Goals and objectives of municipal property management in current conditions

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Abstract. The specific nature of municipal property makes it possible to use it as a tool for development of the municipal territory. Efficient municipal management should be aimed at coordinating goals and objectives of all management subjects related to municipal property objects. The efficient municipal property management system requires a new body coordinating activities of all participants in the existing management system. It is useful to apply the foreign experience of municipal property management and implement international and Russian quality management standards into the activities of local authorities.

1. Introduction

The history of social production shows that in any economic system and in any historical epoch, the municipality owns property objects to perform social and economic functions.

The municipal property as an object of management is a significant component of an integrated urban socio-economic potential. Main prerequisites for the effective use of this potential are the external environment rather than the city itself. Therefore, the municipality as the largest owner serves public and social goals [1].

These goals are different from the goals of other property owners. Thus, the municipal property management objectives are specific.
2 Goals and objectives of municipal property management

The strategic goal of the local government managing municipal property is to improve the welfare and living standards of the population, create favorable living conditions.

Municipal authorities divide the objectives of municipal property management into socio-cultural [2], i.e. non-profit, and financial and economic.

Since the goals of the municipality, as a specific owner serving the interests of residents, are diverse, the author offers to distinguish innovation and investment goals along with the traditional ones (Table 1).

Table 1. The classification of municipal property management goals.

| Groups of management goals | Goals | Nature |
|----------------------------|-------|--------|
| Financial and economic     | Financial | - creation of a more stable and reliable revenue part of the municipal budget, by increasing the share of municipal property taxes; obtaining funds to finance the municipal infrastructure |
|                            | Economic | - encouragement of economic development by reducing the tax burden on property owners; providing property tax benefits during the design and construction of specific real estate objects; encouragement of investment into the municipal economy. |
|                            | Political | - strengthening the basis of municipal self-government through a municipal property management system. |
|                            | City planning | - improvement of land use planning and municipal development; encouragement of the efficient use of municipal land and development of the real estate market. |
|                            | Development | - creation and management of municipal property objects in the interests of residents. |
|                            | Legal and administrative | - improvement of municipal property accounting; creation of an information base for registration of property rights; |
Innovation and investment
- simplification and acceleration of transaction processing procedures; improvement of the investment climate by stabilizing the property taxation, creating an optimal structure of real estate objects by ownership and management forms.

Innovative
- implementation of innovative technologies, goods, works, services; development of the municipal economy, creation of new jobs.

Ecological
- creation of the favorable living environment for the residents.

Social and cultural
- creation of the favorable social environment; equitable distribution of tax load depending on the value of the real estate; development of the mortgage lending system; ensuring property rights.

Innovative
- implementation of innovative technologies, goods, works, services; development of the municipal economy, creation of new jobs.

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Social and cultural
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This division will allow the local authorities to choose correct forms and methods of management, change the form of ownership and solve other problems as well as make decisions on municipal property management in accordance with the municipal goals [3].

In accordance with these goals, the system of municipal property management should fulfil the following tasks:
- effective management of municipal property;
- attracting private investments and implementation of innovation technologies;
- optimization of municipal property management system maintenance cost;
- ensuring a steady flow of revenues to the municipal budget;
- development of an effective system of control over the use and development of municipal property;
- availability, reliability, efficiency of information on municipal property;
- improvement of the state of municipal property objects.

The priority tasks are as follows:
- improving the quality of socio-economic development of the municipality;
- implementing innovation technologies into the municipal property management system.
Each of these tasks is associated with its own municipal property object; however, for individual tasks, management objects may be the same.

3 World experience in municipal property management

In order to improve the efficiency of municipal property management, it is important to use the best world experience of municipal management in achieving the goals and objectives set by Russian local authorities [4].

Foreign local authorities prefer renting real estate. Municipalities carry out regular comprehensive assessment [5] of urban real estate objects. Taxes are based on the real estate market value. For example, the federal and local property tax is imposed on US real estate objects. The tax is the most important source of local budget revenues. This tax (the average tax rate is 1.5%) has a specific impact on urban planning and land use, the appearance and structure of US cities.

Local governments are able to influence the amount of city budget revenue by changing the tax rate and the level of the estimated value of real estate relative to the market one. In some settlements, this policy is used to limit the purchase of property rights [6]. In Spain, the cadastral value of all municipal real estate facilities is regularly (once in 8 years) revised in order to bring it in line with the market value.

