

**REVENUE GENERATION AND SERVICE DELIVERY
IN LOCAL COUNCIL DEVELOPMENT AREAS
(LCDAs) IN OSUN STATE, NIGERIA**

H. A. Adefeso, O. A. Aluko, P. O. Adebayo

Department of Local Government and Development Studies
Obafemi Awolowo University, Ile-Ife

ISSN: 1533 - 9211

**CORRESPONDING
AUTHOR:**

O. A. Aluko
kakemialuko@gmail.com

KEYWORDS:

Service Delivery; Revenue
Generation; Local Council
Development Areas;
Nigeria.

Received: 22 March 2025
Accepted: 10 April 2025
Published :18 April 2025

TO CITE THIS ARTICLE:

Adefeso, H. A.,
Aluko, O. A., &
Adebayo, P. O.
(2025). Revenue
generation and service
delivery in Local
Council Development
Areas (LCDAs) in
Osun State, Nigeria.
*Seybold Report
Journal*, 20(4), 148–
170. DOI:
[10.5281/zenodo.15237
074](https://doi.org/10.5281/zenodo.15237074)

Abstract

The study examined the nexus between revenue generation and service delivery in Local Council Development Areas (LCDAs) in Osun state, Nigeria. A multistage sampling procedure was used to select 275 respondents from six LCDAs. Both the descriptive and inferential statistics were used in analysing the data. The study revealed that LCDAs adequately generated revenue internally and also played a significant role in service delivery. The study found a highly positive correlation relationship between revenue generation and service delivery in LCDAs in Osun State, Nigeria.

1 Introduction

In Nigeria and many other nations, particularly those where decentralization is used, providing services to the public is one of the main responsibilities of municipal administrations in local communities. Local communities should receive better and more appropriate care to meet and fulfill their requirements for a more developed community. According to Martinez-Vazquez (2014), this is possible given the degree of local support offered and available funds. As a result, local service delivery represents one of the key community developments. According to Ojo & Samson (2017), providing services that facilitate and sustain grassroots growth and development is the driving force behind the local government in every country on earth.

Rasak (2016) argues that the services provided by the local council bodies have an impact on citizens' daily lives. For this reason, any government can be considered good in its operations as long as it can deliver services that effectively meet or address the needs of the people locally. Because citizens are more familiar with the needs and issues unique to their communities, governments are better able to collaborate with them in this regard. Moreover, lower tiers of government, such as Local Government and Local Council Development Areas (LCDAs), are multifunctional institutions in charge of offering services such as roads, traffic, planning, environment, recreation, housing, economic and community development, and social amenities, and the upkeep of voter rolls, among other things. This is accomplished at the local level by using locally generated funds to supplement state and nationally allocated funds (Coker et al, 2015 & Martinez-Vazquez, 2014). The Local Council Development Areas are local authorities established by the state government to carry out governing duties in the provision of local services although they are not recognized by the National Assembly (Abati, 2020).

Effective, and productive Local Council Development Areas or Local Government are widely acknowledged as essential to, the social, economic, and well-being of communities, and they are crucial conduits for providing services related to reducing poverty, raising the standard of living, and developing communities with available revenue resources. The provision of services by local government such as roadways, parks for leisure, or social services like housing, schooling, garbage collection, market control, and the access to water system impacts people's lives. Ola (2019) stated that efficient local government management is essential for assuring the effective provision of public goods to a rural population. Since a significant portion of the population in Nigeria resides in rural regions, it is the local government's constitutional duty to provide essential

social and public services using the funding sources accessible.

The responsibility for developing policies, however, falls to local councils because local projects must be planned and carried out by their unique characteristics. At this juncture, resources are crucial in enabling a government to offer services regionally and perform better than expected. By giving a policy structure through which local bodies operate and provide services to the areas they represent and serve, the Ministry of local government and chieftaincy affairs manages the Local Government system for improved performance. Furthermore, the ministry aids local governments in their efforts to enhance residents' standard of life and well-being by carrying out their duties effectively and providing affordable services to the community (The Ministry of Local Government and Chieftaincy Matters, 2020).

Consequently, the existing Local Government which was created to primarily provide local services to grassroots dwellers, and also enhance development due to its closeness to the people has over time failed to meet the demands of society. It was observed that Local Governments have not been able to create an avenue for development, are slack in structure, and are not able to recruit more competent human resources to make enough quality provision of services to the people to make life more bearable at the grassroots. Whereas the closer the council is to the people in providing services, the more the level of development at the grassroots. Not meeting this standard, it led to the creation of a Local Council Development Area for administrative convenience and development purposes in the face of increasing population.

However, some reasons have been identified as intervening factors between the responsibilities of local government and their service delivery patterns. More remarkably, the influence of politics and state interference has been found significant to the discourse of local government and service delivery (Ojo & Samson, 2017).

