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Revenue and Government Expenditure on Urban Planning and Development in Lagos State

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Abstract: ***Revenue is an essential element in enhancing the implementation of government policies on expenditure, most especially on urban planning and development in Nigeria. Achieving this has been a major challenge for the development of the State. Studies have shown that the lack of implementation of urban planning and development projects has resulted to hardship which led to the State struggling with managing population growth, urban planning and developmental challenges. The study evaluated the effect of revenue on government expenditure on urban planning and development in Lagos State. Survey and expost-facto research design were adopted; the study evaluated the effect of Revenue on Government expenditure on urban planning and development in Lagos State from 2007-2015. Data were obtained from published financial statement of Lagos State from the ministry of finance. One hundred (100) copies of questionnaires were administered to residences of the State. Descriptive and inferential (Multiple regression) were used to analyse the data. The result of the finding shows that revenue has significant effect on expenditure on road and bridges in Lagos State. Adj. R^2= 0.97, F- statistics 51.3385, P- value <0.0042 and the primary Adj. R^2= 0.08, F- statistics 1.918, P- value <0.010; revenue has significant effect on expenditure on bus terminals in Lagos State. Adj. R^2= 0.80, F- statistics 7.6984, P- value <0.0617 and the primary Adj. R^2= 0.14, F- statistics 3.978, P- value <0.003; revenue does not have significant effect on expenditure on housing and landscape in Lagos State. Adj. R^2= 0.27, F- statistics 1.5967, P- value >0.3715 and the primary Adj. R^2= 0.20, F- statistics 0.418, P- value >0.83. The study concluded that revenue influenced expenditure on urban planning and development in Lagos State. The study recommends that adequate resources should be provided for equitable development to take place in the State. The study further recommends that government should channel more revenue for urban planning and development projects, in order to reduce the number of uncompleted and abandoned projects and also to improve the standard of living of the residence of Lagos State.***

Keywords: Government expenditure, Lagos State, Public sector, Revenue, Urban planning and Development

1. Introduction

The interest of developed and developing community should be in relation with how government generates its revenue and how the generated income is being expended to improve infrastructural development of the country, these are essential tools of government fiscal policy. Many governments all over the whole world have tried to stimulate their economies by increasing government expenditure, while the others, most notably some European Union (EU) members, heavily have criticized them (Larch &Lechthaler, 2017). Developing countries typically face severe public sector issues as a result of low national revenue which cannot finance government expenditure. Economic policy failures are on the increase as a result of no accountability and transparency in respect of government revenue and expenditure. (Usman, 2009). Pakistan experienced unsustainable level of public debt which hurt the country's economy in 1990. (Usman, 2009). Public spending and revenue in Scotland was a hotly debated issue in the run-up to the Scottish independence referendum and has remained of interest since. Government revenue is highly centralized in the UK with the vast majority of tax revenue, including much of that raised in Scotland. Scotland's public spending per head is higher than the UK average. It is higher than all the English regions and Wales, but lower than Northern Ireland (Matthew, 2018).

In Nigeria, despite the vast amount of public revenue and expenditure, there is still asignificant level of under development.Publicrevenue and expenditure on all sectors of the Nigerian economy are expected to lead to economic growth in the sense that it will boost the productive base of the economy which in turn will lead to economic growth. Therefore, government revenue and expenditure enhances economic growth could be tailored to productive services (Modebe, Okafor, Onwumere & Ibe, 2016). Public expenditure is directed towards accelerating economic growth and development with the ultimate aim of transforming the nation into an industrialized economy as well as raising the standard of living of the people. Appropriate public expenditures can also be useful in boosting economic growth, even in the short run. Public spending is the beginning and end of the collection of revenues by the government.Public expenditure merely is government spending from revenue derived from taxes and other sources,and it is centered on expenses contracted on own government maintenance for the growth and stability of the general economy. The impact of government spending on economic growth depends on what the government spends money on, and how well the institutional mechanism established to manage expenditure works in delivering value for money. Once the economy reaches the maturity stage, the mix of public expenditures will shift from expenditures on infrastructure to increasing expenditures on education, health and welfare services, housing, roads and bridges (Seshaiah, Reddy &Sarma, 2018).

The increase in revenue and government expenditure has led demand for accountability of public officers who manage these revenue and government expenditures. Citizens should have the right to know what actions have been taken and how government fund is being expended. Accountability provides government with the means of understanding how project may fail and finding ways that can make projects perform better. This study focuses on the actual performance of the government in respect of revenue generated and expenditure incurred. The holders of government offices are

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expected to be accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their offices (Armstrong, 2015).

The Nigerian economy has reflected irregularities in government revenue and expenditure; Over the past decades, the public sector spending has been increasing in geometric term through government various activities and interactions with its Ministries, Departments, and Agencies (MDAs), (Torruam & Abur, 2014). In some developing economy like Nigeria, citizens are more concerned about the availability of social amenities and infrastruture. The world has gone past the era of the citizens shying away from their human rights from the government, and they should be more concern about how government generates their revenue, how much revenue is being generated, how such revenues are expended on various projects, the quality of such projects and its impact on the economy. The issue of urban planning and development is being raised as the major thrust of government to provide a safe, productive and functional State as an essential ingredient for the physical, psychological, social and economic well-being of the people of Lagos State by the current administration (Musbau, 2018). The declining quality of the living in the State as a result of limited access to water supply, poor drainage, road network, poor housing, inadequate health care services, poor educational facilities and power outage, translates into extra burden for a place saddled already by fatalities from the outbreak of epidemics, emission of atmospheric toxics, the displacement of citizens and damages from climatic variability has shown the need for urban planning and developmental projects, (Architecture research, 2018). There is so many infrastrutural development going on, and the inhabitants are only concerned about project completion, they are nonchalant about how much revenue has generated and how it is being expended.

