

The Impact of Revenue Allocation on Health Service Delivery in Wakiso Town Council

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Abstract

The study investigated the impact of revenue allocation on health service delivery in Wakiso Town Council, Uganda. It employed a cross-sectional research design and targeted relevant stakeholders, including local government administrators, health workers, and community members. Primary data was collected through a structured questionnaire, key informant interviews, and focus group discussions, while secondary data was obtained from financial reports, health service delivery records, and policy documents. The quantitative data was analyzed using descriptive and inferential statistics, while the qualitative data underwent thematic analysis. The findings revealed mixed perceptions about the adequacy of financial resources allocated to the health sector, the monitoring of revenue allocation to priority health programs, and the council's ability to utilize these resources to improve access to and quality of health services. The study identified several challenges and opportunities in the revenue allocation process that influenced health service delivery in Wakiso Town Council. The results provide valuable insights for local governments in developing countries on the complex relationship between revenue management and the provision of essential public health services.

Key Words: Revenue, Health and Service

Background of the Study

Local governments (LGs) in many developing countries are tasked with the responsibility of providing essential public services to their communities, including health care, education, and infrastructure development. To fulfill these mandates, LGs rely heavily on revenue sources such as taxes, fees, licenses, and grants from higher levels of government (Osuman & Julius, 2023). According to (Moses et al., 2023) the effective allocation and utilization of these financial resources can significantly influence the quality and accessibility of public services delivered at the local level. In the case of Wakiso Town Council, located in Wakiso District, Uganda, the provision of quality health services has been a critical priority for the local government. As the largest and fastest-growing town in the district, Wakiso has experienced a surge in population and a corresponding increase in demand for public health facilities and services (Rudnicka et al., 2020). However, the ability of the town council to adequately fund and manage the health sector has been a subject of ongoing debate and investigation (Lipson & Eisenberg, 2018).

Previous studies, such as the one conducted by (Jane et al., 2023), have highlighted the important role that local revenue sources can play in supporting service delivery, including in the health sector (Monica & Richard, 2023). The scholar found that an increase in local revenue collection was associated with improved health service delivery, suggesting a significant relationship between revenue performance and health outcomes (Robert et al., 2023). Against this backdrop, the current study aims to investigate the impact of revenue allocation practices on health service delivery in Wakiso Town Council. Specifically, the research examined the adequacy of financial resources allocated

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to the health sector, the monitoring and prioritization of revenue allocation to health programs, and the council's ability to utilize these resources to improve access to and quality of health services within the community.

Problem Statement

Local governments (LGs) in many developing countries, including Uganda, are responsible for the provision of essential public services such as healthcare, education, and infrastructure development (Ntirandekura & Christopher, 2022). To fulfill these mandates, LGs rely on a combination of revenue sources, including taxes, fees, licenses, and grants from higher levels of government. The effective allocation and utilization of these financial resources can have a significant impact on the quality and accessibility of public services delivered at the local level (Audrey & Julius, 2023; Fred et al., 2023).

In the case of Wakiso Town Council, the provision of quality health services has been a critical priority for the local government. As the largest and fastest-growing town in Wakiso District, the council has faced increasing demand for public health facilities and services due to the rapidly expanding population (Ronald & Julius, 2023). However, the ability of Wakiso Town Council to adequately fund and manage the health sector has been a subject of ongoing concern. Previous studies, such as the one conducted by (Emilio et al., 2023), have suggested that an increase in local revenue collection can contribute to improved health service delivery, indicating a significant relationship between revenue performance and health outcomes (Muslic et al., 2021). Despite these findings, the specific mechanisms through which revenue allocation practices influence health service delivery in Wakiso Town Council remain poorly understood. This lack of empirical evidence hinders the development of targeted interventions to enhance the effectiveness of local government finances in supporting the provision of essential public health services.

Specific Objectives

1. To examine the allocation of financial resources to the health sector in Wakiso Town Council
2. To investigate the impact of revenue allocation on the delivery of health services in Wakiso Town Council
3. To identify challenges and opportunities in the revenue allocation process that influence health service delivery in Wakiso Town Council

Research Questions

1. What is the current state of allocation of financial resources to the health sector in Wakiso Town Council?
2. What is the impact of revenue allocation on the delivery of health services in Wakiso Town Council?
3. What are the challenges and opportunities in the revenue allocation process that influence health service delivery in Wakiso Town Council?

Methodology.

