Directions for improving the system of municipal management of recreational services development in the city of Novorossiysk

Rimma Cherniaeva¹, Anna Sannikova¹, Olga Alekseeva¹*

¹Kuban State Technological University, Moskovskaya st., 2g, Krasnodar, 350072, Russia

Abstract. The development of recreational services could become one of the "locomotives" of the social and economic growth of the municipal entity of "the Town of Novorossiysk", as well as the entire Krasnodar Territory. The city of Novorossiysk has good recreational potential. There are favorable climatic conditions, landscapes with unique natural landmarks, a variety of geomorphological conditions, a great number of convenient beaches, and rich historical and cultural heritage. It is necessary to use modern methods to increase the competitiveness and innovative attractiveness of the resort and tourist destination businesses. Effective municipal management of the development of recreational services will solve the problem of increasing employment and will contribute to the growth of welfare and improvement of the quality of life of the local people by providing better social and economic conditions. Therefore, the development of recreational services will have a multiplicative effect on the economy of the city of Novorossiysk. In its turn, the improvement of the municipal management system will allow recreational services of tourist resort destination to gain more weight in the economy of the municipal formation.

1 Summary

The purpose of the article is to analyze the effectiveness of the municipal management system for the development of recreational services in the territory of the municipal formation of Novorossiysk City and to develop proposals for its improvement. The practical significance of the work lies in the fact that introduction of the proposals and implementation of the measures developed by the Municipal Flagman Project "Novorossiysk is the Center of Tourism" will increase the efficiency of the municipal management system and form a competitive resort and tourist destination in the municipal formation of Novorossiysk City with a level of recreational services that meet international quality standards. This will lead to an increase in the income of the resort and tourist destination enterprises, and, accordingly, an increase in tax revenues to the budget. Sustainable development of recreational services at the resort and tourist destination will create new jobs and improve the level and quality of life of the people of the municipality of Novorossiysk.

* Corresponding author: alekseeva_ov@inbox.ru
In the course of the work, we studied the theoretical aspects of managing the development of recreational services, analyzed the effectiveness of the municipal management system for the development of recreational services in the territory of the municipal entity of Novorossiysk, and worked out measures for its improvement. Also, we made an assessment of the recreational potential resort and tourist destination and carried out the territory zoning of the municipal entity of Novorossiysk, a SWOT analysis of the municipal management efficiency for the development of recreational services in the territory of the municipality, identified and analyzed the existing problems, and conducted a sociological study.

2 Introduction

In the "Strategy for the social and economic development of Krasnodar Krai until 2030" the determining direction of the transition to the socially-oriented economic development of the region is indicated as "creating conditions for improving the quality of life of the population by measures that include the development of infrastructure for recreation and tourism ensuring the quality, accessibility and competitiveness of recreational services." [1]

Krasnodar Krai has great recreational potential. Favorable climatic conditions, a variety of plain and mountainous landscapes, a huge number of the comfortable Azov and Black Sea Coast beaches, rich historical and cultural heritage determined the region's high competitive ability to develop all types of recreation activities: health-improving, cultural-cognitive, active and extreme, hunting, fishing and others. ... The contribution of the tourism and recreation industry to the GRP of Krasnodar Krai reaches 14-15%. Krasnodar Krai is the leader in domestic tourism in the Russian Federation. The region is very attractive for investment in the tourism and recreation industry. However, authorities at all levels have to make efforts to increase investment flows in this area development. The significant recreational potential of the territory is unattractively highlighted by the underdeveloped infrastructure which requires significant financial investments. And the level of prices which does not correspond to the service quality hinders the attraction of a large number of tourists, reducing the competitiveness of domestic recreational services in comparison with foreign ones.

3 Materials and methods

In many published materials, tourism is recognized by scientists and economists around the world as one of the largest and fastest growing sectors of the economy [2-12]. Both Russian and foreign researchers devote their work to the possibilities of developing entrepreneurship in the field of tourism in coastal areas [2], sociological surveys of residents about the impact of urban tourism [13], tourism multiplier [10, 14], the topic of public-private partnerships with the introduction of resources in the development of tourism [3, 4, 12, 15, 16]. Tourism in Krasnodar Krai as an object of economic analysis is attractive to many domestic researchers. At the same time, many social and economic aspects of regional tourism require versatile coverage today more than ever.