The government offices in Nigeria should be transparent and give accountability report of their stewardship, data on total government revenue and expenditure should be collected for proper analysis and investigation (Ebimobowei, 2012). If proper urban planning and development is not carried out, there will be chaos in the State; this plan is going to help eradicate the growth of slum. The ongoing infrastructure development, upgrade and urban renewal of the State are the impetus that could propel and consolidate the State in the global ranking. Efficient and effective planning remains the path to economic prosperity, social stability and improved quality of life of our people. This is why the Lagos State government is working on the improvement, renewal, and provision of sustainable planned human settlements (Musbau, 2018).

The inconsistencies of government monitoring projects has led to so many abandoned projects like roads, bridges, drainages, schools, and hospitals there are no checks and balances. Sometimes unfinished project are reported completed. The government and his agency should be efficient and effective enough to supervise infrastructural development being carried out and how much revenue is needed for the completion of a project. Government revenue and expenditure on urban planning and development can be growth-enhancing. Total revenue and government expenditure data on urban planning and development should be made available to the public. The need to measure effect of revenue on urban planning and development in Lagos State is the major problem being investigated in this study.

2. Literature Review

The generation of revenue and its sustainability is of paramount interest to managers in the private sector, directors, political heads / appointees in the public sector. This is premised on the fact that revenue is the life wire of any establishment both in developed countries and specifically in developing countries like Nigeria. Heads of every establishment do ensure there are adequate sources and methods of collecting internally generated revenues to achieve set goals/objectives. Inadequacy of the method of generating internal revenue usually leads to a lot of vagary of factors that interplay to cause a setback in the process (Igbinigie, 2018). The non- realization and the inadequate use of efficient method of collecting revenue is a major factor stunting the development of the Nigerian economy; this has even engendered the death of social and economic infrastructures. Redeployment of efficient and effective methods to ensure the collection of the revenue is predicated on the need for the government to provide social amenities, embark on development projects that would improve the living standard of her citizenry as well as meet its overhead or recurrent expenditures (Nto, 2016).

Government expenditure is a major component of national income.This implies that government expenditure is a vital determinant of the size of the economy and economic growth. However, it can significantly boost aggregate output, especially in developing countries where there are massive market failures and high rate of poverty, high inflation (Wang &Wen, 2013). The effectiveness of government expenditure in expanding the economy and fostering rapid economic growth depends on whether it is productive or unproductive. All things being equal, productive government expenditure would have a positive effect on the economy, while unproductive expenditure would have the reverse effect (Oziengbe, 2013).Thus, the relationship between government expenditure and government revenue has been widely debated among scholars both in theoretical and empirical studies. It has helped to assess the impact on government revenue and expenditure arising from urban planning and development. If there an increase in government spending or government consumption might lead is as a result of increased revenue (Eugene, 2017).

Government expenditure has played a major role in the Nigerian economy and without a doubt it is said to be an essential instrument which enables the government to control the economy (Okoh & Ohwoyibo, 2010). Government revenue has a significant impact on government expenditure which makes effective management of government expenditure quite necessary to promote economic impact, effectiveness, efficiency, accountability, and transparency in the public sector (Kasim, 2016). It plays an essential role in the functioning and substance of an economy whether it is developed or underdeveloped. Government expenditure is incurred from revenue accrued

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by the tiers of the government. (Okoro, 2011). The government is required to provide public goods and executes other development projects that would improve the standard of living of the citizens. Therefore Government needs money to build schools and hospitals, to maintain law and order, to construct and maintain roads. (Alade, 2015). The government needs to perform various functions in urban planning and development, toachieve these functions the government requires a large amount of resources. These resources are called government revenue. (Magu, 2013). Government revenue impacts economic growth through meeting the various government's needs (Illyas& Siddiqi, 2010).

Many cities are rapidly going through a process of urban restructuring and physical transformation in their struggles to be integrated into the global economic system. Similar to many other cities in sub-Saharan African countries, the struggle between urban development policies and the livelihoods of the masses is one of the urban development challenges facing Lagos. The State government embarked on series of sustainable urban transformation policies towards making Lagos an African model megacity and a global economic and financial hub that is safe, functional and productive, in other to achieve sustainable development. The lack of implementation of urban planning and development projects has resulted in more hardship. Lagos State is struggling with managing population growth, urban planning and developmental challenges (Olajide, Agunbiade & Bishi, 2018).

The Lagos State government in Nigeria enjoyed an improved revenue from the 1970's till date due to reforms introduced by different regimes all aimed at making the State government effective and efficient in discharging statutory responsibilities to the people. This was achieved through increased sources of revenue generation; this problem is multifarious ranging from low borrowing capacity, corruption, mismanagement and misappropriation of State government funds, ineffective strategies for enhancing internally generally generated revenue, lack of skilled and technical personnel, etc. (Asaolu, Dopemu& Monday, 2015).