Specifically, the issue relating to revenue generation stands at the center point of reference to the previous studies. For instance, the generation of revenue is a causal factor to service delivery with respective infrastructural capacities, progressive capital investments, and service regulatory frameworks (Onuoha et al, 2021). Also, the key area of influence by the state in local government activities is mainly funding which local government/local councils require for the implementation of policies, and execution of projects and programmes (Fagbohun & Olusola 2015; Kubiati 2018).

In Nigeria, some of the above-mentioned reasons and factors have interplayed with the delivery of expected outcomes that are of priority and needed by the citizens at the local level.

While in some instances, these factors have also slowed down the level of development that the local councils expect to carry out based on their closeness, and understanding of grassroots demands. Of note, high-handedness or encroachment by higher levels of government often influences the delivery of primary functions of local governments (Matthew & Abdul, 2022). Moreover, the Local Council Development Area created raises more of these concerns in Osun State. One of the primary points of duties of the LCDAs is the revenue generation upon which their abilities and capacities to deliver social services abide.

Despite the issues underpinning the local government/local councils in revenue generation and service delivery, extant studies have not adequately captured the performance of the LCDAs in Osun State on revenue generation and the roles played in service delivery at the local level. Therefore, it becomes crucial to assess whether the newly created LCDAs in Osun State are fulfilling their mandate on revenue generation, their roles in service delivery, and the agreeability between service delivery and revenue generation in the study area. The main objective of this study is to examine the relationship between revenue generation and service delivery in local council development areas in osun state, Nigeria.

2. LITERATURE REVIEW

Sirisak (2018) used Khon Kean Province as a case study to investigate the reasons of local government service delivery in crisis situations. As a moderating unit, political institutions, civic participation, political leadership, governance, and political economy are used. It was found that the delivery of local services was hampered by electoral systems that are less reliable, local autonomy that has been suspended, a decline in civic involvement and policy networks, unstable local administration, deteriorating central-local trust, and a negative effect on local businesses. Nevertheless, there were chances for local service delivery to be maintained or enhanced through the elimination of bureaucratic red tape, the creation of a quick response system for citizen complaints, increased collaboration between local governments and the private sector, local citizen initiatives, strong local leadership, and an increase in public confidence in them. Because of this,

even if the national political crisis had negative effects, there were still chances for local service delivery to be maintained or enhanced.

Moreover, Ola (2019) explored the difficulties local government administration faces in providing effective services to the public. He suggested that the obstacles to the successful Local government service delivery issues in Nigeria include, among other things, a lack of autonomy, poor financial management, corruption, a lack of openness and accountability, and a paucity of trained personnel. As a result, the research recommended a few activities that may be taken to guarantee successful service delivery at the local government level. Some of these actions include a review of the constitution to ensure local government autonomy, enhancements to human potential and institutional building, viable revenue sources, and a merit-based leadership recruitment process that will produce leaders with unquestionable moral character and integrity who will improve local government service delivery. Rural residents must elect local government leaders; higher authorities should not impose their will. Hence, if the steps are implemented, Nigeria's rural residents would receive better local government service delivery.

Furthermore, Abati (2020) undertook research to explain the survivability with an assessment of the LCDAs institutional structure concerning the effectiveness of their service delivery. It was asserted that the LCDAs considerably increases both education and healthcare service by looking at accessibility as an intermediate result and dimensioning it as availability, adequacy, and affordability.

Godwin (2018) looked at policies that improve local service delivery and assesses effectiveness in Nigeria's fourth republic. It was claimed that while the local authorities are usually ignored and viewed as simple extensions or state apparatus, the federal and state governments are, respectively, firmly in charge of administering the delivery of services. However, there is a combined impact

on the delivery of services when policies respond to local inhabitants through local governments, which leads to enhanced wellness, human resource extraction, accelerated earnings, and productivity generation, marketing, rapid declines in urbanized migration and crime rates, decreased degree of dependency on international assistance.

Likewise, Akinyetun and Oke proposed that inadequate planning, corruption, and a lack of autonomy are the main difficulties local governments in Nigeria face while delivering services in their research the obstacles local governments face in 2021. However, it was acknowledged that local governments in metropolitan regions also have difficulties in providing services; these difficulties are not exclusive to rural areas. Therefore, it is crucial to set up a “Community Education System (CES) to inform local government residents of their role in service delivery, a Community Feedback Monitoring System (CFMS) to promote transparency, accountability, and probity, and a Community Anti-Corruption Volunteers' Group (CACVG) to fight corruption at the local level in order to achieve effective service delivery at the grassroots”.

In a paper in 2021, "Democratic Government and Social Service Delivery in Africa: The Case of Taraba State, Nigeria," Onuoha *et al.* use Taraba State's educational system as a case study to examine how democratic government affects social service delivery. The analysis claims that between 1999 and 2014, the two governments neglected to give the sector priority when distributing funds, in direct violation of the UNESCO mandate that 26% of the budget be devoted to education. If the administration wants to provide the minimum share requested by UNESCO to further educational development in Taraba state, it must demonstrate its commitment to education as a conscious policy. Also, in the investigation carried out by Achimugu *et al* (2013), the Ofu Local Government in Kogi State, in North Central Nigeria, was the subject of the research. It assessed the local government performance concerning internal operation and provision of

services. It was claimed that the financial resources gotten federal allocation throughout the review period did not justify its performance by any of the metrics. The causes for the poor performance range from fraud to delayed and ineffective administrative procedures, but the most significant factor is the lack of public participation in the creation of policy. Governmental actions therefore greatly diverge from what the public perceives as being necessary.

