

Analysis of Tenement Rating Administration in Awka South Local Government Area of Anambra State

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Abstract

This research dealt with the analysis of tenement rating particularly, it dealt with the problems encountered in the administration of tenement rating in Awka South Local Government Area of Anambra State. The following are involved: tenement assessment, publication of valuation list, issuing of demand notice, levying of tax, billing and collection for an effective administration of tenement rating; these activities must be carried out adequately, but the reverse has been the case. In the course of this project, relevant literature were reviewed. Data were collected through the use of interview questionnaires and the result was subjected to different statistical techniques and presented in tables, bars and percentages. The findings of this study are that inadequate training is given to the staffs in the valuation unit of the government secretariat which makes them unqualified and incompetent to carry out tenement rating. Rate collection drive requires good transportation facilities for mobility but it is hampered due to inadequate provision of transportation facilities. As a result, some suggestions were made that tenement rating administration requires qualified and competent management as such the staff should be properly trained on rating valuation principles. Estate surveyors and valuers as professionals and experts should be left to handle tenement rating since they are the only one that can handle it properly. In conclusion, it abounds in tenement rating administration. However, if adequate caution is made, it would be properly arranged.

1.0 INTRODUCTION

1.1 Background of Study

This work titled tenement rating administration in Awka South local Government Area of Anambra state defines tenement rating administration and its jurisdiction as a source of revenue to Local Government. It outlines and discusses the process and principles of rating assessment, problems and constraint limiting both the assessment and administration of rating, and recommendation on best means to expand the Local Government financial base with particular reference to tenement rating.

A tenement can be defined as an asset owned by an individual or group of people and may include landed property, developed or undeveloped. This statement does not exhaustively treat the entire definition of tenement; however, it is enough for our concise explanation towards the theme work. Rate is a Local tax imposed on owners or occupiers of landed properties in respect of the rateable properties owned or occupied by them.

Olowu (1987) identified property rates as taxes levied on all immovable property by a Local Government Authority. According to Anaka B. (1982), a rate is a tax on the benefit derived from the occupation or use of any Landed property. Such properties may only be Land, building and/or both. Such rate is not imposed on plant and machinery and furniture. This is why it is same time referred to as tenement rate.

Tenement rating administration is therefore the entire process of assessing, determining and levying of rates on tenement within the Legal jurisdiction of a Local Government Council Area. It is a compulsory contribution exacted by the Local Government Authority on owners of the buildings within a rating area for the support of the Local Government and promotion of specific socio-economic objectives.

According to Hemuka. N. (1996) the general lack of interest on the part of the tenement rate payers and the reluctant of some assessment jurisdiction to disclose information, the tenement rate administration is often surrounding in mystery.

According to James (2006) if the Local Government have to exist and to be viable as the third tier of Government, they must be surely need some Local revenue in order to stand firmly. Tenement rating not only help in influencing development but it is also the major source of Local Government Revenue used in defraying the cost of among other things; parks, registration of death and birth, registration of marriage etc.

According to Anaka B. (1982) it is important to note that rate is a form of tax, hence the use of tenement rate and tenement tax is interchangeable, although there is a slight difference between rate and tax, beside that rate is a form of tax. While in rating authority, it is first decided and then distributed among the tax payers according to a prefixed standard in tax. The exact amount to be generated at the time of imposition is unknown.

1.2 Statement of Problem

The Local government reform of 1976 gave the Local Government the power to administer tenement rating. For example, in Awka south Local Government Area, the valuation unit was staffed by civil servants. The unit organized tenement rating and prepared valuation list which were after due procedure sent to the rating authority

to serve as a demand notice to collect tenement rates.

The concern of this study is to look into administration of tenement rating in Awka south local government area and analyse the achievement of tenement rating over its period of operation and to know if it is effective or not.

1.3 Aim and Objectives

The aim of this study is to analyze the tenement rating administration in Awka south local government area, the importance /benefits and the various problems that limit the successful running of tenement rating administration in Awka South Local Government Area.

To achieve the above stated aim, the following objective will be pursued;

- i. To ascertain the benefits of tenement rate to the Local Government.
- ii. To examine the problem of poor transportation in carrying out necessary works in the administration of tenement rating in Awka south Local Government Area of Anambra State.
- iii. To identify the best way to organize a proper tenement enumeration for easy identification.
- iv. To find if the valuation unit do not have qualified staff.
- v. To sensitize and creates awareness in the public to enlighten them on the benefits derivable from payment of tenement rates.
- vi. To identified corrupt personnel in the Local Government head quarters.