2.1 Empirical Review

This part of the literature review focused on the review of the works of other authors with emphasis on the objectives, findings, contributions to the body of knowledge in the area of effect of total revenue and government expenditure on urban planning and development in Lagos State public sector.

Edame, ugwu and Udude (2014) analyzed the Trends of public expenditure growth on infrastructure in Nigeria, using available time series data from 1970 to 2006. The specific objective of the study is to examine the trend in public expenditure on infrastructure in Nigeria between 1970 to 2006; to compare the trend in public expenditure between the military and democratic government in Nigeria between 1970 to 2006; to determine the relationship between expenditure on infrastructure and long-run economic growth; ascertain the factors that influence public expenditure growth in infrastructure; test for the stability of growth in public expenditure on infrastructure over time and derive policy recommendations based on the findings of the study. The model specification was based on the Ordinary Least Squares (OLS) multiple regression while the estimation procedures is that of the Johansen Maximum Likelihood (JML) and OLS estimators.

Isiaka and Abiodun (2018) examined the effect of government revenues (oil and non-oil revenues) on economic growth. They stated that the bursting of crude oil prices in the international market since mid-2014 has resulted in dwindling oil revenue, which has led to economic recession in Nigeria. The recession has further exacerbated existing socioeconomic problems in the country. Their findings show that government revenues are indispensable to economic growth in Nigeria.Economic growth is more responsive to oil revenue than non-oil revenue. They recommended that effective and efficient use of government revenues. Furthermore, since oil revenue fluctuates more than non-oil revenue, we further advocate for creation of an enabling business environment geared towards improving the contribution of the non-oil sector to the government revenue base.

Igbasan (2017) examined the impact of tax revenue collected by federal government on the economic growth of Nigeria, while looking at the specific objectives which include: assess the impact of companies' income tax on economic growth of Nigeria; ascertain the influence of Petroleum Profit Tax on economic growth of Nigeria; examine the impact of custom and excise duties on economic growth of Nigeria and determine the impact of VAT on the economic growth of Nigeria. Ex -post facto and survey research designs was adopted in the work. Secondary data were obtained from FIRS and Bureau of Statistics for the purpose of this research. Method of analysis include ordinary Least square regression model was estimated to examine the individual effects of tax revenue. The study revealed that the GDP is strongly impacted upon by VAT, PPT, CED, and CIT. the simple regression showed that CIT and CED individually has positive effect on GDP, the multiple regression analysis through long run estimation indicated that in the long run, CIT and CED have negative effects on GDP and PPT and VAT have positive effects on GDP. The study concluded that tax revenue combined have significant effect on the economic growth of Nigeria, although Companies Income Tax (CIT) and Custom Excise Duties (CED) have not contributed positively to economic growth of this nation over the period of study, hence government need to reposition the tax administrative system and sufficiently equip them to deal with complexities of technological advancement in global commerce, enforce compliance and track all taxable persons in order to generate sufficient revenue needed to foster economic growth in Nigeria.

Inyiama, Edeh and Chukwuani (2017) examined the effect of Federal Government of Nigeria's Tax resources on infrastructural development of Nigeria. Income from Value Added Tax (VAT), Petroleum Profit Taxes (PPT) was used as proxies for Tax revenues/resources while Infrastructural Development was applied as proxy for Infrastructural Development of Nigeria. The research adopted ex-pos-facto

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research design as secondary data were used for the analysis. Data were sourced from the Central Bank of Nigeria Statistical Bulletin and the Federal Statistical Bureau. The study covered ten year period (2006-2015). Data were analyzed using the multiple linear regression technique. The result reveals tax revenue resources (PPT, CIT AND VAT) had positive and insignificant effect on Infrastructural Development in Nigeria. The study recommends that government should provide the necessary human and material infrastructures that are needed to support seamless tax collection so they can earn more income that will boost taxation to enhance infrastructural development in Nigeria.

Balogun (2017) established the causality between government expenditure and government revenue in Nigeria. The type of research adopted is ex post-facto and the updated annual time series data between1986-2015 were obtained through Statistical data bulletins and annual reports of Central Bank of Nigeria in order to evaluate the variables such as total revenue and aggregate public expenditure of the federal government. The study applied co-integration statistical method and vector autoregressive techniques comprising an Error Correction Model (ECM) and Augmented Dickey Fuller as the methods of analyses. The findings showed that there is spend revenue practice in Nigeria in line with the theory of Barro (1974); Peacock and Wiseman. (1979) indicating that changes in government expenditure triggered changes in government revenue. The Co-integration tests also revealed that there is existence of long run equilibrium relationships between government revenue and expenditure variables. The outcome of this study showed that increase in government expenditure without a simultaneous increase in revenue could broaden the budget deficit.