Tax Revenue and Public Service Delivery: Evidence from Nigeria, a paper by Omodero and Dandago, was presented in 2019. To gauge how much tax income affects service delivery metrics like these, it was said that tax revenue has a positive and considerable influence on education and health care services. To sustain the nation's health system and to provide individuals with a sufficient level of education, including skill acquisition and entrepreneurial development programs, the government should fully use all tax income streams.

Odalonu (2015) looked at the difficulties that local government faces in providing services to the public. He asserted that significant obstacles to the provision of local government services include a lack of funding, corruption, and excessive political meddling. Therefore, constitutional changes are necessary for complete autonomy for local governments, improve revenue allocation, build institutional capacity, and produce human capital dedicated to good governance concepts at the local level. This will ensure the provision of effective and efficient social services at the local level. Hence, if the actions were taken, local governments in Nigeria would become better at providing crucial social services to the populace locally.

Agba *et al.* (2013) researched Nigeria's local governments and social service delivery. It claimed that municipal governments' constitutional responsibility to "perform functions" had not been carried out in practice. Local governments must thus try to get over the obstacles impeding their success. Only by offering cutting-edge services in a timely, effective, sufficient, quick, and

gratifying way can they sustain their ongoing existence and substantial financial investments in them. In contrast, studies have evaluated the influence of local government on the provision of social services in south-western Nigeria together with its complete constitutional mandate, with a focus on basic education and road building. It was stated that ‘the provision of social services in Southwestern Nigeria is significantly influenced by local government’. Due to their joint obligation with the state government, local governments had therefore done well in providing social services to the public, but only moderately well in their obligatory duties. Nonetheless, improvements will result in improved service.

Considering the challenges faced by local government, Clever (2017) carried out research that examined the efficiency of service delivery in one local municipality in the South African province of Limpopo. It was suggested that the service delivery in the local municipality chosen for the study is impacted by the financial support mechanisms. Based on this, the municipality ought to develop a strong income base to stop relying on funds from the federal government to provide community services. Thus, grassroots service delivery will be successful.

If local government provides the required services for the community, its formation can be justified, fosters, and sustains fast socioeconomic and political growth, and uses locally produced revenues to supplement federal and state funding at the local level (Coker *et al*, 2015). It is important to highlight that local councils are also in the greatest position to handle the challenging trade-offs in decision making at the local level. This is because, local governments frequently interact with communities to gauge their needs, understand their objectives, and respect their preferences. This will make it possible for the local councils to choose the most effective and agreeable method of resource distribution for the host communities. On the other hand, a properly decentralized political structure/system may usually improve services with the available resources.

It may wisely distribute these limited resources around the country in a way that serves the interests of everyone (Adeoti *et al*, 2014; Jamala, *et al*, 2013)

In summary, finding new sources of funding is a major challenge for local governments as decentralized agencies. These sources of money generating are both internal and external. External sources include the federal government's 20% statutory contribution, 10% for state-generated revenues (IGR), VAT, loans and advances, special capital grants, investment earnings, and assistance. Internally generated revenue (IGR) is made up of a variety of sources that may be classified as coming from the market, society, economics, or health. However, the local government's growing reliance on federal statutory funding has undermined their autonomy and prevented them from efficiently performing their tasks.

3. Methodology

3.1 Area of Study

Six Local Council Development Areas in Osun State, Nigeria, were used for this study. Osun State is a state in southwest Nigeria, that was established on August 27, 1991, and Osogbo serves as its capital. Osun State shared a border with Kwara State to the north, Oyo State to the west, Ogun state to the south, and Ekiti and Ondo to the east. There are three senatorial districts in Osun state which include Osun East, Osun Central, and Osun West. Throughout the state, there are thirty-one Local Council Development Areas.

3.2 Method of Data collection

Two Local Council Development Areas from each of the three senatorial districts were randomly chosen as case studies out of the 31 Local Council Development Areas in the state. Ilesa North east LCDA and Ife Ooye LCDA were chosen for the Osun West Senatorial District, and Iwo East LCDA and Ede East LCDA were chosen for the Osun East Senatorial District. Lastly, Osogbo South LCDA and Ila Central LCDA were chosen for the Osun Central Senatorial District.

To assess revenue generation and service delivery in Local Council Development Areas in Osun State, the study used a survey research approach that involved the systematic collection,

presentation, and analysis of data. This design was deemed suitable for this study since it allowed for the collection of pertinent data necessary to fulfill the study's goal. It made it possible to get the required information from the respondents via questionnaires and interviews.

