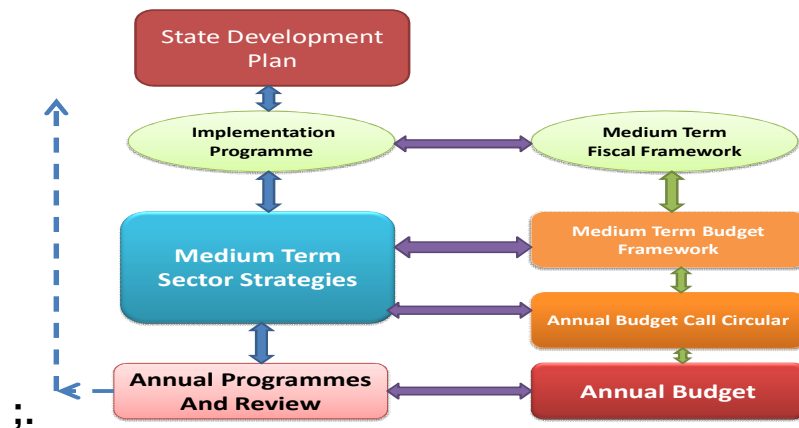
3.0 SOCIO-ECONOMIC INDICES

| | |
|---|---|
| 3.1 Daily Human Traffic (Lagos Mainland/ Island) | Over 20million |
| 3.2 Vehicular Population (Y2018) | Over 5 million vehicles |
| 3.3 Relative Vehicular Density (National) | 30/km |
| 3.4 Vehicular Density (Lagos State) | 264/KM |
| 3.5 Road Network (Road Count) Y2018 | Over 16,000Km |
| 3.6 Total Length of Roads (Y2018) | 7598Km |
| 3.6.1 Federal Roads | 468Km |
| 3.6.2 State Roads | 1287Km |
| 3.6.3 Local Government Roads | 5843Km |
| 3.7 Solid Waste Generation (Y2018) 1,089,428.81 Metric Tons | 2,984.74MT/per day |
| 3.8 Power Demand (2018): Btw 5,000 – 10,000MW | Supplied: National Grid-750MW IPP- 49.86MW |
| 3.9 Water Demand MGPd (Million Gallon Per Day)Y2018 | 665 MGPd (Average. Supplied: 1,765.96MGPM*) |
| 3.9.1 Water Supplied Per Year (Y2018) | 21,191.53 MGPY* |

4.0 The Lagos State Development Plan (LSDP) – Vision and Mission



4.1 The Linkage between Lagos State Development Plan (LSDP) and Budget



4.2 Linkages between LSDP, MTSS, PMR and Budgets.

LSDP deals mainly with impacts of Government Policies and Strategies. The Medium-Term Sector Strategy (MTSS) delivers the LSDP in the medium term with the focus on outcomes and further act as basis for preparing annual budgets which primarily serves as coordinating mechanism for inputs and activities that result in outputs. Subsequently, monitoring and evaluation activities are initiated for the measurement of performance (Outputs and Outcomes) which culminates in Performance Management Report (PMR)

5.0 Programme Based Budget (PBB)

PBB is a budgeting approach, which directly links expenditure to clearly determined results and objectives thereby improving service delivery within the mandates of a Government entity. It lays emphasis on outcomes, service delivery and outputs.

It comprises of 15 (Fifteen) maximum programmes out of which 6 (six) are Generic which represents programmes common to all MDAs while 9 (Nine) are core mandates of MDAs.

6.0 Lagos State Budget

6.1 Appropriation Law

Chapter Five (5) of the 1999 Constitution, section 121 (as amended) stipulates that prior to the commencement of each financial year; the Governor shall submit an annual Budget Proposal (Appropriation Bill) to the House of Assembly for enactment into law. Thereafter, the Governor assents to it, then

it becomes an Appropriation Law. This therefore, puts the responsibility of the Budget between the Executive and Legislative arm of the Government.