Lien (2017) investigated long-term relationship between tax revenue, expenditure, and economic growth, this paper employs Granger causality test and finds that the linkage between tax revenue and spending is a bi-directional causal correlation. Furthermore, applying Persyn&Westerlund's (2008) co-integration test allows for corroboration of existence of long-run cointegration linkages among outcome of economy and the three variables. In addition, by adopting two-step system generalized method of moments (SGMM) for a dynamic panel of 82 developed and developing countries during 16-year period: (2000 - 2015), this research demonstrates that the impact of tax revenue and spending are substantial and ambiguous, depending on different groups of economies.

Mohanty and Mishra, (2017) examined the nexus between tax revenue of the government and public expenditure in India using Johensen-Juselius co integration Methodology during 1980-81 to 2013-14. It tests four hypotheses relating to the revenue-expenditure nexus, i.e. tax-spend hypothesis, spend-tax hypothesis, fiscal synchronization hypothesis and institutional separation hypothesis. The nexus is studied at centre, state and combined level. The study establishes one cointegrating relationship between public expenditure and tax revenue which suggests a long-run relationship between the two. The results of the Vector Error Correction Models evince that there is one-way causality running from tax revenue to expenditure both in short-run as well as in the long-run. This result justifies the operation of tax-spend hypothesis. The reverse-causality is not found in the analysis either for short or long-run.

Adejare and Akande (2017) evaluated the impact of Personal income tax on government expenditure in Oyo State. It also investigated the significant components of Personal income tax on government expenditure in Oyo State. Secondary data were sourced from approved budgets of the Oyo State government from 1990 to 2015. Pearson product moment correlation and multiple regressions were employed to examine the relationship between the dependent variable (Government expenditure in Oyo State) and independent variables (Pay As You Earn(PAYE), Capital Gain Tax, Road Tax, and Other Taxes (Stamp duties, Betting and Gaming Taxes, Business Premises and registration levies, Development levies and Market fees)). Findings reveals that Pay As You Earn (PAYE) has a positive significant impact on government expenditure in Oyo State ($\beta = 1.907001$; $p \leq 0.05$). Road tax has negative insignificant effect on Government Expenditure in Oyo State ($\beta = -.3206565$; $p \leq 0.05$) with the adjusted R2 @ 66.7%. In conclusion, Personal income tax has positive significant and statistical impact on Government expenditure in Oyo State. It is now recommended that Oyo State government should reduce the expenditure on governance so that money generated from personal income tax will be expended on payment of salaries of civil servants instead on frivolity. Also Government should increase Road tax in order to boost government revenue which will ultimately increase government expenditure power extensively.

Daniel, Onuchuwu and Tamuno (2018) investigated empirically the impact of government expenditure on construction, transport and communication on economic growth in Nigeria between 1980 and 2016. Time series data were sourced from secondary sources on Economic growth proxied by Gross Domestic Product (GDP), Government Expenditure on Construction (CNS), Government Expenditure on Transport and Communication (TRC) and state of infrastructure proxied by electricity availability (SIF). The data sets were analyzed using the Engle-Granger co-integration and Error Correction Modeling techniques. The result of the analysis reveals that both government expenditure on construction, transport and communication have a negative relationship with economic growth and also do not impact on it. Based on these findings, the paper recommends that the government should ensure that the construction, transport and communication sectors are adequately funded so as boost economic growth. Also, there should be proper implementation of the fiscal responsibility laws to ensure greater accountability, fiscal discipline and prudence in the use of funds allocated to these sectors.

Egbunike, Emudainohwo, and Gunardi (2018) examined the contribution of tax revenue on the economic growth of Nigeria. The first objective of this study was to examine the contribution of petroleum profit tax (PPT) on economic growth of Nigeria, the second was to examine the contribution of Value added tax (VAT) on economic growth of Nigeria and the third was to ascertain the contribution of company income tax (CIT) on economic growth of Nigeria. The study predominantly used secondary source of data.

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These data were time series, and data was collected from CBN statistical bulletin and Federal Inland Revenue Service. The study covers the period from 1997 to 2016. Ordinary least square of multiple regression models was used to ascertain the contribution of independent variables on dependent variable. The finding revealed that there is a significant contribution of Company Income Tax (CIT) and Value Added Tax (VAT) on the economic growth of Nigeria. The finding also revealed that there is no significant contribution of Petroleum Profit Tax (PPT) on the growth of the Nigeria economy. It was recommended that the regulatory authorities charged with the sole responsibility of collecting tax should further be strengthened to enforce compliance by taxpayers so as to raise more revenue for the government to carry out its responsibilities

Oriavwoteand Ukawe (2018) investigated the relevance of government expenditure on poverty reduction in Nigeria. The main objective is thus to investigate whether the poverty reduction efforts through government spending has actually translated into a reduction in the poverty level. The study covered the period between 1980 and 2016. The ECM model and cointegration models of the OLS as well as the granger causality techniques were used to analyze the data. The result of the ADF unit root test indicates that all the variables are I(1). The result of the Johansen cointegration indicates the existence of a long run equilibrium relationship among the variables. The result of the parsimonious ECM indicates that though the one period lag government expenditure on health has a significant and positive impact on the per capita income, it has a low elasticity. The result indicates further that government expenditure on education has a significant and positive impact on the per capita income. The result indicates further that government expenditure on building and construction has a significant and positive impact on the per capita income, the elasticity is however very low. The granger causality test result indicates no causality between government expenditure on health and education. A bicausal relationship however exists between government expenditure on education and per capita income. The result shows no causality between government expenditure on building and construction and the per capita income. The result recommends amongst others an increment and proper monitoring of government spending which could be enhanced through public private partnership.