1.4 Hypothesis

The hypothesis that will guide this study is as follows:

H₀: Tenement rating administration in Awka South Local Government Area of Anambra State has not been successful.

H₁: Tenement rating administration in Awka South Local Government Area of Anambra State has been successful.

H₀: There are no constraints to the administration of tenement rating in Awka South Local Government Area of Anambra State.

H₁: There are constraints to the administration of tenement rating in Awka South Local Government Area of Anambra State.

2.0 Research Methodology

The research is a case study of Awka South Local Government Area of Anambra state. This implies analyzing the rating administration of Awka south Local Government area and observing the flaws which render the activity ineffective. This study therefore adopted a questionnaire survey method.

2.1 Sample of the Study

The population for the study includes government officials landlords and tenants numbering about eighty (80). The simple random sample method was adopted by the researcher in the selection of his sample data. This method was used because it gives all the elements in the population equal chance of being selected.

2.2 Data Analysis Technique

In this context, data may be seen as relevant fact or information. Data may also be seen as things certainly known and from which conclusion may be drawn.

The technique adopted for the data analysis of this work is the chi-square test. According to Okpara (1998), the chi-square is another test of statistics commonly used in business and social science for analyzing questionnaire. It is used for comparing the significance of the discrepancies between the observed frequencies and the expected frequencies. It is given by the formula;

$$\chi^2 = \sum_{i=1} \frac{(O_i - E_i)^2}{E_i}$$

i = 1

Where; O_i = observed frequency

E_i = expected frequency.

Decision Rule:

i. If $\chi^2 > \chi^2_{0.05}$, we reject the H₀ and accept H₁

ii. If $\chi^2 < \chi^2_{0.05}$, we accept the H₀ and reject H₁

Where; χ^2 = Calculated value of the Chi-Square

$\chi^2_{0.05}$ = Critical value or tabulated value of the Chi-Square

H₀ = Null hypothesis

H₁ = Alternative hypothesis

2.3 Method of Questionnaire Design

This study adopted the use of structured questionnaire where questions that elicit idea based on the perception of the problems are guaranteed.

The questionnaire is structured into two sections; Section A contains questions that elicit personal information about the respondent such as sex, age, status etc. Section B tries to extract details of tenant rating administration in Awka south Local Government Area of Anambra State.

3.0 Data Presentation, Data Analysis, Hypothesis Testing And Research Findings

The data collected during the cause of this study through questionnaire will not be meaningful if they are left to be presented in their raw form. They have to be presented in their proper form, analyzed, state the research findings and interpret the result into information which will be useful to both readers and researchers.

This chapter is divided into four major parts. The first part is the presentation of data, the second is the analysis of data, and the third part looks at the hypothesis testing, while the fourth part looks at the research findings.

3.1 Data Presentation

The data obtained in the questionnaire is in a tabular form. We have three categories of respondents and for simplicity, we are going to represent each with an alphabet (A, B, C);

Example:

Government officials A
 Landlords B
 Tenants C

Table 1: The Distribution of Questionnaire

Category of Respondents	Number Distributed	Percentage (%)	Number Returned	Percentage (%)	Number not Returned	Percentage (%)
A	28	35	25	36	3	27
B	17	21	15	22	2	18
C	35	44	29	42	6	55
Total	80	100%	69	100%	11	100%

Source: Field Survey 2013.

The table above reveals that eighty (80) questionnaires were distributed to various categories of respondents, sixty-nine (69) were returned to the researcher, while eleven (11) were not returned. All analysis in this chapter is based on the number of questionnaires returned and this number is assigned 100% value.

Question 1

Table 2: Why are there few qualified personnel in the valuation unit of the local government secretariat?

Response	A	% of A	B	% of B	C	% of C
Lack of Manpower	5	20	4	30	1	3
Inadequate Training	20	80	11	70	28	97
Total	25	100%	15	100%	29	100%

Source: Field Survey 2013.

Table 2 above shows that 5 (20%) of the government officials, 4(30%) of the Landlords and 1(3%) of the tenants were of the view that lack of manpower is responsible for the few qualified personnel in the valuation unit of the local government secretariat. While 20(80%) of the government officials, 11(70%) of the Landlords and 28(97%) of the tenants is of the view that inadequate training is responsible for the few qualified personnel in the valuation unit of the local government secretariat.

Table 3 Question 2

How often are qualified personnel used for rating administration in Akwa South Local Government Area?

Response	A	% of A	B	% of B	C	% of C
Very often	3	10	1	6	1	3
Fairly often	18	70	4	27	11	37
Rarely	4	20	10	67	17	60
Total	25	100%	15	100%	29	100%

Source: Field survey 2013.

