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Thursday, December 11, 2025

The Honorable Speaker
Lagos State House of Assembly
Alausa
Lagos

Dear Mr. Speaker,

OPEN LETTER - RE: LAGOS STATE GOVERNMENT'S 2026 PROPOSED BUDGET

I write in respect of the 2026 proposed budget for Lagos State presented by the Governor on November 25, 2025, which is currently under consideration by the House of Assembly. Pease find hereunder some input and comments on the proposed budget for your consideration.

1. Errors and Inaccuracies

a) The budget presentation outlines a total budget size of N4.237 Trillion for 2026, comprising Recurrent Expenditure of N2.052 Trillion and Capital Expenditure of N2.185 Trillion. However, this figure for recurrent expenditure includes debt repayments of N383 billion, which is a capital and not a recurrent expenditure item. It is therefore misstated by almost N400bn. Consequently, the capital expenditure and overall budget figures may also be inaccurate.

b) The sectoral allocation provided for the budget adds up to N3.4 Trillion which is inconsistent with the total proposed budget size of N4.237 Trillion. One, or possibly both, of these must therefore be wrong.

2. Lack of Fiscal Transparency, Probity & Discipline

In commenting on previous LASG budgets, I had noted that LASG does not provide details of its proposed budget in the public domain until well after the Appropriation Act is passed into law. This lack of transparency prevents effective review, commentary and input into the proposals to highlight anomalies. For example, the table below highlights just a few very questionable appropriations included in the Current year's (2025) budget that could have been queried and subjected to proper scrutiny, had the information been provided prior to passage:

MDA	Details	Appropriation	Comments
State House of Assembly	Purchase of Back-up Vehicles for Forty (40) Honorable Members, 40 Utility Buses and 40 Official	20,665,334,794	This is a colossal appropriation that speaks to a government that is completely disconnected from the people. It implies a cost of N516 million for vehicles for each House of Assembly Member. This massive appropriation for 2025 is in addition to 2024's actual expenditure of approx. N15 billion on Motor Vehicles.
State House of Assembly	Purchase & Installation of 40 Nos. of 50 KVA Generators	4,536,069,013	This appropriation implies an unfathomable cost of N113 million EACH for 40 Nos. of 50KVA Generators. The current market price of a 50 KVA generator is approximately N16 million.
State House of Assembly	Provision for the purchase of 40 Properties (Lagos & Abuja)	6,220,000,000	This implies N155 million per property. Why are properties in Abuja being purchased for Lagos State House of Assembly Members?
Lagos State Internal Revenue	Purchase of 19 GA4 Saloon Cars and 7 Donfeng Buses	5,000,000,000	This appropriation implies an average cost of N192 million per vehicle. The current market price of a GA4/GS4 Equivalent Car is approximately N35 million.
Office of PPP	Purchase of 20 Office Tables and Chairs	212,119,883	This appropriation is completely unreasonable. It implies an average unit price of N10.6 million for each Chair and Table.
Parastatals Monitoring Office	Purchase of 1 (One) 13-Seater Bus	217,323,061	This is also unreasonable. The current market price for a 13-seater Toyota Hiace bus is approximately N90 million.
Various	Consultancy & Professional Fees (Recurrent)	186,603,592,827	It is not clear what services are being contracted for these tremendous costs, which are recurrent in nature, and why. At N186 billion, they make up almost 15% of the entire recurrent cost budget of Lagos State. Fees Paid to Alpha Beta Consulting, about which questions have repeatedly been asked, fall under this line item.

MDA	Details	Appropriation	Comments
Various	International Travels & Transport	30,909,216,777	Being a state and not a Federal Government, N31 billion is a vastly excessive amount to spend on international travel in just one year.
Various	Research & Development	66,982,855,025	It is not clear what Research and Development activities are being undertaken by LASG that would require almost N67 billion of expenditure in a single year. This is up from N45 billion in 2024.