In most industrialized countries, laws on real estate objects are updated in accordance with changing economic conditions and the needs of the population [7].

Municipal authorities which are responsible for providing timely and quality services to the residents attract private companies for this purpose. For example, in Canada, special-purpose corporations purchase or rent municipal property facilities which are required for social institutions, puts them in order and manage to achieve maximum efficiency. In Australia, government agencies lease property to private organizations for provision of social services. In the UK, private transport companies have a right to transport passengers, while the municipal authorities control quality and safety of transport services [8].

Thus, the positive foreign experience can be used by municipal authorities when improving their municipal property management system.
4. Discussion

To improve the living standards of the population, it is necessary to develop an effective system of local self-government that meets requirements and needs of people, businesses, the municipality, and allows the population to solve vital issues.

This system can be created by certifying activities of municipal authorities according to the models of quality management systems. To achieve the goals and objectives of municipal property management, the most effective quality management system model is ISO 9001-2011 “Quality Management Systems. Requirements” [9].

The international quality management system ISO 9001 has become widespread throughout the world. Administrations of regions and megapoles, cities and villages implement this system in order to improve their activities and increase satisfaction of the population with the quality of services provided. This system has been implemented in Canada, Japan, Kazakhstan, Australia, USA, Poland [10, 11].

In Russia, this model is used in Shakhty, Bataysk, Novy Urengoy, etc.

Local governments need to certify their activities for compliance with the ISO 9001 family model. This will allow them to:
- strengthen the city government;
- improve the management information system;
- improve living standards of the population;
- implement innovation technologies and attract investments in the economy of the municipality;
- improve the management system;
- allow people to participate in the work of local bodies;
- enhance satisfaction of society with the results of municipal property management;
- reduce administrative cost of the management system.

To implement the ISO 9001 into the municipal property management system, it is necessary to create the Property Commission on the basis of the Municipal Property Management Committee (MPMC) which will be responsible for developing strategies and implementing the municipal property management system.

The Commission will implement measures approved by the Regulations of the local authorities. The Commission will be headed by the Chairman who will issue orders binding on the relevant executive authorities of the city.
The Commission may consist of representatives of the regional government; city legislature; committees and departments of the city administration developing programs for economic, social, and environmental development of the city and responsible for formation of the municipal budget, urban planning and implantation of innovation policies; public organizations; environmentalists, etc.

The Commission is aimed at:
- creating a single information space in which all interested parties will be able to establish a dialogue focused on effective municipal property management, make independent decisions and become more confident [12];
- building a dialogue between all interested parties based on the rules that determine the degree of responsibility proportional to the obligations;
- forecasting and planning the improvement of methods and forms of management of municipal property objects by increasing controllability of the municipal property management system and restoring confidence;
- the rational use of municipal property objects;
- accelerating the process of certifying the activities of local authorities for compliance with the best international management quality management systems;
- coordinating the activities of municipal enterprises in order to form competitive advantages in the real estate market;
- increasing investments and enhancing innovation attractiveness of municipal property objects and the municipal territory [13];
- increasing profitability and reducing the illegal outflow of funds intended for transfer to the federal budget and extra-budgetary funds;
- accumulating financial resources for re-equipment of the material and technical base of the MPMC;
- coordinating the interests of the subjects of the municipal property management system, assessing possible decisions, analyzing deviations in terms of acceptability of a compromise decision for each subject.

All draft regulations on municipal property management have to be discussed and approved by the Commission. The Commission develops and monitors plans aimed at improving the system of municipal property management.

The decision on a municipal property object management form [14] is made by the Commission. If there are contradictions between economic and social criteria of the chosen management form, the Commission should give priority to social criteria since the social goals are dominant for the municipality.
5. Conclusion

Development of a modern life support system for the population of any municipality depends on the municipal property management system which is a significant resource generating revenues and meeting social and cultural needs of the population.

In order for local authorities to promptly solve current problems and prevent or minimize future ones, the municipal property management system should implement the goals of the municipal development, and solve economic and social tasks.

Implementation of the best foreign municipal property management measures [15] based on international and national standards can improve the activities of local governments, enhance satisfaction of the population with provided services.

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