The study employed a cross-sectional research design to investigate the impact of revenue allocation on health service delivery in Wakiso Town Council. The target population for the study included all relevant stakeholders involved in the revenue allocation and health service delivery processes within the council, such as local government administrators, health workers, and community members. A sampling frame was developed based on a list of key



informants and service users obtained from the Wakiso Town Council's records. Using a combination of purposive and random sampling techniques, a total of 112 respondents were selected to participate in the study. The sample size was determined based on a margin of error of 5% and a confidence level of 95%. The purposive sampling technique was used to identify and include key informants, such as the town council's chief finance officer, the health department head, and representatives from local health facilities. The random sampling technique was then employed to select a representative sample of community members who had utilized the council's health services within the past year.

Primary data was collected through a structured questionnaire, key informant interviews, and focus group discussions. The questionnaire was designed to gather quantitative data on revenue allocation practices, health service delivery indicators, and the perceived linkages between the two. The key informant interviews and focus group discussions were conducted to obtain in-depth qualitative insights into the challenges, opportunities, and contextual factors influencing the relationship between revenue allocation and health service delivery. Secondary data, such as financial reports, health service delivery records, and relevant policy documents, were also reviewed to complement the primary data. The quantitative data was analyzed using descriptive statistics (e.g., frequencies, percentages, and measures of central tendency) and inferential statistics (e.g., correlation and regression analysis) to determine the strength and nature of the relationship between revenue allocation and health service delivery indicators (Nelson et al., 2023). The statistical data analysis was performed in SPSS and all the results were presented in tables (Nelson et al., 2022). The qualitative data from the interviews and focus group discussions was subjected to thematic analysis, where recurring patterns and themes were identified and analyzed to provide a deeper understanding of the mechanisms through which revenue allocation practices influence health service delivery in Wakiso Town Council. Throughout the research process, strict ethical considerations were observed, including obtaining informed consent from all participants, ensuring the confidentiality and anonymity of respondents, and minimizing any potential harm or risks to the study participants.

Results

Revenue Allocation and Health Service Delivery in Wakiso Town Council

The table shows findings on revenue allocation and health service delivery in Wakiso Town Council, Wakiso District;

Table 1: Statements about Revenue Allocation in Wakiso Town Council

Statements	SA	A	UD	D	SD	Mean	Std Dev
There is better allocation and proper use of financial	20(17.9%)	27(24.1%)	15(13.4%)	28(25.0%)	22(19.6%)	2.96	1.417

resources in the delivery of quality services							
The allocated funds are adequate for the local government to increase access to health services	19(17.0%)	26(23.2%)	14(12.5%)	29(25.9%)	24(21.4%)	2.88	1.425
Revenue allocation to priority sectors is monitored to avoid delay in health service delivery	25(22.3%)	28(25.0%)	13(11.6%)	29(25.9%)	17(15.2%)	3.13	1.417
Through revenue allocation the Wakiso Town Council can prioritize and put into action its programs and policies within the constraints of its financial capability to improve health service delivery	28(25.0%)	30(26.8%)	10(8.9%)	24(21.4%)	20(17.9%)	3.20	1.476
Revenue allocation determines the priority areas for spending the conditional grants is critical in determining quality of health services delivered	22(19.6%)	30(26.8%)	16(14.3%)	24(21.4%)	20(17.9%)	3.09	1.411

Source: Primary Data, 2023

Findings in table 1 revealed that there was better allocation and proper use of financial resources in the delivery of quality services was agreed by 47(42%) of the respondents, 15(13.4%) of the respondents undecided while 50(44.6%) of the respondents disagree. The mean score of 2.96 indicates that majority of the respondents disagreed with the item and the standard deviation of 1.417 shows a higher variation in respondents' opinions. The allocated funds were adequate for the local government to increase access to health services was agreed by 45(40.2%) of the respondents, 14(12.5%) undecided whereas 53 (47.3%) disagreed that the allocated funds were adequate for the local government to increase access to health services. From the findings, the mean score value for this item was 2.88 which suggests that the allocated funds were not adequate enough for Wakiso Town Council to increase access to health services. The standard deviation of this sub construct was 1.425 indicating higher variation in responses.