Table 3 above shows that 3(10%) of the government officials, 1 (6%) of the Landlords and 1(3%) of the tenants said that qualified personnel are very often used for rating administration on Awka South Local Government Area. 18(70%) of the government officials, 4(27%) of the landlords and 11(37%) of the tenants said that the qualified personnel are fairly often used for rating administration in Awka South Local Government Area. While 4(20%) of the government officials, 10(67%) of the Landlords and 17(60%) of the tenants said that the

qualified personnel are rarely used in the rating administration in Awka South Local Government Area.

Question 3

Table 4: Tenement rating administration in Awka South Local Government Area, Anambra State has been successful.

Response	A	% of A	B	% of B	C	% of C
Yes	4	20	4	30	8	30
No	21	80	11	70	21	70
Total	25	100%	15	100%	29	100%

Source: field survey 2013.

Table 4 above, shows that 4(20%) of the government officials, 4(30%) of the landlords and 8(30%) of the tenants were of the view that tenement rating administration in Awka south Local Government Area, Anambra State has been successful; while 21(80%) of the government officials, 11(70%) of the landlords and 21 (70%) of the tenants were against the view that tenement rating administration in Awka South Local Government Area, Anambra State has been successful.

Question 4

Table 5: How important is good transportation facility for rating collection drive?

Response	A	%of A	B	% of B	c	% of C
Very important	19	76	13	90	19	66
Fairly important	5	20	2	10	9	31
Not important	1	4	0	0	1	3
Total	25	100%	15	100%	29	100%

Source: field survey 2013

Table 5 above shows that 19(76%) of the government officials, 13(90%) of the landlords, and 19(66%) of the tenants states that good transportation facility for rate collection drive is very important; 5(20%) of the government officials, 2(10%) of the landlords and 9(31%) of the tenants states that good transportation facility for rate collection drive is fairly important; while 1 (4%) of the government officials, 0(0%) of the landlords and 1(3%) of the tenants states that good transportation facility for rate collection drive in Awka south local government area, Anambra State is no: important.

Question 5

Table 6 : There are constraints to the administration of tenement rating in Awka South Local Government Area, Anambra State

Response	A	% of A	B	% of B	c	% of C
Yes	19	76	15	100	27	90
No	6	24	0	0	2	10
Total	25	100%	15	100%	29	100%

Source: field survey 2013

Table 6 above shows that 19(76%) of the government official. 15(100%) of the landlords and 27(90%) of the tenants is of the view that there are constraints to the administration of tenement rating in Awka South Local Government area, Anambra state, while 6(24%) of the government officials, 0(0%) of the landlords and 2(10%) of the tenants is against the view that there are constraints to the administration of tenement rating in Awka South Local Government Area, Anarnbra State.

Question 6

Table 7: Why is it that the local government does not have effective machinery for transportation of their staff that goes for rate collection drive?

Response	A	% of A	B	% of B	c	% of C
Inadequate funding	8	32	1	10	10	34
Ineffective use of fund	15	60	14	90	17	59
Inadequate facility	2	8	0	0	2	7
Total	25	100%	15	100%	29	100%

Source: field survey 2013

Table 7 above shows that 8(32%) of the government officials, 1(10%) of the landlords and 10(34%) of the tenants is of the view that inadequate funding has affected the effectiveness of the local government rate collection drive, 15(60%) of the government officials, 14(90%) of the landlords and 17(59%) of the tenants said it is ineffective use of fund, while 2(8%) of the government officials. 0(0%) of the landlords and 2(7%) of the tenants said it is inadequate facility.

Question 7

Table 8: How can the corrupt personnel in the local government secretariat be taken care of?

Response	A	% of A	B	% of B	C	% of C
Social transformation	6	24	5	33.3	6	20
Enforcement of anti-corruption law	16	64	8	53.3	16	60
Improvement of socio- political and economic life.	3	12	2	13.4	7	20
Total	25	100%	15	100%	29	100%

Source: field survey 2013

Table 8 above shows that 6(24%) of the government officials, 5(33.3%) of the landlords and 6(20%) of the tenants agreed that social transformation can help in taking care of the corrupt personnel in the local government secretariat, 16(64%) of the government officials, 8(53.3%) of the landlords and 16(60%) of the tenants agreed that enforcement of anti-corruption law can help in taking care of the corrupt personnel in the local government secretariat, while 3(12%) of the government official, 2(13.4%) of the landlords and 7(20%) of the tenants agreed that the improvement of socio-political and economic life of the corrupt personnel can help in taking care of them.