The study area consists of six randomly selected LCDAs, namely Ilesa North East LCDA, Ife Ooye LCDA, Ila Central LCDA, Osogbo South LCDA, Iwo East LCDA, Ede East LCDA. The study population consist of Executive members of Landlord Association (42) and Market Women Association (54), Community Development Association (174), Traditional rulers (6), and civil population who were opinion leaders (600), totaling 876. The sample size of 275 respondents were selected through Taro Yamani sampling size technique. Both primary and secondary data were used in the research. 275 questionnaires were randomly distributed while interviews were conducted with Iyalojas of Market Women Association (6) on market management, Chairmen of Landlord Association (6) on environmental sanitation, and Heads of Internally Generated Revenue who were rate officers (6) on revenue generation. Percentages, frequencies, graphs, and multiple regression were used in analyzing the data collected.

4. Discussion of Findings

Table 1: Characteristics of Respondents

Characteristics of Respondents	Frequency (n)	Percentage (%)
Gender		
Male	106	38.5
Female	169	61.5
Total	275	100
Age		
Below 20 years	5	1.8
21-30	55	20.0
31-40	66	24.0
41-50	97	35.3
51 and above	52	18.9
Total	275	100
Marital Status		
Single	52	18.9
Married	198	72.0
Separated	2	0.7
Widow	21	7.7
Widower	2	0.7
Total	275	100
Religion		
Christianity	190	68.8

Islam	84	30.5
Traditional	2	0.7
Total	275	100
Educational Background		
School Cert	11	4.0
O'Level	50	18.2
OND/DIP	90	32.7
B.SC/HND	114	41.5
M.A/M.SC	10	3.6
Total	275	100
Occupation status		
Unemployed	24	8.7
Employed	49	17.8
Self Employed	202	73.5
Total	275	100

Source: Field Study, 2024

As presented in table 4.1, the respondents' gender indicates among the 275 participants sampled, slightly above half 61.5% were females while 38.5% were males. The participants' age distribution as displayed in the table showed that more than one-third 35.3 % were in the age range of 41-50years, more than one quarter 24.0% were between 31-40years, one-fifth 20.0% fall within the age range of 21-30years while less than one-fifth 18.9% and 1.8% were within the age range of 51 years and above and below 20years respectively. Since the majority 54.2% of the respondents were between the age range of 41 years and above, this indicated that the participant is largely dominated by adults. The inference that can be drawn here is that old-adults at this age have grown up and have a better understanding in experience with the issue in concern.

Percentage distribution of the respondents' marital status indicated that the majority 72.0% of the respondents were married, less than one-third 18.9 were single, while less than one-fifth 0.7 %, 7.7%, and 0.7% were separated, widow and widower respectively. Furthermore, the distribution of participants by religion showed that the majority representing 68.8% of the respondents were Christians, more than one-quarter 30.5% were practicing Islam, while only a few 0.7% were adherent to traditional religion.

Concerning the educational background of the respondents, the largest population of the participants 41.5% were B.Sc/HND holders, 32.7% had OND/DIP qualification, 18.2% of the respondent had an ordinary level certificate, while the least set of participants 3.6% and 4.0% had M.A/M.Sc. and School Cert respectively.

More importantly, considering the occupation status of the respondents, close to three-quarters

73.5% of the respondents were self-employed, and less than one-quarter 17.8% of them were employed. While the least 8.7% of the respondents were unemployed. The inference that can be drawn here is that the least of the respondents are in the circle of the dependency ratio of the labour force. For those who are employed, they are the staff who are working in the council and thereby know how services were delivered in the community compared to the largest population of the respondents who were working for themselves (self-employed) and will in turn be in the best position to judge how the local council generate revenue and deliver services to the communities because the operation of the local council mostly affect them in their day-to-day business transactions for generation of revenue especially in the area of taxation.

Table 2: The performance of Local Council Development Areas in Revenue Generation in the Study Area

Sources	Very Bad F (%)	Bad F (%)	Good F (%)	Very Good F (%)
Shops & kiosks rates	1 (0.4)	20 (7.3)	241 (87.6)	13 (4.7)
Hackney permit	5 (1.8)	45 (16.4)	185 (67.3)	40 (14.5)
Fines/penalties	6 (2.2)	45 (16.4)	195 (70.9)	29 (10.5)
Abattoir/slaughter licenses	1 (0.4)	28 (10.2)	196 (71.3)	50 (18.2)
Birth and death registration fees	- (-)	6 (2.2)	207 (75.3)	62 (22.5)
Radio/television station licenses	1 (0.4)	28 (10.2)	218 (79.3)	28 (10.2)
Right of occupancy fees	4 (1.5)	27 (9.8)	215 (78.2)	29 (10.5)
Parking fees	2 (0.7)	15 (5.5)	215 (78.2)	43 (15.6)
Indigene registration fees	1(0.4)	55 (20.0)	188 (68.4)	31 (11.3)

