

Project Management Methods in Planning of Socio-Economic Development of Municipality (On the Example of the Settlement Named After Karl Liebknecht Kurchatov District Kursk Region)

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Abstract. The article deals with the problems of development of municipalities in the Russian Federation. In terms of stabilization of social and economic development, effective mechanisms for managing the development of territories are required. It is stated that the activities of local governments in Russia are carried out in close connection with the state and the private sector. The development of the strategy of the municipal economy involves a number of management actions, including the project method. The project realization in the sphere of housing and communal services in the settlement named after Karl Liebknecht of Kursk region is given as an example of successful application of the project management method. The paper analyzes the socio-economic background, the process of planning and implementation of the project. The project, developed by the local administration and the Kursk Academy of state and municipal service, is designed to solve the key problem of the development of the settlement– the reconstruction of thermal networks. The main results of the first phase of the project and the medium-and long-term prospects for its implementation are presented in the conclusion.

1. Introduction

The relevance of the present paper is determined by the need to find effective forms and methods of strategic management of socio-economic development of municipalities in Russia. In this regard, it should be noted that the current paradigm of territories development is the stabilization of their socio-economic development. At the same time, market mechanisms are not always effectively used in the economic practice of municipalities.

2. Relevance

World experience shows that only regional economic management is able to directly and effectively deal with the most important issues for the population of the territory. So local governments are responsible for making the majority of life-sustaining decisions concerning the territories. They have to bear full responsibility for the consequences of such decisions as well. Municipalities of Russia should develop their own concept and tactics of economic and social reforms, find the best ways to mobilize domestic resources, determine their place in the overall economic system of the country. In these circumstances, one of the most urgent problems for them is the implementation of project management in the most problematic areas of development. This will greatly improve the quality of life of the population and will be a determining factor in the sustainable development of municipalities.

The problems of socio-economic development of territories are considered in the works of such authors as A. N. Mikhailov [1], I. E. Rysin [2], V. A. Ilyin [3, 4].

Theoretical and methodological aspects of public-private partnership are covered in a number of monographic studies and textbooks, including the works of V. G. Varnavsky [5, 6], E. M. Grigorieva [7] and others.

Legal aspects of public-private partnership in the Russian Federation are considered in the publications of A. V. Belitskaya [8], R. S. Ilyasov [9], S. V. Maslova [10], V. E. Sazonov [11].

At the same time, the problems of strategic development of municipalities and the application of project management methods in this field have not been revealed in the Russian scientific literature to the full extent.

3. Information on legal basis of research

It should be noted that in the Russian Federation, local government is a form of power realization by the people, providing within the limits established by the Constitution of the Russian Federation, Federal laws, and in cases established by Federal laws - the laws of the subjects of the Russian Federation, independent responsible solution by the population directly and (or) through local government issues of local importance based on the interests of the population, taking into account historical and other local traditions [12, article. 1].

Local governments have a number of powers, among which the most important are economic issues. The activities of local authorities in the economic sphere, within the limited resources, do not mean direct participation in the activities of certain enterprises. They imply the regulation of economic processes in a particular territory. The process of forming a specific local economic policy is a strategy for the economic development of the settlement and the concept of local economic policy. Structural, investment, business and financial policies are important elements of the local economy. It is also necessary to take into account the fact that the municipal economy is inextricably linked with the public and private sectors of the economy. Municipal economy manifests itself most effectively in such areas as the development and implementation of the policy of development of the municipality, the provision of services to the population, social protection [13].

The technology of municipal economic policy development includes the following stages: the formation of a system of indicators of the quality of life of the local community. On the basis of this system the actual indicators are determined, the deviations of these indicators from the basic values and the causes of such deviations are revealed as well. At the next stage the own material, economic and social resources to improve the quality of life of the population of the municipality are analyzed, budgetary, extra-budgetary and borrowed funds to achieve basic indicators, are determined, as well as the amount of necessary material and financial resources. At the final stage, the conditions for the practical achievement of the specified parameters, including legal, informational, technical, personnel, social and economic support are formed [14].

The completion of the preparation for the strategy implementation of economic development of the municipality implies management decision concerning its practical implementation [15].

The legal basis for further activities is a number of regulations. Among them the most important is the Federal law of 21.07.2005 N 115-FZ "On concession agreements" [16]. It defines that a concession is a contract concluded by the state with a private entrepreneur, a foreign company for the operation of industrial enterprises, land and other land, and other forms. The majority of partnership projects in Russia operate on the basis of this law.

At the same time, public-private partnership in the Russian Federation is realized on the principles laid down in the Federal law No. 224-FZ "On public-private partnership, municipal-private partnership in the Russian Federation and amendments to certain legislative acts of the Russian Federation". This law stipulates that public-private and municipal-private partnership is a legally formalized cooperation between public and private partners for a certain period of time and based on the pooling of resources and the allocation of risks.

The Federal law states the following principles of partnership:

- 1) openness and availability of information on public-private partnership, municipal-private partnership, with the exception of information constituting a state secret and other secret information protected by law;
- 2) provision of competition;
- 3) non-discrimination, equality of the agreement parties and their equality before the law;
- 4) faithful performance of obligations by the parties of the agreement;
- 5) faithful distribution of risks and liabilities between the parties of the agreement;
- 6) freedom of agreement [17, art. 4].

The implementation of public-private or municipal-private partnership under these conditions with competent and rational behavior can be a mechanism that allows to become the basis for the creation of highly effective corporate structures designed to ensure the orientation of business and the state to solve socially significant problems [18].