4.2 Data analysis

The researcher only treated data which are contained on table gotten from questions related to research hypothesis in the question.

According to Onoh and Igwemma (1998); if we know how many rows and columns the contingency table has, the critical value and decision rule can be determined. In the table above, the number of row (r) = 2 or 3 while the column (c) = 3. Degrees of freedom in a chi-square test of significance where two variables are cross classified in a contingency table are given as;

Degree of freedom (df) = (No of rows -1) (No of columns - 1) i.e. (r -1) (c - 1) for our table.

Decision rule; Accept the null hypothesis if calculated value (X^2), reject the null hypothesis H_0 and accept the alternative hypothesis H_A

4.3 Test of Hypothesis

The hypothesis was tested to determine whether to accept the null hypothesis and reject the alternative in each different case.

Hypothesis 1

H_0 : Tenement rating administration in Awka South Local Government Area, Anambra State has been successful.

H_A : Tenement rating administration in Awka South local Government Area, Anambra State has not been successful.

Note: H_{01} = Null hypothesis

H_{A1} = Alternative hypothesis

As indicated in chapter three of this project work, the chi-square χ^2 test statistic was used.

$$\chi^2 = \frac{\sum_{i=1} (O_i - E_i)^2}{E_i}$$

Where; O_i = the observed frequency i.e. the responses

E_i = the expected frequency

$O_i - E_i$ = the difference between observed and expected frequency

Table 9

Responses	A	B	C	Column total
Yes	4(5.8)	4(3.5)	8(6.7)	16
No	21(19.2)	11(11.5)	21(22.3)	53
Row total	25	15	29	69

Source: table 4

Table 10
Calculation of chi-square (χ^2)

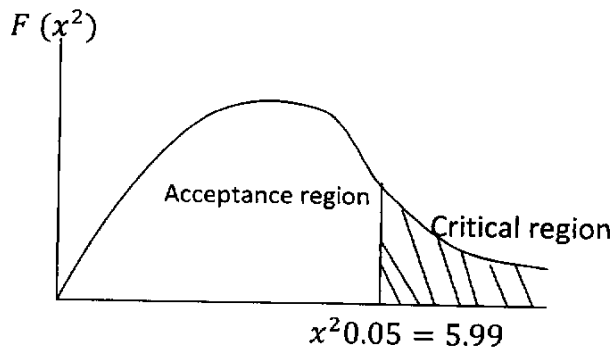
O_1	E_1	$O_1 - E_1$	$(O_x - E_x)^2$	$(O_1 - E_1)^2$
				E_1
4	5.8	-1.8	3.24	0.6
21	19.2	1.8	3.24	0.2
4	3.5	0.5	0.25	0.1
11	11.5	-0.5	0.25	0.02
8	6.7	1.3	1.69	0.3
21	22.3	-1.3	1.69	0.1
			TOTAL	1.32

Degree of freedom (d.f) = $(r - 1) (c - 1)$
 $= (2 - 1) (3 - 1)$
 $= 2$

Using 5% level of significance
 i.e. $\alpha = 0.05$.

Therefore, critical value χ^2_{α}
 $\chi^2_{0.05}$ at 2 degree of freedom = 5.99

FIG 4.1
CRITICAL REGION OF HYPOTHESIS



Decision rule

If $\chi^2 > \chi^2_{\alpha}$ we reject H_0 and accept H_A

If $\chi^2 < \chi^2_{\alpha}$ we accept H_0 and reject H_A

From the figure above; χ^2 is less than χ^2_{α}

That is $1.32 < 5.99$. Therefore, the researcher accept the -null hypothesis H_0 and reject the alternative hypothesis H_{A1} which say that tenement rating administration in Awka South L.G.A has not been successful.

Hypothesis 2

H_0 : there are constraints to the administration of tenement rating in Awka South L.G.A, Anambra state.

H_{A2} : there are no constraints to the administration of tenement rating in Awka South L.G.A, Anambra State.