3. Theoretical Framework

Adolph Wagner's law of increasing State and Peacock-Wise hypothesis on theory of expenditure are adopted as the main theory that underpins this work. This is because the theory supports government revenue and expenditure in urban planning and development, Adolph Wagner's theory of increasing State elucidates that when there is an increase in economic development and State activities there will be corresponding increase in government expenditure, while Peacock-Wise hypothesis states that the rise in public expenditure greatly depends on revenue collection. The role of government to economic growth is mostly depicted through their choice of monetary and fiscal policies. The major focus of the study is to evaluate the impact of government revenue and government expenditure and to find out whether it contributes to urban planning and development. The governments is expected to provide infrastructural and welfare services like roads, bridges, bus terminals, housing, education and health services by providing these services, it increases government expenditure and revenue as well. Adolph Wagner;s theory and Peacock-Wise hypothesis complements the relevance of this study by illuminating it in clear terms.

3.1 Methodology

This study was design to evaluate the effect of total revenue on government expenditure on urban planning and development in Lagos State public sector from 2007-2015. For the purpose of this study, the research design adopted was survey and *ex-post facto design*. This helped to provide a broad understanding of the study at hand. The survey design was to help confirm further the result derived in from the *ex-post facto design*.The study was on government revenue and government expenditure on urban planning in Lagos State from 2007 to 2015. The reason for using Lagos State public sector was to get accurate result for this study due to the on-going infrastructural developments in different sectors (which includes Educational, Housing, Health, and Infrastructural) in the state.The arm of government selected for this study was Lagos State in terms of population, size and budget wise in each sector of the State government. The ministry of finance was assessable than the others not selected. One hundred (100) copies of questionnaires were administered to residences of Lagos State to support the data from the ministry of finance. Purposive non-probability sampling technique was adopted for this study because it's more conducive for this study based on the fact that a given sample size has been selected.

The study made use of secondary data by obtaining from the Lagos State ministry of finance the financial statement which was supported by primary data. A total number of 100 copies of questionnaire were administered to the residence of Lagos State who was the major beneficiaries to government development. The purpose of using secondary data was to evaluate government performance by investigating different year's financial statements. Using primary data added more accuracy to the result of this study because past years are being analyzed.

The instrument used for data collection was the Lagos State government gazette, containing the Lagos State published financial statement and questionnaire. The Lagos State financial statement for the past 9 years was examined starting from year 2007- 2015. The reason was to obtain sufficient data about the total government revenue and expenditure on urban planning and development.

3.2 Hypothesis and Model

The following hypotheses were tested in the study in order to ascertain how revenue and government expenditure affects urban planning and development:

H_{01}: Revenue does not have a significant effect on expenditure on roads and bridges in Lagos State
H_{02}: Revenue has no significant effect on expenditure on bus terminals in Lagos State

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H_{03}: Revenue does not have a significant effect on expenditure on housing and landscape in Lagos State

The above is functionally stated as follows:
Model 1:$ERB_t = \beta_0 + \beta_1 PAYE_t + \beta_2 OIGR_t + \beta_3 SD_t + \beta_4 CGT_t + \beta_5 SA_t + \mu$
Model 2: $EBT_t = \beta_0 + \beta_1 PAYE_t + \beta_2 OIGR_t + \beta_3 SD_t + \beta_4 CGT_t + \beta_5 SA_t + \mu$
Model 3: $EHL = \beta_0 + \beta_1 PAYE + \beta_2 OIGR + \beta_3 SD + \beta_4 CGT + \beta_5 SA + \varepsilon_i$

The *a priori* expectation was that total revenue should have positive effect on government expenditure on urban planning and development in the public sector.

4. Data Analysis And Findings

4.1 Data Analysis

The result of data analysis is shown in Appendix 1, 2 and 3

4.2 Interpretation of Result

Model 1a
$ERB_t = \beta_0 + \beta_1 PAYE_t + \beta_2 OIGR_t + \beta_3 SD_t + \beta_4 CGT_t + \beta_5 SA_t + \mu$
ERB= -55.1478 - 0.2865PAYE – 0.3524OIGR + 0.6192SD+ 0.2094CGT+ 3.0559SA

Interpretation
The level of significance of 10% and F-statistics of 51.3385, the P-value of 0.0042, we reject the null hypothesis that states revenue doesn't have significant effect on expenditure on roads and bridges in Lagos State. Therefore revenue has significant effect on expenditure on roads and bridges in Lagos State. The result of this model is shown in appendix 1a

Analysis of Primary Data

Model 1b
$ERB = \beta_0 + \beta_1 PAYE + \beta_2 OIGR + \beta_3 SD + \beta_4 CGT + \beta_5 SA + \varepsilon_i$
ERB= 4.934 – 0.086PAYE – 0.241OIGR + 0.099SD– 0.104CGT+ 0.047SA