The information base of this study is made up of statistical and documentary materials of all-Russian and regional organizations, as well as articles in periodicals. The work used the primary data collected by the State Statistics Committee of the Russian Federation, the Ministry of Resorts and Tourism of the Krasnodar Territory, and the Federal Agency for Tourism. The published analytical materials and data were obtained from the Internet resources.

In order to take into account the opinions of residents and guests of the city of Novorossiysk about the efficiency of actions of the local authorities in solving the problems
of the development of recreational areas and services, a sociological study was carried out. Using the online survey method through social networks, 75 residents and 75 guests of the city of various social strata, aged 18 to 70, were interviewed. The level of reliability of statistical processing of the survey results is 95%.

4 Results

Novorossiysk has a long-established status of an industrial city and a leading port in Russia. Remembering Novorossiysk, most often the guests of the city imagine the smoking pipes of cement plants, many cargo cranes and ships in the port. The city is rarely associated with secluded recreation areas, beautiful lakes, picturesque valleys and relict juniper forests. Meanwhile, the municipal formation of Novorossiysk occupies an advantageous marketing position for the development of recreational services. Here, climatic and physical-geographical conditions are favorable for recreation: pebble beaches are long and comfortable, there are a lot of tourist attractions. The combination of these factors forms a significant potential for the development of medical and health-improving, historical, ecological, agricultural, business and other types of tourism. The target audience is wide: these are families with children, young people looking for an active holiday of the economy class, organized groups of children, businessmen, etc. The development of recreational services could bring significantly higher revenues to the municipal budget, especially in a difficult demographic situation.

Any territory has its own permissible recreational load depending on the ability of the environment to assimilate hazardous waste and reproduction of natural resources, and, to a large extent, associated with the availability of an effective environmental infrastructure. When comparing the capacity of local ecosystems with the maximum recreational load, it is possible to establish the degree of the territory imbalance from the standpoint of the development of the tourist trade sector and environmental degradation. It is important to optimize the interaction of management and business systems to bring the scale and forms of management into line with the regional natural capabilities. In the Strategy of Social and Economic Development, the municipal formation of Novorossiysk City for the period up to 2030 the sanatorium and resort industry is considered promising. In this regard, it is planned to implement the municipal flagship projects "Resort Abrau-Dyurso", "Novorossiysk is the center of sea and business tourism", "Novorossiysk is the city of health". The municipality is actively involved in the implementation of the Interregional Tourism Project "The Golden Ring of the Bosporus Kingdom". In 2020-2022, the regional budget provides subsidies for "the organization of water disposal for renovating the infrastructure of the tourist cluster Abrau-Utrish". This is reflected in the subprogram "The Development of the Health Resort and Tourist Complex" of Krasnodar Krai of the State Program "The Development of the Health Resort and Tourist Complex". Of the 25 municipal programs implemented in the territory of the Novorossiysk municipality, there is not a special program with planned measures for the development of the resort and travel sector. In contrast to the well-known resort cities of Krasnodar Krai, the sanatorium and resort industry is not basic for the economy of the municipality of Novorossiysk. And the indicator of the tourist load in Novorossiysk is significantly lower than in the popular resort cities of Krasnodar Krai. However, the development of recreational services is important for the Novorossiysk municipality as it leads to the creation of new jobs, contributes to an increase in tax revenues to the local budget and an improvement of the quality of life of the local population. In addition, the great recreational potential of the municipality of Novorossiysk is a competitive advantage of the territory for potential investors.

In terms of the tourist flow, the municipal formation of Novorossiysk takes the 6th place among the municipalities of Krasnodar Krai. The leading resort cities are Sochi, Anapa,
Gelendzhik, as well as the municipal areas of Tuapse, Yeisk and Temryuk. According to the Department for Resorts and Tourism of the City Administration, in 2019 the municipality of Novorossiysk was visited by over 652.3 thousand tourists, the growth rate was only 53% as compared to the level of 2018. The volume of provided recreational services amounted to more than 7.20 million USD, with a growth rate of only 74%. Tax payments to the consolidated budget of Krasnodar Krai amounted to 1.43 million USD, with a growth rate of 106%. Over the past five years, the indicators of development of the recreational services sphere reached the highest values in 2017 and 2018. The highest number of tourists who visited the municipality was observed in 2018: 1240.2 thousand people. The volume of services in the industry reached 14.8 million USD in 2017. The dynamics of the main indicators of the recreational services sphere development in 2015-2019 is shown in Fig. 1.