These documents allow to implement PPP projects taking into account the world experience in developing models of public-private partnership, including such models as BOT, DBOT, BOMT, DBFM, DBFMO and others [19].

4. Results and discussion

Municipality settlement named after K. Libknekht in Kurchatov district of Kursk region is one of the 27 municipalities of the region with the status of urban settlements. The settlement has been existing for more than 400 years. It was founded on the banks of the Penka river in 1606. Previously called Peny (the name is preserved in colloquial speech among the local population), renamed in honor of Karl Liebknecht [20]. The socio-economic situation of the settlement is determined by its industrial potential. In recent years, two of its four main industrial enterprises have gone bankrupt. Nowadays the concrete plant and the plant of reinforced concrete structures continue their industrial activity.

Over the last 5 years, the total revenues of the municipality in rubles increased by 78.7 %. This situation is mainly determined by the more than twofold increase in gratuitous revenues from other budgets of the budget system of the Russian Federation. This is not surprising, since the budget of the municipality is subsidized. However, the increase in tax and non-tax revenues should be considered a positive tendency.

At the same time, the total municipal expenses have increased more than by half. However, during the analyzed period (2013-2018) expenses for some budget items, for example, culture and education, were not increased significantly. Attention is drawn to the almost twofold increase in spending on housing and communal services. This is mainly due to the energy tariff increase, the deterioration of the housing fund and its facilities. Over the last 5 years, the size of the wage fund has been significantly increased – by 44.2 %. However, the nominal accrued wages and salaries of the population increased to a lesser extent – by 11.5 and 18.0 %, respectively. The housing fund of the municipality has grown slightly. The population has decreased, especially among working ages.

So the project method has been proposed in order to solve the main socio-economic problems of the development of the municipality together with the administration of the settlement and the Kursk Academy of State and Municipal Service.

A project office was created headed by the Deputy Head of the municipal administration. The project team included employees of the administration and specialists of the Kursk Academy of State and Municipal Service. In order to achieve the goals of socio-economic development of the territory, it was proposed to form a municipal-private partnership. This term generally applied in this country is close in meaning to the term public-private-partnership [21].

Municipal-private partnership is a mutually beneficial cooperation of a municipality (rural settlement, urban settlement, municipal district, urban district) with a Russian or foreign legal entity or an individual. It may function without the formation of a legal entity under a simple partnership agreement (joint venture agreement) as an association of legal entities in the implementation of significant infrastructure, investment projects, which is carried out through the conclusion and realization of agreements, including concession agreements.

Participation in the municipal-private partnership is carried out in order to create (construction, reconstruction) and (or) operate the objects of the agreement, which include the following main areas:

- transport infrastructure and public transport;
- the system of public utilities, including water, heat, gas and power supply, sanitation, wastewater treatment, processing and disposal (burial) of household waste, as well as objects of functioning and improvement of housing and non-residential funds in the territory of the municipality;
- power supply facilities, including power generation systems, as well as power transmission and distribution systems;
- objects of mobile and stationary communication and telecommunication of municipal property.

At the first stage of the project office activity some alternatives and directions of creation of the municipal-private partnership project were offered. The rules of work for the preparation and implementation of the project included the consolidation of technical procedures for initiation and implementation of the project (competitive procedures, procedures for the formation of the program of municipal-private partnership projects, interaction with local authorities, etc.); designation of conditions, requirements and mechanisms for initiation and implementation of projects (requirements for project development, forms of documents, criteria for selection of projects for implementation on the basis of municipal-private partnership).

The projects were evaluated by the following criteria: economic feasibility, commercial viability, value for money, fiscal responsibility [22, 23].

But the decisive factor of the project-winner determination was increase of spending on housing and communal services in municipal budget. Moreover, during the preparation to the winter season 2018-2019 there were problems with heat supply to some houses. So it was decided to realize the project. It should be noted that the first stage of its realization is characterized by significant amount of funding, long-term cost recovery, high risk level.

The project office chose the variant of private financing of the project in a form of concession. An agreement was concluded with a private investor/

So "Thermal power company" is formed in the settlement.

Under the terms of the agreement, the company is obliged to carry out daily management of municipal communal property and finance investment projects. Sources of investments financing are the own funds of the founders of private companies, which are enterprises engaged in economic activity of the settlement. Investment return is expected through the inclusion of an investment component in the tariff for utilities, which will allow a private company to ensure the return of invested funds after a certain (long) time. With the current trends of economic development, investment return is expected not earlier than in 12 years.

Successful project implementation is facilitated by several factors. The first factor is the interest of the administration of the municipality in attracting investment in housing and communal services of the settlement. The second is the willingness of investors to invest in the development of the

municipality. The third is the effectiveness of private management in comparison with public administration in this area.

During this period, it is expected to invest about 36 million rubles in the reconstruction and modernization of the municipal heating system.

5. Conclusion

As a result of the implementation of financing of the reconstruction and modernization of public infrastructure, heat supply is provided to the settlement named after Karl Liebknecht. At the same time, investments are attracted to the reconstruction and modernization of heat supply networks. The company dealing with the thermal networks establishes system of control and planning of investments. Business plans of each project are developed, separate accounting of municipal and private property is conducted, daily monitoring of technical condition of all parts of the heating system is introduced. Formation of financial accounting for the heating system parts with the aim of increasing efficiency is being planned as well. The next stage of the project implies drawing up an investment plan for 10 years.

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