Community	-	1	220	54
development/poll	(-)	(0.4)	(80.0)	(19.6)
tax				
Hawker's Permits	-(-)	1(0.4)	201(74.2)	70(25.5)
Bake House license	-(-)	-(-)	180	95
			(65.5)	(34.5)
Liquor licenses	-(-)	-(-)	193(70.2)	82(29.8)
Trade union fees	-(-)	-(-)	188(68.4)	87(31.6)
Brickmaking etc.	-(-)	1	199	75
license		(0.4)	(72.4)	(27.3)
Street naming and	1	2	204	68
renewal license	(0.4)	(0.7)	(74.1)	(24.7)

This section provided discussion on the findings of the study above and it synchronized the findings with related empirical findings of other works on the subject matter of the study. As noted in the findings on objective one, the study reported by the majority claim the local councils to an extent are performing well in generating and mobilizing revenue from the collection of shops & kiosks rate (92.3%), hackney permit (71.8%), fines and penalties (81.4%), abattoir/slaughter licenses (89.5%), registration fees for birth and deaths (97.8%), radio/television licenses (89.5%), right of occupancy (88.7%), parking fees (93.8%), indigene registration fees (79.7%), development/poll tax (99.6%), hawker's permit (99.7%), bake house license (100.0%), liquor license (100.0%), trade union fees (100.0%), brickmaking, etc. license fees (99.7%), street naming and renewal license fee (98.8%) as main sources of revenue to the councils. This result enjoyed the literature support of Jamala, et al (2013), Coker (2015), Godwin (2018), and Oduola et al. (2019). The finding implies that the local council development areas are giving every possible means to make an increase in income generation as a great complement to the federal and state allocations. This was majorly achieved as supported by community associations' efforts, also, with the council perspective that the councils are using various means to collect revenue from some of the revenue payers who are tax defrauders. This was supported by the response from the revenue collectors, especially the heads of internally generated revenue (IGR) that most of the time that the people refuse to pay their tax or revenue after the due time, the council engaged in what is called aggressive raiding. This is done with the use of a police force to collect revenue. Also, the seizing of some commercial assets for non-compliance with the issued warning and notification.

The Perception of the Local Council Staff on Revenue Generation

The view of the council staff on the generation of revenue shows whether the Local Council Development Areas are performing well in generating revenue from the revenue payers on various sources in the study area i.e. whether the tax or revenue payers are paying revenue to the council as at when due. This can help to conclude if the councils are performing well in generating revenue in the study area.

Table 3: Chi-square test on the perception of the council on revenue generation

	Value	Df	Asymp. Sig. (2-sided)
Person chi-square	71.517	65	.270
Likelihood Ratio	66.410	65	.428
Linear-by-Linear Association	.078	1	.780
N of Valid Cases	49		

a. 84 cells (100.0%) have an expected count of less than 5. The minimum expected count is .16.

The p-value of the chi-square (X^2) for 65 degrees of freedom from the chi-square (X^2) table at 0.05 or 5% level of significance is 0.270. the result of the chi-square test revealed that the tax or revenue payers are not fully paying their dues, rates, fines, etc. appropriately. For the council to perform in generating revenue, the council thereby devise some means or strategies to collect the necessary tax or revenues from the taxpayers who are the end receiver of service delivery (X^2 : 71.517; $p>0.05$).

To complement the descriptive and the inferential analysis, one on one interview was conducted for the Heads of Internally Generated Revenue (revenue officers) in Ilesa North East LCDA, Ife Ooye LCDA, Ila Central LCDA, Osogbo South LCDA, Iwo East LCDA, and Ede East LCDA of Osun State. The participants were asked if there is any collaboration between their institution and other community associations in generating revenue. From the responses of the interviewees, there's a collaboration between the councils and the community associations in generating revenue. The associations include bricklayers, barbers, tailors, welders, market women, hairdressers, landlords, and many more. They held timely meetings with these associations' heads who were charged with the responsibility of collecting revenue from their members, and such revenue include taxes, rates, and dues.

More so, with respect to strategies put in place for revenue generation. It begins with creating public awareness at the beginning of the year through various means such as radio, and

postals, majorly on tax and revenue, mobilization of revenue collectors through bus around the councils' terrain. Furthermore, the councils send out rate officers to collect rates from the association members and non-members, and in return issue receipt. Most of the time that people refuse to pay their taxes or dues after the due time of awareness, therefore, the councils engage in "raiding" with the use of police force to collect revenue, and seizing of some commercial assets for non-compliance with the issued warning and notification.

Additionally, concerning the challenges encountered in generating revenue to provide services to the communities. The interviewees highlighted some challenges they face from the hosted communities and these include; defrauding on the part of taxpayers, especially associations members that engages in tax evasion, violence on the part of the people against the revenue collectors, shortage of staff due to the division of the local governments, logistics for tax or revenue collectors to move around, also, people run inside or away when they the council revenue collectors approaching.