Interpretation
The level of significance of 10% and F-statistics of 1.918, the P-value of 0.01, we reject the null hypothesis that states revenue doesn't have significant effect on expenditure on roads and bridges in Lagos State. Therefore revenue has significant effect on expenditure on roads and bridges in Lagos State. The result of the primary data corroborate with that of the secondary data because where the result of the secondary data rejected null hypothesis, the result of the primary data reject null hypothesis. This maybe as a result of the figures stated in the financial statements corroborate with the physical development of bus terminals in Lagos State. Therefore both results are accepted.
The result of this model is shown in appendix 1a

Model 2a
$EBT_t = \beta_0 + \beta_1 PAYE_t + \beta_2 OIGR_t + \beta_3 SD_t + \beta_4 CGT_t + \beta_5 SA_t + \mu$
EBT= 68.6597 - 1.9909PAYE + 0.7104OIGR – 0.1724SD+ 0.3168CGT– 0.6840SA

Interpretation
The level of significance of 10% and F-statistics of 7.6984, the P-value of 0.0617, we reject the null hypothesis that states revenue doesn't have significant effect on expenditure on bus terminals in Lagos State. Therefore revenue has significant effect on expenditure on bus terminal in Lagos State.The result of this model is shown in appendix 2a.

Analysis of Primary Data
Model 2b
$EBT = \beta_0 + \beta_1 PAYE + \beta_2 OIGR + \beta_3 SD + \beta_4 CGT + \beta_5 SA + \varepsilon_i$
EBT= 2.476 + 0.070PAYE + 0.283OIGR – 0.021SD+0.75CGT – 0.036SA

Interpretation
The level of significance of 10% and F-statistics of 3.978, the P-value of 0.003, we reject the null hypothesis that states revenue doesn't have significant effect on expenditure on bus terminals in Lagos State. Therefore revenue has significant effect on expenditure on bus terminal in Lagos State. The result of the primary data corroborate with that of the secondary data because where the result of the secondary data rejected null hypothesis, the result of the primary data also reject null hypothesis. This maybe as a result of the figures stated in the financial statements corroborate with the physical development of bus terminals in Lagos State. Therefore both results are accepted. The result of this model is shown in appendix 2b

Model 3a
$EHL_t = \beta_0 + \beta_1 PAYE_t + \beta_2 OIGR_t + \beta_3 SD_t + \beta_4 CGT_t + \beta_5 SA_t + \mu$
EHL= -51.6303– 0.2650PAYE + 2.1122OIGR + 0.7138SD+ 0.2267CGT+ 0.3876SA

Interpretation
The level of significance of 10% and F-statistics of 1.5967, the P-value of 0.3715, we accept the null hypothesis that states revenue doesn't have significant effect on expenditure on housing and landscape in Lagos State. The result of this model is shown in appendix 3a

Primary Data Analysis

Model 3b
$EHL = \beta_0 + \beta_1 PAYE + \beta_2 OIGR + \beta_3 SD + \beta_4 CGT + \beta_5 SA + \varepsilon_i$
EHL= 3.249+ 0.083PAYE – 0.013OIGR + 0.044SD + 0.058CGT – 0.013SA

Interpretation
The level of significance of 10% and F-statistics of 0.418, the P-value of 0.835, we accept the null hypothesis that states revenue doesn't have significant effect on expenditure on housing and landscape in Lagos State. The result of the primary data corroborate with that of the secondary data because where the result of the secondary data rejected null hypothesis, the result of the primary data also reject null hypothesis. This maybe as a result of the figures stated in the financial statements corroborate with the physical development of housing and landscape in Lagos State.

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Therefore both results are accepted. The result of this model is shown in appendix 3b

4.3 Discussion of Findings

The purpose of this study is to examine the effect of revenue on government expenditure on urban planning and development in Lagos State. The analysis was done using both primary and secondary data. The primary data was used to corroborate the result of the secondary data.

The findings are as follows:

Model 1 summary revealed that PAY AS YOU EARN (PAYE) and other internally generated revenue (OIGR) have negative effect on expenditure on road and bridges (ERB). The result is inconsistent with *a priori* expectation revenue will have positive effect on government expenditure on road and bridges. Although stamp duties (SD), Capital gains tax (CGT) and statutory allocation (SA) have positive effect on expenditure on road and bridges. The result is consistent with *a priori* expectation revenue will have positive effect on government expenditure on road and bridges.

The probability of the F-statistic statistically significant because it is less than 10% level of significance adopted for the study.We reject the null hypothesis that states revenue doesn't have significant effect on expenditure on roads in Lagos State. Therefore revenue has significant effect on expenditure on roads and bridges in Lagos State. The result of the primary data corroborate with that of the secondary data because where the result of the secondary data rejected null hypothesis, the result of the primary data reject null hypothesis.

Mayaki (2014) find out that the federal government spends less than it allocates in its annual budgets for the period of this study. Also, the pattern of allocation was inefficient as they were more likely to increase project cost and increase further the risk of abandonment of projects. This means the budget has not effect on spending on road infrastructure. This result is in contradicts the results from the secondary data and primary data which implies that revenue has significant effect on expenditure on roads and bridges.