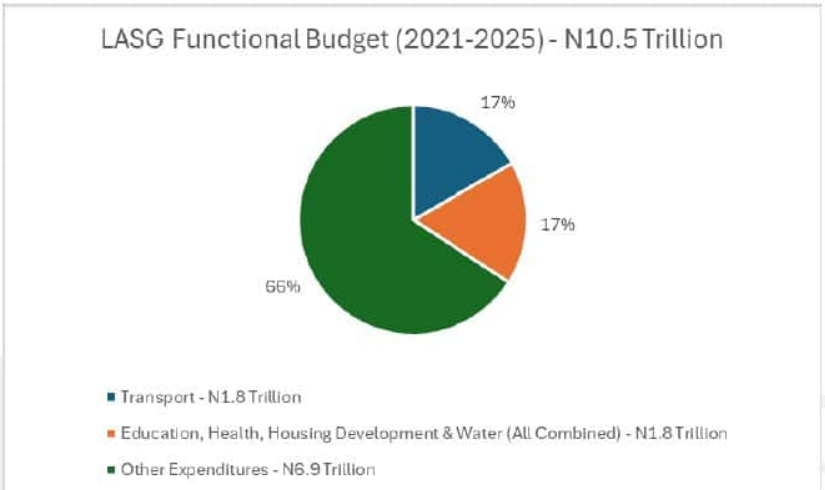
Source: Lagos State Ministry of Economic Planning & Budget – 2025 Appropriation Act, Budget Implementation Reports

It is worrying that generally, transparency is an area where the Lagos State Government is decidedly lagging behind. In the first two quarters of 2025, Lagos State ranked last (36th) out of the 36 states in the Federation in the Fiscal Transparency league compiled by the Governance and Fiscal Transparency watchdog - BudgIT. It is particularly worrying that this declining transparency occurred as LASG, like most state governments, witnessed rapidly rising revenues and expenditures in the wake of currency devaluation and subsidy removal.

Furthermore, details of contract awards by LASG are no longer being made publicly available by the Public Procurement Agency, as required by the Lagos State Public Procurement Law. This may not be unconnected with the widespread public outcry that followed several questionable contract awards that I and others had drawn attention to in the past. (see my open letter dated 17 November, 2023).

3. Misplaced budget Priorities

In the past, we have repeatedly highlighted this Government's woefully inadequate investment in its People. We are now forced to conclude that this must be an ideological pillar of its approach to governance. We await detailed clarification on the sectoral allocation of the 2026 budget. However, the chart below analyzes total Government Expenditure over the five-year period from 2021-2025.



Source: Lagos State Ministry of Economic Planning & Budget – Budget Implementation Reports

Over this period, the Combined expenditure on Education, Health, Housing Development and Water Supply collectively amounted to just 17% of Government Expenditure in total. In a young population with the demographic characteristics of Lagos, Education and Health should receive closer to 15% EACH or 30% for both. Furthermore, it is alarming that, at N87 billion, the 2025 Capital expenditure appropriation for the Lagos State House of Assembly alone, comprising just 40 members, exceeded the capital expenditure appropriation for the entire Health Sector (N68 billion) and Education Sector (N69 billion) of Lagos State.

The effects of this sustained under-investment are evident. According to the Lagos State Commissioner of Basic Education, 54% of students from Lagos Public Schools failed WASSCE in 2024. Studies show that a majority of the population live in informal or slum settlements amid a drastic housing deficit. Public water supply remains unavailable for majority of the State's population. In health, according to the Nigeria Demographic and Health Survey 2023-2024, Lagos is in fourth position out of the six south-western states in terms of under-five mortality.

Even in the transport sector, where government expenditures have been high, the vast majority of commuters in Lagos are still served by private sector operators of dilapidated vehicles, operating chaotically, on roads that are frequently in a bad state of repair and often gridlocked.

Poverty remains widespread.

Propaganda aside therefore, the evidence is clear. After a generation at the helm, and despite the substantial resources expended year after year, the welfare of the people has been neither effectively prioritized, nor actually delivered, by this Government

4. Unrealistic Revenue Estimates

At N4.237 Trillion, the overall proposed 2026 budget continues the predictable trend of unrealistic projections that has become a pattern in LASG budgets over the past several years. I have highlighted this in prior years, including the current year 2025, where again, as at September 2025, actual revenues of N2.07 trillion were a far cry from the full year budget of N3.37 trillion. Unrealistic revenue budgeting undermines effective planning, prioritization and implementation of Government expenditures and programmes.

On a positive note however, I observe and note that the practice of having a single line-item provision of over N200bn for "Special Duties Expenses" which I had questioned in 2023 and 2024, did not recur in 2025. Also, although belatedly so, LASG's appetite for incurring foreign currency debt now appears to be moderated.

I thank you for your attention, and reiterate my call for the details of the 2026 and subsequent LASG budget proposals to be made publicly available, as part of the legislative process prior to passage into law.

Yours faithfully,

Funso Doherty.

cc: His Excellency, Babajide Sanwo - Olu, Governor of Lagos State.