From the responses of the respondents analysed, it was deduced that the Local Council Development Areas are exercising their powers to ensure adequate generation of revenue internally.

Table 4: Role Played by Local Council Development Areas in Service Delivery

Roles Played by LCDAs	Very Bad F(%)	Bad F(%)	Good F(%)	Very Good F(%)
Ensuring effective market management and maintenance	7 (2.5)	31 (11.3)	214 (77.8)	23 (8.4)
supervising and monitoring Environmental sanitation	3 (1.1)	47 (17.1)	207 (75.3)	18 (6.5)
Construction and maintenance of roads and highways	1 (0.4)	50 (18.2)	200 (72.7)	24 (8.7)
Construction and maintenance of motor parks, and open spaces	2 (0.7)	36 (13.1)	213 (77.5)	24 (8.7)
Ensure public hygiene and water supply	2 (0.7)	86 (31.3)	157 (57.1)	30 (10.9)
Provision of public convenience, sewage	- (-)	63 (22.9)	186 (67.6)	26 (9.5)
Control of restaurants, bakeries, and sale of food to the public	1 (0.4)	38 (13.8)	213 (77.4)	23 (8.4)
Constructing and maintaining the streetlights	- (-)	60 (21.8)	191 (69.5)	24 (8.7)

Construction and repair of drainages	1 (0.4)	61 (22.2)	188 (68.4)	25 (9.1)
Encouraging community participation in local development	1 (0.4)	51 (18.5)	207 (75.3)	16 (5.8)
Maintenance of abattoir and slaughter slab	- (-)	43 (15.6)	204 (74.2)	28 (10.2)
Naming and numbering of roads, streets, and houses	1 (0.4)	21 (7.6)	212 (77.1)	41 (14.9)
Birth, death, and marriages registration	1 (0.4)	18 (6.5)	212 (77.1)	44 (16.0)
Encourage development planning & control of the council area.	2 (0.7)	45 (16.4)	207 (75.3)	21 (7.6)

Furthermore, as noted in the findings on objective two, the study reported by the majority claim that the local councils played a good role in service delivery, by ensuring effective market management and maintenance (86.2%), coordinating and monitoring environmental sanitation (82.3%), construction and maintenance of roads, public highways and repair of drainages (81.4%), maintenance of motor parks, gardens open spaces (85.2%), public hygiene (68.0%), provision and maintenance of public conveniences, sewage and refuse disposal (77.1%), control and regulation of restaurants, bakeries, and other places for sale of food to the public (85.8%), construction and maintenance of street lights (78.2%), construction and repair of drainages (77.5%), encouraging community participation (81.1%), regulation of slaughter house (84.4%), the naming of roads and streets and numbering of houses (92.0%), registration of all birth, deaths, and marriages (93.1%) and local development planning and control (82.9%). This was supported by Odewale & Badejo (2018) and Omodero & Dandago (2019) that local government did well in providing services to the public This implies that the Local Council Development Areas are doing well in providing the needed services that are beneficial and also improving the wellbeing and human resources development in the study areas.

Table 5: Empirical Evidence of Services Provided by the LCDAs in Osun State between 2016-2023

Functions of LCDAs	Local Council Development Areas					
	Ede East	Ilesa N/E	Osogbo South	Iwo East	Ife Ooye	Ila Central
Maintenance of roads, and other public highways	9	7	8	5	8	9
Issuance of licenses and regulation of abattoir/slaughter slabs	7	3	8	4	9	5
Public hygiene and water supply	6	3	4	6	4	3
Provision and maintenance of public convenience and refuse disposal	11	14	10	5	4	7
Construction and maintenance of streetlights	10	8	10	5	6	5

Construction and repair of drainages	8	6	10	6	7	7
Construction and maintenance of motor parks, gardens, open space	2	3	3	2	1	1
Naming of roads, streets, and numbering of houses.	23	41	34	31	29	30

During the period under study, it was observed that the naming of roads, streets, and numbering of houses was one of the prominent functions being carried out by the Local council development areas in Osun State. However, among the six local council development areas sampled, the Osogbo South local council development area had the highest number of services provided while Ife Ooye local council development areas had the least number.

Furthermore, provision and maintenance of public convenience and refuse disposal was observed to be the second most prominent services provided by the local council development areas having Ilesa North East Local council development area as the most provider of such services and Ife Ooye local council development area as the least. More so, the construction and maintenance of motor parks, gardens, and open spaces were seen as the least of the service provided by the local council development areas in Osun state.

It becomes evident that among the functions carried out by the local council development areas without capital investment in Osun state under the period of the study, the naming of roads, streets, and numbering of houses was the most.