![Fig. 1. Dynamics of the main indicators of the development of the sphere of recreational services of Novorossiysk in 2015-2019.](image)

The indicators of the development of the recreational services sphere depend on the effective work of local authorities in promoting the resort potential of Novorossiysk, the successful implementation of the targeted advertising campaign, the use of federal and regional media resources, as well as the developed transport infrastructure.

By number of accommodation facilities, the municipal formation of Novorossiysk takes the 5th position, and by number of rooms – the 6th place among the 6 municipalities of the Azov-Black Sea economic zone of the region. There are 109 collective accommodation facilities on the territory of the municipality. There is a positive dynamics: the growth rate of their number, for 3 years it amounted to 119.7%. According to Krasnodarstat, the income of collective accommodation facilities from the services provided amounted to 24.92 million USD in 2018 (5th place). Among them, the income of specialized accommodation facilities (sanatoriums, tourist centers) amounted to 12.51 million USD. In terms of the average annual number of placed persons, the municipal formation of Novorossiysk also takes the 5th place (Fig. 2).
Indicators of activities of collective accommodation facilities for the provision of recreational services for 2018.

In Novorossiysk municipality, the main consumers of recreational services are mainly the residents of the Southern Federal District (39%). However, over the past 5 years, the share of tourists from the northern regions of Russia and from the neighboring and distant foreign countries has increased.

The analysis of the dynamics of the calculated occupancy coefficient of available places in the collective accommodation facilities of Novorossiysk over the past five years has revealed a negative trend towards a decrease in the occupancy of the available room stock. For 2015-2019, the occupancy coefficient of the available room stock (OCARS) decreased from 0.40 to 0.23 (Fig. 3).

Fig. 2. Indicators of activities of collective accommodation facilities for the provision of recreational services for 2018.

Fig. 3. Decrease in the coefficient of occupancy of available places of collective accommodation facilities in the municipal formation of Novorossiysk City in 2015-2019.
The Imperial Hotel, the Fregat Sanatorium-and-Health Complex, the Novorossiysk Group of Companies, the recreation centers Chernomor-Laguna, Goluboy Torch, and Golubaya Volna maintain high values of OCARS. The management of these accommodation facilities invests in the development of recreational services to improve their quality and year-round provision. In the struggle for the quality of recreational services provided to guests and residents of the Novorossiysk municipal formation, of great help was the implementation of the Federal Law of June 7, 2013 No. 108-FZ, obliging the owners of all accommodation facilities to classify them. From July 1, 2019, responsibility was introduced for the provision of services by hotels with a fund of more than 50 rooms without mandatory classification. These measures will help to ensure a consistently high quality of recreational services which will increase the flow of tourists.

Thus, the functioning of the municipal management system for the development of recreational services is quite effective. There are positive trends in the growth of income from the provided recreational services and tax revenues to the consolidated budget. The renovation and development of transport infrastructure has increased the access of tourists to attractions and simplified the process of movement of their flows. For the viability of the resort and travel sector in the long term, as well as business profitability and growth in investment flows and tax revenues to the budget it is necessary to expand the range of recreational services provided year-round in order to develop new popular types of tourism.

The SWOT analysis identified the weaknesses of the municipal management of recreational areas and services in the territory of the municipal formation of Novorossiysk and made it possible to identify a number of unresolved problems.

The first problem is the insufficient occupancy of sanatorium and health-improving organizations and other accommodation facilities, especially in the off-season, and the low percentage of enterprises providing recreational services all year round. The share of sanatoriums with year-round services for recreants is 72.5%, the share of such hotels is 37%, and the share of year-round tourist centers is 19%. The "underutilization" of collective accommodation facilities of the municipality of Novorossiysk is due to unreasonably high prices, outdated material and technical base and the low level of service.

The consumer price index for recreational services in sanatoriums and hotels in 2019 amounted to over 105%.