Model 2 summary revealed that PAY AS YOU EARN (PAYE), stamp duties (SD) and statutory allocation (SA) have negative effect on expenditure on bus terminals (EBT). This result is inconsistent with *a priori* expectation revenue will have positive effect on government expenditure on road and bridges. Although other internally generated revenue (OIGR) and Capital gains tax (CGT) have positive effect on expenditure on road and bridges. This result is consistent with *a priori* expectation revenue will have positive effect on government expenditure on road and bridges. The probability of the F-statistic is statistically significant because it is less than 10% level of significance adopted for the study.we reject the null hypothesis that states revenue doesn't have significant effect on expenditure on bus terminals in Lagos State. Therefore revenue has significant effect on expenditure on bus terminal in Lagos State. This result of the primary data corroborate with that of the secondary data because where the result of the secondary data rejected null hypothesis, the result of the primary data also reject null hypothesis

Daniel, Onuchuwu and Tamuno (2018) revealed that both government expenditure on construction, transport and communication have a negative relationship with economic growth and also do not impact on it. And that government should ensure that the construction of motor parks, transport and communication sectors are adequately funded so as boost economic growth. Amadi, Amadi and Nyenke (2013) also reveal that public spending on transport infrastructure is negatively related to growth and insignificant. The result contradicts the one in model 2 because the result of both primary and secondary data analysis shows that revenue has significant effect on expenditure on bus terminals.

Model 3 summary revealed that PAY AS YOU EARN (PAYE), has negative effect on expenditure on housing and landscape (EHL). This result is inconsistent with *a priori* expectation revenue will have positive effect on government expenditure on housing and landscape. Although other internally generated revenue (OIGR), stamp duties (SD), Capital gains tax (CGT) and statutory allocation (SA) have positive effect on expenditure on housing and landscape. This result is consistent with *a priori* expectation revenue will have positive effect on government expenditure on housing and landscape. The probability of the individual t-statistics shows that OIGR, SD, CGT and SA are significant at 10% level of significance acceptable in this study.

The probability of the F-statistic is statistically insignificant because it is more than 10% level of significance adopted for the study. We accept the null hypothesis that states revenue doesn't have significant effect on expenditure on housing and landscape in Lagos State. The result of the primary data corroborate with that of the secondary data because where the result of the secondary data rejected null hypothesis, the result of the primary data also reject null hypothesis.

Nyambe and Kanyeumbo (2015) posited the existence of a positive relationship between economic growth, government expenditure on housing. Economic policies that seek to grow the Namibian economy should consider government expenditure on housing as vital components for the national income stream, ceteris paribus. Oriavwote and Ukawe (2018) indicated further that government expenditure on building and construction has a significant and positive impact on the per capita income. The result shows no causality between government expenditure on building and construction and the per capita income. This result contradicts the one in model 3 because the result of both primary and secondary data analysis shows that revenue has no significant effect on expenditure on housing and landscape.

4.4 Implication of Findings

In respect of the study, this study will be beneficial to the policy makers, the government and the general public at large. Below is the implication of findings.

a) The variations in expenditure on road and bridges that are explained by revenue is high it means that there are

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other causes but minimal to why expenditure on road and bridges is not being effective. From the result of the model shows that revenue has significant effect on expenditure on roads and bridges. The government and the policy makers need to maintain the ongoing level of development and probably improve on it because there are other factors affecting expenditure on road and bridges apart from revenue.

b) The variations in expenditure on bus and terminals that are explained by revenue is high it means that there are other causes that affect expenditure on bus terminals but revenue is the major effect. The result of the model shows that revenue has significant effect on expenditure on business. The government and the policy makers need to improve and maintain this level of development on bus terminals.

c) The variations in expenditure on housing and landscape that are explained by revenue is low it means that there are other causes that affects expenditure on housing and landscape. The result of the model shows that revenue does not have significant effect on housing and landscape. The government and the policy makers need to improve and level of development on housing and landscape.

5. Conclusion and Recommendation

5.1 Conclusion

This study examined the effect of revenue on expenditure on urban planning and development in Lagos State. All models except two were statistically insignificant at 10% level of significance. The study considered five independent variables against five dependent variables and established that revenue affects expenditure on urban planning and development. The findings of this study provides an insight on the effect of revenue on expenditure on roads and bridges, expenditure on bus terminals and expenditure on housing and landscape. It also shows the level of variations in the dependent variable triggered by the independent variable.

In conclusion the study established that revenue is a useful determinant to the level of expenditure on urban planning and development, that is its plays an important role that affects economic development. And lack of revenue or inadequate revenue has affected expenditure on urban planning and development.

5.2 Recommendations

Based on the findings and conclusion of this study, the following recommendations are presented below.

a) The State government should work hand in hand with various local government chairman to know the needs of the residents in respect of roads and bridges. This will help to create even development and even allocation of resources and to help reduced bad roads in some areas within the State. All part of the State should be made conducive for residents of the State to reduce the disparity between the rich and poor.

b) The State government should strictly monitor projects and see to their finishing to avoid embezzlement of fund by project coordinators and contractors, and also to make sure that the benefits of each project exceeds the cost of the project in respect of expenditure on bus terminals. The government should allocate adequate resources that will help from the starting to the finishing of the projects to avoid unfinished or abandoned projects which causes chaos within the State.

c) The citizens should also help the government in achieving equitable development by participating and also stating their needs through the local government chairman and councils. They should also make use of their voting rights to choice wisely and without being biased, leaders that will help in bringing economic stability and developments. The government houses should be made affordable to low income earners. Suitable payment plan should be put in place. Strict laws and guidelines should be put in respect of construction of houses and landscape.