6.2 Budget and Budget Process

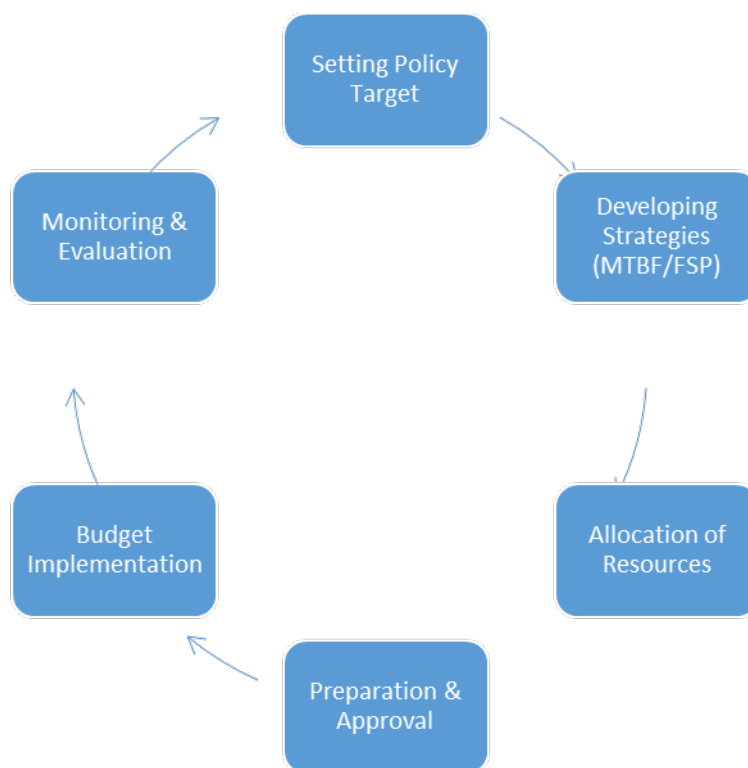
6.3 Budget Definition

Public Sector budget is defined as a statement of Government's estimated revenue and expenditure for a particular period; normally a year for an annual budget and three to five years for a medium-term.

6.4 Budget Components

- i. **Revenue:** money collected within a specific period e.g Days, Weeks, Months, years.
- ii. **Expenditure:** money to be spent in that same period and what to spend the money on.
- iii. **Surplus Budget:** when the total expenditure is less than the revenue. Then one plans to invest the difference.
- iv. **Deficit Budget:** when the total expenditure is more than the revenue.
- vi. **Financing:** when the total expenditure is more than the revenue, then one plans to borrow to cover the difference.

6.5 Budget Process



6.6 Trend Analysis of the Budget Performance (2008-2018)

| YEAR | BUDGET SIZE Nbn | ACTUAL PERFORMANCE Nbn | % PER F |
|------|--------------------|------------------------------|---------------|
| 2008 | 403.401 | 286.602 | 71 |
| 2009 | 405.000 | 294.710 | 73 |
| 2010 | 411.571 | 329.526 | 80 |
| 2011 | 450.775 | 347.053 | 77 |
| 2012 | 491.941 | 439.464 | 89 |
| 2013 | 507.105 | 429.745 | 85 |
| 2014 | 489.690 | 408.312 | 83 |
| 2015 | 489.690 | 350.676 | 72 |
| 2016 | 662.588 | 528.664 | 80 |
| 2017 | 812.998 | 668.929 | 82 |
| 2018 | 1,046.121 | 682,301 | 65 |

7.0 Areas of Focus in Y2019

The 2019 Budget will focus on Traffic Management and Transportation, Health Care and Environment, Education and Technology, Making Lagos a 21st Century Economy, Entertainment and Tourism. This will also include investment in: Infrastructure Development (Physical and Social), Security, Housing, Power, e-Governance, Agriculture and Skill Acquisition.

8.0 Y2019 Budget at a Glance

| | | |
|-------------|---|-------------|
| Budget Size | – | N 873.532bn |
|-------------|---|-------------|

9.0 Projected Revenue Sources

| | | |
|--------------------------------------|---|---------------------------|
| ➤ Total Internally Generated | | |
| Revenue (Capital Receipts inclusive) | – | N581.056bn |
| ➤ Federal Transfers | – | N218.940bn |
| ➤ Financing (Deficit) | – | <u>N73.537bn</u> |
| | | <u>N 873.532bn</u> |

10.0 Projected Expenditure

| | | |
|-----------------------|----------|-------------------|
| Recurrent Debt | - | N20. 249bn |
|-----------------------|----------|-------------------|