To complement the descriptive analyses on the roles of local council development areas in service delivery, the Chairmen Landlord association were asked about their view on the role played by the LCDA in environmental sanitation. Across the six LCDAs, all the chairmen of landlord associations are unanimous in their responses beginning that, the Osun State government has sanitation day which is done every Thursday of the week, and the major role played by the councils is supervision and ensuring that people keep to cleaning of the environment. The council officials supervise the sanitation activity by going around to make sure that no one opens shop for business transactions, and whoever is caught were always penalized. Overtime the council has not been coming frequently again, but the effective sanitation process engage by their associations, has made their environment clean, the roads, drainages, and water channels are clean because they stick to the instruction given by the councils. With commitment to keeping the environment clean, there has been minimal cases of flood or erosion in the environment and no cases of environmental pollution.

Moreover, there is collaboration between the association and the LCDAs on environmental sanitation. One of the ways they collaborate is through meetings whereby important issues were discussed and the councils update them on any development, encourage them to keep up to clean environment because the associations serves as the intermediate channel between the council and the communities.

Similarly, the Chairmen disclosed the role of their association in environmental sanitation that meetings were held with the landlords in their communities every weekend. In their meetings, they discuss and remind themselves of things to do and things not to do to have a clean environment since the councils did not come for refuse removal. They make provision for a dumping hill where all refuse is dumped for those that have no space to dispose of their refuse. Few of them posit that they instruct the landlords to provide a place in their houses where refuse can be burnt. Also, tell their people to cut the bushes around their houses to avoid hideouts for the thieves. To an extent two of the interviewees said they sanction whoever does not adhere to sanitation rules given out by their association.

In addition, the Iyalojas of the Market Women Association views were sought about the roles played by the LCDAs in market management. From the responses of the interviewee, nearly all of them agreed that local councils help them by providing public toilets, sewage and refuse removal and disposal, water supply, and maintenance of market stalls. Conversely, the associations pay the councils a certain amount of money for the maintenance of the infrastructure. furthermore, the councils help them in conflict management to resolve issues that may arise in the market to have a safe and danger-free market environment for both the sellers and the buyers. Above all the council collects market rates from them, and despite the collection of fees and rates by the councils, they hardly provide infrastructure, but got assisted by philanthropists

More so, there's collaboration between the association and the LCDAs. The councils do have meetings with them on various ways to manage and have a safe market environment. Two of the interviewees did not explain but four of them stated that the council has representative who comes to the market on a timely basis. They report to the council on market status, and what happened in the market among the marketers that can result in conflict and thereby call for resolution. Their responsibility is to ensure that the market stalls are clean and collection of market rates on behalf of the councils.

Similarly, the Iyalojas disclosed the role they played in market management by holding

meetings with the marketers, enlighten them, and ensure that marketers of varieties clean their slots and dump refuse at the prepared location, where all the refuse will be burned. More so, headships collect rates and permit from marketers, ensure proper security of lives and properties and teach them to have good communication lines with customers, collection of certain amount of money for using the provided public toilet, and managing any conflict that may arise between or among the markers.

Multiple Regression Analysis Test of Relationship

Multiple regression analysis was used to test if there is a relationship between revenue generation and service delivery and to know the nature of the relationship that exists between the independent variable and the dependent variable (service delivery). The regression model summary was used to know if the regression analysis is fit for the relationship analysis. When the Adjusted R Square (R²) is greater than 40%, that means the model is good and fit for the analysis.

Table 6: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.712 ^a	.475	.436	4.09242

From the model summary analysis, the adjusted R² is .475. which is greater than a 40% determinant of the analysis model. By interpretation, it means that the regression analysis is good and fit for the relationship test analysis between the dependent variable (service delivery) and predictor (revenue generation). Furthermore, to know the nature of the relationship, the regression R-value of .712a in the model summary shows that there is a highly positive correlation relationship between revenue generation and service delivery in the study area.

Table 7: Analysis of Variance (ANOVA)

Model	Sum of Square	Df	Mean Square	F	Sig.
1					
Regression	2591.942	16	161.996	9.673	0.000 ^b
Residual	4320.967	258	16.748		
total	6912.909	274			

From the multiple regression analysis, the Analysis of Variance (ANOVA) test result which is the determinant of the significant relationship between revenue generation (predictor variable) and service delivery (outcome variable) at 0.05 level of significance, showed that the p-value of the regression (R) for 16 degrees of freedom, F-value of 9.673 and mean square of 161.996 from ANOVA table at 0.05 or 5% level of the significant level of the relationship is 0.000. This means that the model is significant.

The summary table indicated the model summary of the multiple regression equation that predicted the significant relationship between revenue generation and service delivery in Local Council Development Areas in Osun State since $R = .712 > 0$, $R^2 = .475$, $F(16, 258) = 9.673$; $p < 0.05$. the explanation of the values presented is given below.

The model summary table provided useful information about multiple regression analysis most especially the 'simple R' column which is the correlation between the actual observed independent variable and the predicted variable. It states the proportion (percentage) of the (sample) variable in the dependent variable that can be attributed to the independent variable(s). Thus, the study revealed that 71.2% of the most variations in service delivery could be accounted for by the revenue generated by the local council development areas. Also, this implied that the regression analysis rejected the null hypothesis since $r > 0$ and $p < 0.05$. The outcome of this survey showed that revenue generation has significant relationship with service delivery in local council development areas in Osun State. However, the nature of the relationship is highly positive correlation relationship.