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Appendix

Appendix 1a: Regression Analysis for Test of Hypothesis One ($H_0$1)

Table 1: Multiple regression analysis for Model 1a

Variable	Coefficient	Std Error	t-Stat.	Prob.
C	-55.1478	7.5211	-7.3325	0.0052
PAYE	-0.2865	0.3248	-0.8822	0.4426
OIGR	-0.3524	0.2103	-1.6750	0.1925
SD	0.6192	0.0781	7.9256	0.0042
CGT	0.2094	0.0685	3.0573	0.0551
SA	3.0559	0.2223	13.7417	0.0008
R-squared	0.9884			
Adjusted R-squared	0.9691			
F-Statistic	51.3385			
Prob.(F-Stat)	0.0042			
Diagnostic Tests		**Statistics**		
Heteroskedasticity (Arch test)		0.0086		0.9287
Serial Correlation (LM test)		0.4243		0.7355
Normality (Jarque-Bera test)		0.8185		0.6642
Linearity (Ramsey reset test)		1.1461		0.3964

Dependent Variable: ERB **Significant at 10%**

Appendix 1b: Multiple Regression Analysis for Model 1b

Variable	Co-efficient	Standard Error	t-Stat	Probability
C	4.934	0.642	7.680	0.000
PAYE	-0.086	0.122	-0.704	0.483
OIGR	-0.241	0.142	-1.642	0.104
SD	0.099	0.108	0.917	0.362
CGT	-0.104	0.119	-0.877	0.383
SA	0.047	0.116	0.404	0.687
R^2	0.102			
Adjusted R^2	0.089			
S.E of Reg	1.072			
f-Statistic	1.918			
Prob.(f-Stat)	0.010			
Observations	91			

Dependent Variable: ERB **Significant at 10%**

Appendix 2a: Multiple Regression analysis for Model 2a

Variable	Coefficient	Std Error	t-Stat.	Prob.
C	68.6597	21.2156	3.2363	0.0480
PAYE	-1.9909	0.9163	-2.1718	0.1183
OIGR	0.7104	0.5931	1.1977	0.3170
SD	-0.1724	0.2204	-0.7821	0.4912
CGT	0.3168	0.1932	1.6399	0.1996
SA	-0.6840	0.6273	-1.0905	0.3553
R-squared	0.9277			
Adjusted R-squared	0.8072			
F-Statistic	7.6984			
Prob.(F-Stat)	0.0617			
Diagnostic Tests		Statistics		
Heteroskedasticity (Arch test)		1.1695		0.3211

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Serial Correlation (LM test)		0.6668		0.6546
Normality (Jarque-Bera test)		0.4826		0.7856
Linearity (Ramsey reset test)		0.2811		0.6489

Dependent Variable: EBT **Significant at 10%**

Appendix 2b: Multiple Regression Analysis for model 2b

Variable	Co-efficient	Standard Error	t-Stat	Probability
C	2.476	0.455	5.444	0.000
PAYE	0.070	0.086	0.810	0.420
OIGR	0.283	0.104	2.724	0.008
SD	-0.021	0.076	-0.272	0.787
CGT	0.75	0.084	0.891	0.375
SA	-0.036	0.082	-0.440	0.661
R^2	0.191			
Adjusted R^2	0.143			
S.E of Reg	0.759			
f-Statistic	3.978			
Prob.(f-Stat)	0.003			
Observations	91			

Dependent Variable: EBT **Significant at 10%**

Appendix 3a: Multiple Regression Analysis for Model 3a

Variable	Coefficient	Std Error	t-Stat.	Prob.
C	-51.6303	80.8249	-0.6388	0.5684
PAYE	-0.2650	3.4910	-0.0759	0.9443
OIGR	2.1122	2.2596	0.9348	0.4189
SD	0.7138	0.8396	0.8501	0.4577
CGT	0.2267	0.7359	0.3081	0.7781
SA	0.3876	2.3898	0.1622	0.8815
R-squared	0.7269			
Adjusted R-squared	0.2716			
F-Statistic	1.5967			
Prob.(F-Stat)	0.3715			
Diagnostic Tests		**Statistics**		
Heteroskedasticity (Arch test)		0.2044		0.6670
Serial Correlation (LM test)		0.3956		0.7472
Normality (Jarque-Bera test)		0.9519		0.6213
Linearity (Ramsey reset test)		0.0242		0.8906

Dependent Variable: EHL **Significant at 10%**

Appendix 3b: Multiple Regression Analysis for Model 3b

Variable	Co-efficient	Standard Error	t-Stat	Probability
C	3.249	0.603	5.389	0.000
PAYE	0.083	0.114	0.730	0.468
OIGR	-0.013	0.138	-0.094	0.925
SD	0.044	0.101	0.439	0.662
CGT	0.058	0.111	0.524	0.602
SA	-0.013	0.109	-0.121	0.904
R^2	0.248			
Adjusted R^2	0.201			
S.E of Reg	1.006			
f-Statistic	0.418			
Prob.(f-Stat)	0.835			
Observations	91			

Dependent Variable: EHL **Significant at 10%**

Source: Researcher's Computation, 2019

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