Table 11

Responses	A	B	C	Column total
Yes	19(22.1)	15(13.3)	27(25.6)	61
No	6(2.9)	0(1.7)	2(3.4)	8
Row total	25	15	29	69

Source: table 6

Table 12
Calculation of chi-square (χ^2)

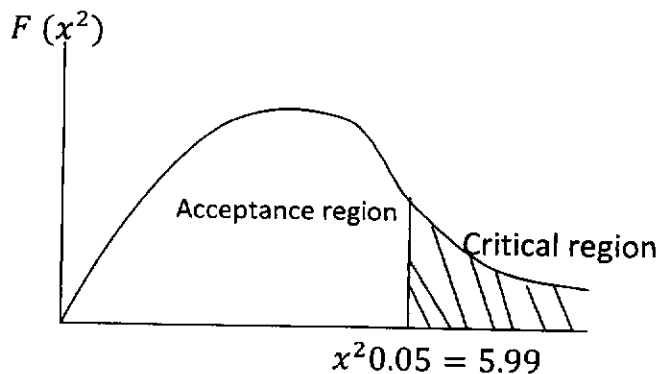
O_1	E_1	$(O_1 - E_1)$	$(O_1 - E_1)^2$	$\frac{(O_1 - E_1)^2}{E_1}$
19	22.1	-3.1	9.61	0.4
6	2.9	3.1	9.61	3.3
15	13.3	1.7	2.89	0.2
0	1.7	-1.7	2.89	1.7
27	25.6	1.4	1.96	0.1
2	3.4	-1.4	1.96	0.6
			TOTAL	6.3

Degree of freedom (d.f) = $(r - 1)(c - 1)$
 $= (2 - 1)(3 - 1)$

Using 5% level of significance i.e. $\alpha = 0.05$. Therefore, critical value χ^2_{α}
 $\chi^2_{0.05}$ at 2 degree of freedom = 5.99

FIG 4.2

CRITICAL REGION OF HYPOTHESIS



Decision rule

If $\chi^2 > \chi^2_{\alpha}$, we reject H_{01} and accept H_{A1}

If $\chi^2 < \chi^2_{\alpha}$, we accept H_{01} and reject H_{A1}

From the figure above; χ^2 is greater than χ^2_{α}

That is $6.3 > 5.99$. Therefore, the researcher rejects the null hypothesis H_{02} and accepts the alternative hypothesis H_{A2} which says there are no constraints to the administration of tenement rating administration in Awka South L.G.A, Anambra State.

4.4 Research Findings

1) From table 9, calculation of chi-square (χ^2) table 10 of hypothesis 1,

It was observed that χ^2 is less than χ^2_{α} which means $1.32 < 5.99$. therefore, the researcher accept the null hypothesis H_{01} and reject the alternative hypothesis H_{A1} which says that tenement rating administration in Awka south L.G.A. Anambra State has not been successful

2) From table 11, calculation of chi-square (χ^2) table 12 of hypothesis 2;

It was observed that χ^2 is greater than χ^2_{α} which means $6.3 > 5.99$. Therefore, the researcher rejects the null hypothesis H_{02} and accepts the alternative hypothesis H_{A2} which says there are no constraints to the administration of tenement rating in Awka south L.G.A, Anambra state.

FINDINGS, CONCLUSION & RECOMMENDATION

5.1 Summary of findings

- i. There is no adequate training given to the staff in the valuation unit of the local government secretariat which makes them unqualified and incompetent to carryout tenement rating
- ii. Due to the inadequacy of qualified personnel, tenement rating is not often carried out by trained staff,
- iii. Rate collection drive requires good transportation facilities for mobility but this is hampered due to inadequate provision of transport facilities,
- iv. If the government embarks on a public awareness campaign on tenement rating educating them on the benefits that accrue from it, the difficulty(ies) encountered on collecting rate will be reduced.
- v. Tenements are seldom enumerated; however the employment of adequate staff will enhance the exercise.

- vi. Corruption personnel have infiltrated the local government secretariat labour force.

5.2 Conclusion

Tenement rating has been one of the means through which local government revenue with this revenue, it provides various amenities which the public enjoy. The administration of this tenement rating has generated some controversies in the past which has often times marred the exercise. If these problems are carefully scrutinized and adequately trained staff employed to take over tenement rating in Awka South Local Government Area, the problems encountered would be reduced to the barest minimum.

5.3 Recommendation

- i. Tenement rating administration requires qualified and competent management as such the staff should be adequately trained on rating valuation principle
- ii. Estate surveyors and valuers as professionals and experts should be left to handle tenement rating since they are the only ones that can handle it properly,
- iii. The local government council should make provisions and improvement in their transport facilities. This will aid mobility, accessibility and speed of the collection drive,
- iv. Government should embark on regular public awareness campaign thereby sensitizing the public so that problems would not be encountered.
- v. There should be consistency in the enumeration of tenements and this will be achieved by the employment of adequate staff
- vi. Corruption has eaten deep into the society, however if a panel is set up to monitor how the rate is used, the corrupt personnel would be identified.
- vii. Appropriate sanctions should be placed on erring officers who would serve as determinant to others.

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