Furthermore, the relationship level of revenue generation could only account for almost four-fifth of the changes occurring on service delivered by the local council development areas in Osun State ($r = 0.712$, $p < 0.05$). As showed by $R^2 = 0.475$, it indicated 47.5% statistical relationship level within its 71% significant association. Also, the analysis regression (R^2) indicated the relationship level of revenue generation with service delivery in local council development areas in Osun State. It thus showed that proportional change of $R^2=0.475$ in service delivery in local council development areas in Osun State would be achieved when there is any change in the revenue generated internally by the local council development areas. However, the adjusted R^2 , 0.436 showed the limited extent to which the relationship level between revenue generation and service delivery in local council development areas in Osun State could reach with standard error of 4.09242.

5. Conclusion and Recommendation

The Local Council Development Areas are making every effort to come up with ways to generate income domestically throughout the state, and this has significantly enhanced the income garnered from various sources for the supply of services that the local populace requires. Additionally, the Local Council Development Areas played a valuable role in providing a wide range of services, including road maintenance, building infrastructure like public restrooms for market users, naming roads and streets, numbering houses, etc. Also, there is a correlation between the revenue generated by the councils and the service provided by the council throughout the state. Therefore, the local council development areas seek to provide services that people need and that can be further improved.

Based on the study's results, the following suggestions were made:

- The Local Council Development Areas should develop strategies that will increase revenue generated internally.
- The Local Council Development Areas should engage in programs to improve service delivery locally.
- There should be more collaboration between community associations and the Local Council Development Areas to foster service delivery locally.
- The Local Council Development areas should put more effort into encouraging citizen participation.
- The local council development areas should sensitize and encourage citizens to pay their rates and taxes

Conflicts of Interest

The authors have disclosed no conflicts of interest.

Author's Affiliation

H. A. Adefeso, O. A. Aluko, P. O. Adebayo

Department of Local Government and Development Studies
Obafemi Awolowo University, Ile-Ife

COPYRIGHT

© 2025 The Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC-BY 4.0), which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited. See <http://creativecommons.org/licenses/by/4.0/>. *Seybold Report* is a peer-reviewed journal published by Seybold Publications.

HOW TO CITE THIS ARTICLE

Adefeso, H. A., Aluko, O. A., & Adebayo, P. O. (2025). Revenue generation and service delivery in Local Council Development Areas (LCDAs) in Osun State, Nigeria. *Seybold Report Journal*, 20(4), 148–170. [DOI: 10.5281/zenodo.15237074](https://doi.org/10.5281/zenodo.15237074)

REFERENCES

- Abati, O. (2020) Local Council Development Areas and Local Service Delivery: How A Fourth-Tier Government Unit is Improving Access to Primary Health Care and Education Services in Lagos, Nigeria. *International Journal of Public Administration*. 43. 1-11
- Coker, M. A., Eteng, F., Agishi, T. V., & Adie, H. I. (2015) Challenges of Expanding Internally Generated Revenue in Local Government Council Areas in Nigeria. *Journal of Sustainable Development* 8 (9): 79
- Fagbohun, O. F. & Olusola (2015) Good Local Governance and Sustainable Development in Nigeria. *Humanities and Social Sciences Review*, 4 (1): 249–256
- Kubiat (2018) Functions of Local Government Administration in Nigeria. Social Science Humanities. Retrieved At <https://Researchcyber.Com/Functionsofgovernment>
- Ojo, O. & Samson, O. K. (2017) Analysis of Revenue Generation and Service Delivery in Ibarapa Central Local Government, Igboora, Oyo State (2010-2014). *International Journal of Contemporary Management*. Vol 16, 305-325
- Ola, A. (2019) Local Government Administration and Service Delivery in Nigeria: Prospects and Challenges. *International Journal of Research and Innovation in Social Science (IJRISS)*. Vol 3 (4)
- Onuoha, J. I., Lawi, R. A, & Onuh P. A. (2021) Democratic Governance and Social Service Delivery in Africa: The Case of Taraba State, Nigeria. *European Scientific Journal*. 17 (28), 35
- [Martinez-Vazquez, J. \(2014\) Mobilizing Financial Resources for Public Service Delivery and Urban Development. Thematic Papers](#)
- [Mathew, T. P. & Abdul, H. W. \(2022\) Halting The Kleptocratic Capture of Local Government in Nigeria. Carnegie Endowment for International Peace. Working Paper.](#)
- [Ministry of Local Chieftaincy Matters \(2020, March 16\) Local Government And Chieftaincy Affairs https://www.osunstate.gov.ng/mdas/ministries/local-government-and-chieftaincy-affairs Assessed on October 3, 2021](#)
- Rasak, S. (2016) Appraisal of Local Government Autonomy on Service Delivery at the Grassroots in Nigeria. GRIN Verlag. <https://www.grin.com/document/381314>