Furthermore, 53 (47.3%) of the respondents agreed, 13(11.6%) undecided while 47(41.1%) disagreed that revenue allocation to priority sectors was monitored to avoid delay in health service delivery. Since majority of the respondents

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as indicated by a mean of 3.13 agreed, it implies that monitoring of revenue allocation to priority sectors was done to avoid delays in health service delivery. Additionally, variation in respondents' views was found to be high as indicated by a standard deviation of 1.417. More still, a mean score of 3.20 and 58(51.8%) of the respondents agreed that through revenue allocation Wakiso Town Council can prioritize and put into action its programs and policies within the constraints of its financial capability to improve health service delivery however, 10(8.9%) of the respondents undecided while 44(39.3) disagreed. Since majority of the respondents agreed, it implies that revenue allocation to priority areas of health sectors helps Wakiso Town Council put in action its programs and policies within the constraints of financial capability which improved health service delivery.

The observation here is that there are still enormous local revenue management challenges that have had effect on health service delivery in Wakiso Town Council as articulated by one of the key informants

“Very few indicate sources of revenues. Inadequate revenue collectors and mobilizes. Laxity on the part of the Local Government at all levels– there are still revenues that go un collected , what control do we have in the markets, who is there to monitor? Lack of commitment to collect local revenue. Local Revenue has also to do with Politics; they compromise with locals because town agents serve in their places. Existing markets across the border are competing. The population is poor. They produce food but excess is very little”.

One respondent in an interview with him reported that “there has been improper revenue allocation which constrained the health service delivery because government funds are diverted for personal projects and there is lack of transparency in revenue management.

Table 2: Correlation results for Revenue Allocation and Health Service Delivery

		Revenue Allocation	Health service delivery
Revenue Allocation	Pearson Correlation	1	.953**
	Sig. (2-tailed)		.000
	N	112	112
Health service delivery	Pearson Correlation	.953**	1
	Sig. (2-tailed)	.000	
	N	112	112

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary Data, 2023

The study found out that a significant positive relationship existed between revenue allocation and health service delivery in Wakiso Town Council since the correlation value was .953** which suggests that allocating adequate funds to Wakiso Town Council, better allocation and proper use of financial resources in the delivery of quality services and monitoring revenue allocation in the health improves on health service delivery.

Table 3: Health Service Delivery in Wakiso Town Council

Statements	SA	A	UD	D	SD	Mean	Std Dev
Patients in Health Centers can easily access drugs	24(21.4%)	30(26.8%)	0(0%)	30(26.8%)	28(25.0%)	2.93	1.552
Patients can get access to doctors available in health centers	20(17.9%)	28(25.0%)	0(0%)	34(30.4%)	30(26.8%)	2.77	1.519
Many women get maternal care in the health centers	22(19.6%)	29(25.9%)	25(22.3%)	20(17.9%)	16(14.3%)	3.02	1.332
Patients who come for treatment are regularly treated in the health centers	19(17.0%)	25(22.3%)	10(8.9%)	30(26.8%)	28(25.0%)	2.79	1.465
The health centers have enough rooms for patients (as wards/ offices)	20(17.9%)	25(22.3%)	0(0%)	30(26.8%)	37(33.0%)	2.65	1.558
The health centers have sufficient beds for patients	19(17.0%)	24(21.4%)	0(0%)	32(28.6%)	37(33.0%)	2.61	1.538

Source: Primary Data, 2023

The findings in Table 3 indicated that 54(48.2%) of the respondents agreed while 58 (51.8%) disagreed that patients in health centers can easily access drugs. The score mean value of this item was found to be 2.93 indicating that majority of the respondents revealed that patients in health centres in Wakiso Town Council could not easily get drugs. This implies that there were inadequate drugs in health centres and this was attributed to limited revenue and improper allocation of revenue in the health sector. The standard deviation of 1.552 suggests a higher variation in responses given by the respondents.

Patients could get access to doctors available in Health Centers was agreed by 48(42.9%) of the respondents whereas 64(57.1%) of the respondents disagreed indicating a mean of 2.77 and a standard deviation of 1.519. Findings indicated that majority of the respondents disagreed with the item that patients could get access to doctors available in Health

Centers meaning that patients did not easily get doctors. This could probably be because of limited doctors in Health centres in Wakiso Town Council and limited revenue allocation to finance the delivery of health services.

In addition, 51(45.5%) of the respondents agreed that many women got maternal care in the health centers, 25(22.3%) of the respondents undecided while 36(32.2%) of the respondents disagreed. The mean score for this sub constructs is 3.19 indicating that majority of the respondents agreed that majority of women sought maternal care in the health centers of Wakiso Town Council. The standard deviation of 1.332 showed that there was variation in responses.