Recurrent (Non-Debt)

| | | |
|-----------------------------------|----------|--------------------------|
| ➤ Personnel | – | N169.556bn |
| ➤ Overhead | – | <u>N204.037bn</u> |
| Total (Recurrent Non-Debt) | - | <u>N373.593bn</u> |

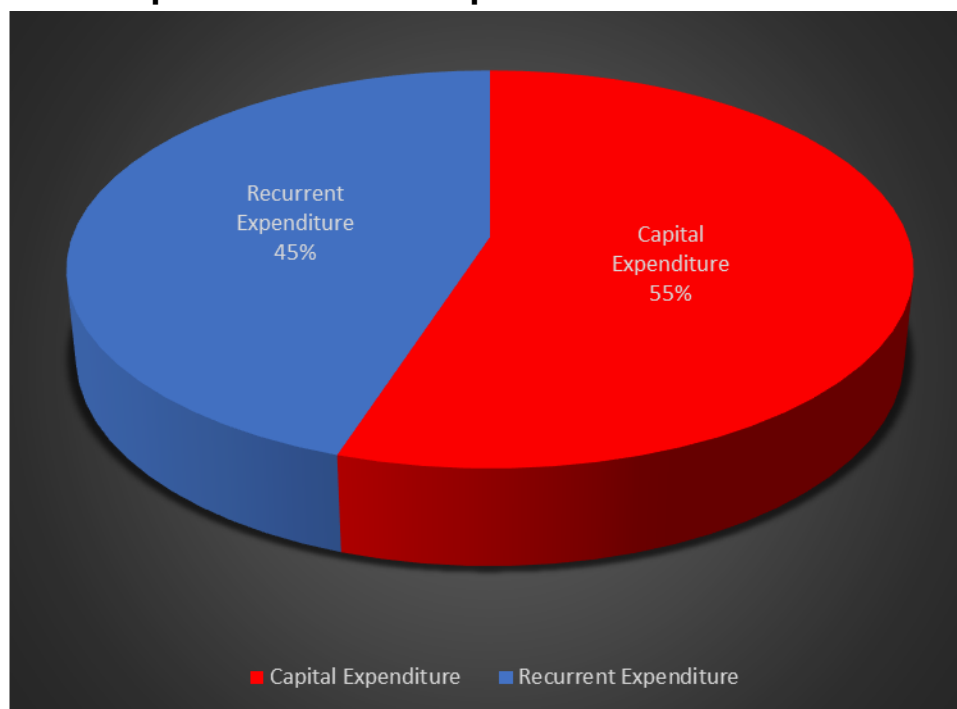
Recurrent Expenditure

| | | |
|------------------------------|----------|-------------------|
| (Debt & Non-Debt) | - | N393.841bn |
|------------------------------|----------|-------------------|

| | | |
|----------------------------|----------|--------------------------|
| Capital Expenditure | – | <u>N479.691bn</u> |
|----------------------------|----------|--------------------------|

| | | |
|--------------------|----------|---------------------------|
| Budget Size | - | <u>N 873.532bn</u> |
|--------------------|----------|---------------------------|

11.0 Capital/Recurrent Expenditure Mix 55:45



12.0 Where the Money Comes From (Funding)

| Internally Generated Revenue (Nbn) | | Capital Receipt (Nbn) | | Federal Transfers (Nbn) | | Financing (Nbn) | |
|---------------------------------------|---------|-----------------------|--------|-------------------------|---------|-----------------|--------|
| Internally Generated Revenue | 556.140 | Capital Receipts | 24.915 | Federal Transfers | 218.940 | Deficit Funding | 73.537 |
| Lagos Internal Revenue Services | 448.233 | Grants | 10.000 | Statutory Allocation | 60.480 | External Loans | 24.673 |
| Internally Generated Revenue (Others) | 76.815 | Other Capital Receipt | 14.915 | Value Added Tax | 108.360 | Internal Loans | 48.864 |
| Dedicated Revenue | 26.092 | | | Extra Ordinary Revenue | 50.000 | Bond Issuance | - |
| Investment Income | 4.000 | | | 13% Derivation | 0.1 | | |
| Extra Ordinary Revenue | 1.000 | | | | | | |