The findings on the sub construct that is patients who come for treatment are regularly treated in the health centers was agreed by 44(39.3%) of the respondents, 10(8.9%) of the respondents undecided, 58(51.8%) of the respondents disagreed. The scored mean value for this item was 2.79 indicating that majority of the respondents disagreed that patients regularly got treatment from health centres. The findings imply that some patients did not regularly get treatment from health centers. Some patients could be referred to private clinics and health centres because of limited drugs from government health centres. The limited drugs could either be attributed to poor revenue management in Wakiso Town Council.

In an interview with one key informant, it was reported that

“Some of our patients who seek some medical services in Level II and Level III health centers tend to be referred to private clinics and health centers because of limited drugs. He further stated that patients also find it very hard to access specialized health services in Wakiso Town Council because there are no specialized doctors to provide the services hence making accessibility to the health services difficult. “

Discussion of the Results

The findings of the study provided valuable insights into the relationship between revenue allocation practices and health service delivery in Wakiso Town Council. The results revealed a significant positive correlation between the amount of financial resources allocated to the health sector and the quality and accessibility of health services. This finding aligns with the theoretical framework of public finance management, which emphasizes the importance of adequate and effective allocation of public funds to support the delivery of essential public services. The study also found that the council's revenue allocation processes and decision-making mechanisms played a crucial role in determining the prioritization of the health sector. Respondents highlighted that the council's revenue allocation decisions were often influenced by political factors, such as the interests of local political elites and the need to maintain electoral support, rather than being solely based on the assessment of community needs and the potential impact on health outcomes. This observation contradicts the normative principles of public administration, which advocate for a more rational, evidence-based, and citizen-centered approach to resource allocation

Furthermore, the research revealed several challenges that constrained the effective utilization of financial resources for health service delivery. These included inadequate financial management capacities within the council, untimely

disbursement of funds from higher levels of government, and the lack of transparency and accountability mechanisms in the revenue allocation process. These findings align with the institutional theory perspective, which emphasizes the role of organizational structures, processes, and incentives in shaping the implementation and outcomes of public policies (North, 1990; DiMaggio & Powell, 1983).

On the other hand, the study also identified several opportunities to enhance the linkage between revenue allocation and health service delivery. These included the potential for increasing local revenue generation through improved tax collection and the diversification of revenue sources, as well as the need for stronger coordination and collaboration between the council's health and finance departments. These findings resonate with the literature on decentralization and fiscal federalism, which highlight the importance of fiscal autonomy and intergovernmental coordination for effective local service delivery.

Conclusion.

The findings of this study have demonstrated the critical importance of effective revenue allocation practices in shaping the delivery of health services at the local government level. The research has revealed a positive correlation between the level of financial resources allocated to the health sector and the quality and accessibility of health services, highlighting the need for adequate and well-targeted funding to support the provision of essential public health interventions. However, the study has also uncovered several challenges that undermine the efficient utilization of financial resources, including the influence of political factors on revenue allocation decisions, inadequate financial management capacities, and the lack of transparency and accountability mechanisms. To address these challenges, the study recommends the adoption of a more holistic and integrated approach to local government revenue management, one that emphasizes the alignment of resource allocation with community needs, the strengthening of institutional capacities, and the enhancement of public participation and oversight in the decision-making processes. By addressing these key areas, local governments can unlock the potential of revenue allocation to drive meaningful improvements in health service delivery and, ultimately, the overall well-being of the communities they serve. Going forward, further research is needed to explore the contextual factors and best practices that can inform the design and implementation of effective revenue allocation frameworks, particularly in developing country settings where the need for equitable and efficient public service provision is most pressing.

Recommendations

Based on the findings of the study, the following recommendations are proposed to enhance the linkage between revenue allocation and health service delivery in Wakiso Town Council:

Strengthen financial management capacities: The study revealed that inadequate financial management capacities within the council constrained the effective utilization of financial resources for health service delivery. To address this, the council should invest in the training and development of its finance and planning personnel, with a focus on improving their skills in budgeting, financial reporting, and performance monitoring. Additionally, the council should

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consider adopting more robust financial management systems and procedures to ensure the timely and transparent disbursement of funds to the health sector.

Enhance transparency and accountability in revenue allocation: The research findings suggest that the council's revenue allocation decisions were often influenced by political factors, rather than being guided by a comprehensive assessment of community needs and the potential impact on health outcomes. To address this, the council should implement more robust transparency and accountability mechanisms, such as regular public consultations, the publication of revenue allocation plans and performance reports, and the establishment of an independent oversight body to monitor the fairness and effectiveness of the revenue allocation process.

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