13.0 Where the Money Goes (Expenditure)

| Recurrent Expenditure (Nbn) | | | | Total Capital Expenditure (Nbn) | |
|--------------------------------|---------------|---------------------------|----------------|------------------------------------|----------------|
| Recurrent Debt | 20.249 | Recurrent Non-Debt | 373.593 | Total Capital Expenditure | 479.691 |
| Debt Charges (External) | 5.454 | Personnel | 169.556 | Capital Expenditure | 388.474 |
| Debt Charges (Internal) | 14.795 | Overhead Expenditure | 204.037 | Repayment | 91.217 |

14.0 Function Group Allocation

The Y2019 Budget Size Function Group **Disaggregation** and percentage share shows:

- Percentage allocated to Function Groups reflects Government priorities, sustenance of past trend and needs assessment of the citizenry

| Function Group | Total Expenditure (Nbn) | % Allocation |
|----------------------------------|------------------------------------|---------------------|
| General Public Services | 276.359 | 31.64 |
| Public Order and Safety | 35.204 | 4.03 |
| Economic Affairs | 178.617 | 20.45 |
| Environment | 48.252 | 5.52 |
| Housing and Community Amenities | 37.022 | 4.24 |
| Health | 85.655 | 9.81 |
| Recreation, Culture and Religion | 6.580 | 0.75 |
| Education | 108.994 | 12.48 |

| | | |
|--|----------------|---------------|
| Social Protection | 5.630 | 0.64 |
| External Loans (Principal Repayments) | 8.517 | 0.98 |
| Internal Loan (Principal Repayments) | 22.000 | 2.52 |
| Consolidated Debt Service Accounts | 60.700 | 6.95 |
| Total | 873.532 | 100.00 |

15.0 Key Deliverables

The critical areas of our expenditure plan for Y2019 are:

15.1 General Public Service

- Promotion of Good Governance and Ease of Doing Business
- Establishment of Lagos State Citizens Gate/Customer Relationship Management (CRM)
- Promotion of Creativity & Innovation in the Public Service
- Attitudinal change management for Public Sector employees
- Enhanced Service Delivery using Public Private Partnership (PPP) models
- Development of highly skilled workforce and strengthening of Human Resource policies and systems
- Continuation of Digital Lagos, Smart City and E-GIS Projects
- Upgrade of ICT infrastructure
- Improvement/update of Residents Registration database
- Continuous Community Engagement through the deployment of Strategic Information Management Systems
- Improvement of Security through provision of Logistic Support to Security Agencies

- Consolidation of Public Financial Management Reforms
- Technology driven Revenue Reforms through Data Integration and use of Multi-Payment Channels

15.2 **Public Order and Safety**

- Construction of Police Area Command and Administrative Block at Ilashe-Ibeshe, Elemoro, Idimu and Ibeju Lekki
- Construction of LASEMA Response Unit (LRU) Centre at Badagry (Ijanikin)
- Construction of Citizens Mediation Centre (CMC) Offices at Iba, Ojo, Ikorodu, Ijede and Alimosho
- Construction of Magistrate Courts at Badagry, Ajegunle and Igando
- Construction of Commercial Court House
- Construction of Store/Warehouse at the 3 Senatorial Districts in the state for Lagos State Independent Electoral Commission (LASIEC)
- Renovation of Fire Service Stations at Isolo, Sari Iganmu, Badagry, Agege, Ikorodu, Ojo and Eti-Osa

15.3 **Economic Affairs**

- Expanded shoreline protection projects
- Construction of Concrete/Floating Jetties with waiter shelter and Shoreline Construction of jetties and terminals
- Development of heritage centre, upgrade of National museum and others
- Completion of Lagos Theatres
- Channelization/Dredging of Waterways routes and provision of navigational buoys and other waterway furniture
- Completion of Multi-Agency Office Complex
- Completion of Multi-storey Car Park at Onikan

- Advancement of Lagos Badagry Expressway
- Construction of Trailer Park, Orile-Iganmu
- Rehabilitation/Upgrading of Strategic arterial Inner roads (Phase II) in Epe.
- Continuous gridlock resolution and junction improvement
- Continuous provision of laybys and Traffic Signal Lights (TSL)
- Construction/Rehabilitation/Maintenance of roads across the State
- Completion of renovation of JK Randle, Onikan Stadium
- Completion of renovation works at Lagos Revenue House, Ikeja
- Construction of modern Prison at Tekunle (consultancy / preliminary works)
- Construction of building and procurement of equipment for Technology Business Incubation Centres (TIC) in Epe and Ikorodu
- Establishment of Light Industrial Park, Imota Ikorodu
- Completion of flyover at Pen Cinema, Agege
- Completion of Oshodi-Murtala Mohammed International Airport road
- Training of youths in agricultural enterprises at Shonghai, Badagry
- Establishment of On-Farm Adaptive trails (OFAR) in the Agriculture zone of the State
- Establishment of Pig Farm Estate, Erekiti
- Advancement of Rice Mill at Imota
- Promoting Agricultural Products
- Enhance the Delivery/Availability of LAKE Rice
- Development of Imota & Igbonla Light Industrial Parks, and development of one additional small-scale Industrial Estate (Shalla)
- Construction and Upgrade of Existing Jetties
- Purchase of Boats/ Ferries/Utility Vehicle; Upgrade of Marine and Aquatic equipment

15.4 Environmental Protection

- Maintenance of Primary, Secondary and Tertiary channels in all the five divisions
- Supply and Installation of Automatic Weather observation system
- Supply and Installation of Automatic River gauging system with central Controlling system along Ogun River Itowolo and Owa River in Epe
- Erection of sensitization signages at strategic location
- Construction of Standard Septage Treatment plant at Ebute – Elefun and Amuwo Odofin
- Planning and Design Works for the provision of Wastewater Treatment Infrastructure through Public Private Partnership (PPP) Initiative in 15 existing LASG Owned Housing Estate
- Construction of Landfills Sites and Transfer Loading Stations
- Procurement of new Plants/Equipment and Operational Trucks for LAWMA
- Overhauling of Recreational Park at Topo – Idale, Badagry and Landscaping/ Beautification of Osborne verges, setbacks and road median
- Construction and rehabilitation of 15 New waterworks and rehabilitation of 13 existing mini/micro water works.
- Advancement of Adiyin Phase II Project

15.5 Housing and Community Amenities

- Completion of Lagos Homs at Sangotedo, Ibeshe, Iponri and Omole
- Continuous payment of compensation
- Relocation of Computer Village to Katangwa
- Relocation of sawmill from Okobaba to Agbowo ikosi
- Valuation of Government Properties and creation of asset registers.

- Efficient issuance of electronic Certificates of Occupancy (CofO)
- Relocation of Commodities Market, Mile 12 to Imota
- Provision of infrastructural facilities for Golden Jubilee and other estates
- Slum regeneration

15.6 **Health**

- Upgrading /Renovation of Health Care facilities in the State
- Mental Health Care
- E –Health /ICT Platform for Health Insurance
- Commissioning of Ayinke House at LASUTH
- Public Health Projects viz Tuberculosis, Malaria, HIV/AIDS Control and Cancer.
- Expansion of LASAMBUS Activities
- Renovation of Primary Health Care Centers.
- Construction of General Hospital, Ojo
- Implementation of Health Insurance Scheme

15.7 **Recreation, Culture & Religion**

- Digitalization of LTV/EKO FM and Traffic Radio.
- Construction of Community youth recreation centre

15.8 **Education**

- Construction / rehabilitation of Public Secondary Schools in the 6 Education Districts
- Construction / rehabilitation of Public primary Schools in the 6 Education Districts
- Construction / rehabilitation of infrastructure in all the State tertiary Institutions
- Mandatory capacity building programmes for teachers in public schools.

- Procurement and installation of ICT facilities in State-owned secondary Schools
- Further advancement of accreditation programmes in tertiary institutions

15.9 Social protection

- Special Poverty Alleviation Intervention Programme for Women
- Construction of Skill Acquisition Centres and other Poverty Alleviation related Projects at Isheri, Ibeshe, Eredo etc
- Construction of Multipurpose Centre for Women /Women zonal centre across the State
- Construction of Elderly Care Centre in Ikorodu, Epe, Badagry, Alimosho and Lagos Island.
- Renovation, Refurbishment, Equipping/Furnishing and Maintenance of Youth Hostel and Youth Centres Oworonshoki, Omituntun, Ojokoro, Gbagada, Badagry, Epe and Sam Shonibare.
- Provision of N500million Special Grant for people living with disabilities.
- Social Development & Integration/Public enlightenment & Campaign for people living with disability
- Upgrade and Renovation of Women Development Centre

16.0 CITIZENS' ROLE

We appeal to Citizens to co-operate with the State Government through:

- Regular payment of taxes
- Timely Provision of information to Security Agencies
- Monitoring of on-going Government projects and reporting observed lapses to appropriate Government Agencies
- Patronage and Protection of Public Facilities and Infrastructure

17.0 Y2019 Budget Work Plan

| SN | SUBJECT | ACTIVITIES | PROPOSED DATE |
|----|---|--|---------------|
| 1 | Conclusion on 2018 & Inception of Y2019 Budget | a) Y2019 Budget Analysis | June |
| | | b) Issuance of Budget Operational Guidelines | June |
| | | c) Preparation of Y2019 Budget Profile | June |
| 2 | Budget Performance Appraisal | a) 4th Quarter/Full Year Y2018 Budget Performance Appraisal | Jan |
| | | b) 1st Quarter Y2019 Budget Performance Appraisal | April |
| | | c) 2nd Quarter/Mid-Year Review of Y2019 Budget Performance | July |
| | | d) 3rd Quarter Y2019 Budget Performance Appraisal | Oct |
| | | e) Y2019 Budget Performance Appraisal for the 4th Quarter/Full Year | Jan 2020 |
| 3 | Implementation of the Y2019 Budget | a) Publishing of Citizens Guide | July |
| | | b) Publishing of Abridged Budget Document | July |
| | | c) Burning of detailed Budget into CD/hosting on internet) | July |
| 4 | Commencement of Y2020 Budget Preparation | a) Meeting with Major Revenue Generating Agencies and Ministry of Establishment Training & Pensions on Fiscal Strategy 2019-2021 | July |
| | | b) Preparation and Adoption of Fiscal & Sector Strategy for 2020-2022 | July |
| | | c) Presentation of 2020-2022 Economic & Fiscal Update/MTBF to EXCO | July |
| | | d) Conveyance of 2020-2022 Economic & Fiscal Update/MTBF to HOA | August |
| 5 | Commencement of Y2020 Budget Preparation | E) Budget Consultative Forum | |
| | | i) Lagos Central – Eko Club, Surulere | September |
| | | ii) Lagos West – Ikotun | September |

| | | | |
|-----------|---|--|--------------------------|
| | | <i>iii) Lagos East- Epe or Ikorodu</i> | <i>September</i> |
| | | <i>f) Function Group Budget Disaggregation Meetings</i> | <i>September</i> |
| | | <i>g) Submission of Function Group Agreed Figure</i> | <i>September</i> |
| | | <i>h) Issuance of Y2020 Call Circular</i> | <i>September</i> |
| 6 | Preparation of Y2020 Budget Estimates | Workshop for Planning Officers in MDAs | September |
| | | b) Submission of Budget Proposals | September |
| | | c) Uploading of Budget proposals into the Oracle | October |
| | | d) Evaluation of proposals | October |
| | | e) Bilateral Budget discussions | |
| 7 | Collation of Bilaterally Agreed Budget Figures | a) Compilation of Revenue, personnel Cost overhead Cost, Capital Cost etc | October |
| | | b) Production of Budget summary table | |
| 8 | Y2020 draft Budget | a) Submission of Y2020 Draft Budget to His Excellency | October |
| | | b) Presentation of Y2020 Draft Budget to the State Treasury Board | October |
| | | c) Presentation of Y2020 Draft Budget to the State Executive Council | October |
| | | d) EXCO Legislative Parley on Y2020 Budget | October |
| 9 | Legislative Processes | a) Presentation of Draft Budget to the House of Assembly | November |
| | | b) Consideration of Budget Proposals by the House | November/December |
| | | c) Passing of Y2020 Appropriation Bill | |
| 10 | Appropriation Law | a) Printing of the Appropriation Law | November/December |
| | | b) Assent of Y2020 budget by the Governor | January 2020 |

| | | | |
|-----------|-------------------------------------|---|-----------------|
| | | <i>c) Updating of Y2020 Approved budget into the Oracle</i> | <i>Jan 2020</i> |
| 11 | Budget Performance Appraisal | <i>a) Y2019 Budget Performance Appraisal for the 3rd Quarter</i> | <i>October</i> |
| 12 | Conclusion of Y2020 Budget | <i>a) Y2019 Budget Performance Appraisal for the 4th Quarter/Full Year</i> | <i>Jan 2020</i> |

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