The second problem is the concealment of income and real turnover of funds in the unorganized sector of private mini-hotels, trade enterprises, service enterprises, and the seasonal entertainment industry. The short holiday period of 3-4 months makes it difficult to carry out strict administrative control over their income. Also, the rights of recreants using the services of "shadow" entrepreneurs are not sufficiently protected. Due to the inclusion of unauthorized entrepreneurs in the number of taxpayers (it is possible to sell licenses, permits for a certain type of activity for a short period), the local budget of the municipal formation of Novorossiysk could be significantly replenished.

The third problem concerning the concealment of income and sanitary protection of the recreational zones of the Novorossiysk municipal formation is based on various abuses and misuse of land plots. At the same time, environmental legislation is often violated: the "lease" of land plots of the Abrau Nature Reserve, collecting "Red Book" plants, etc. According to Art. 95 of the Land Code of the Russian Federation "activities which are not related to the preservation and study of natural complexes and objects" are prohibited on the territory of protected areas, that is, wildlife sanctuaries and natural monuments, which include the juniper plantations of the Sheskhari Forestry, the Sudzhuk Spit, the lagoon of Lake Abrau and the Sladky Estuary and others. It is important to take into account and control the anthropogenic load on a resort and a natural complex with recreational potential.

The fourth problem is the underdeveloped tourist infrastructure. There are not enough sites for sports tourism, organized ecological routes. There are no signs and noticeboards to
the sights and objects of display like, for example, at the resorts of the Crimea. Not everywhere there are access roads of acceptable quality to the tourist attractions. The road transport network cannot cope with passenger traffic during the high holiday season.

The fifth problem is ineffective advertising campaigns to promote the recreational opportunities of Novorossiysk. The sector of attracting tourists from abroad does not work, rather low is the level of awareness of the domestic potential target audience about the services of medical and health-improving, balneological, sports, extreme, historical and cultural, pilgrimage, agronomic, gastronomic and other types of recreation on the territory of the municipality.

Guests and residents of the city are not satisfied with the inflated prices of collective accommodation facilities and additional services, with the quality of service, with the state of transportation, information and infrastructure, with the lack of qualified guides, with the unavailability of water transport, with the small number or absence of offers of ecological, sports and extreme tourism services. More than a third (35%) of the surveyed residents and municipality guests believe that the level of development of recreational services is still low. On the other hand, the guests of the municipality really like the favorable climatic conditions, natural landscapes with unique natural monuments, a variety of geomorphological conditions, a large number of comfortable beaches, and rich historical and cultural heritage. The residents and guests of the municipality expect the local authorities to intensify management activities in increasing the quality services in hotels and sanatoriums, and in developing services for marine, social, ecological, sports and extreme tourism. Television advertisements and Internet resources are called the priority sources of information.

Thus, for the development of recreational services in the municipality of Novorossiysk, the municipal authorities need to intensify their activities in promoting the resort and tourist complex. The problem of renovation the tourist, transport and engineering infrastructure are to be solved, the activities of "shadow" mini-hotels and public catering facilities that evade taxes must be under strict control of the authorities. Regular verification of violations in the use of land plots in recreational zones is necessary as well as accounting and control of anthropogenic load on the resort and natural complex according to its recreational potential. Inflated prices of collective accommodation facilities, the inappropriate quality of the provided recreational services, low qualification of guides lead to the dissatisfaction of tourists.

To expand recreational areas and increase the attractiveness of Novorossiysk for tourists, it is important to optimize the activities of municipal authorities in solving the identified problems, in pursuing active investment policy in the resort and travel sector, in the implementation of municipal flagship projects (MFP) related to the destination, in positioning and promotion of the brand "Novorossiysk - the center of tourism."

Of the 12 MFPs planned in the Strategy of Social and Economic Development of the Novorossiysk Municipal District for the period up to 2030, the implementation of 4 projects ("Novorossiysk is the center of maritime and business tourism", "Abrau-Durso Resort", "Novorossiysk is the center of viticulture and winemaking", "Novorossiysk is the city of sports") will contribute to the expansion and increase the attractiveness of recreational areas and services in the municipal formation of Novorossiysk City. The implementation the first project will diversify the services of sea and business tourism, the second project – the recreational services of agricultural, beach, gastronomic, ecological tourism, the third project – the new demanded services of agricultural tourism, and the fourth project – the services of sports (active) tourism. The coordination of the implementation the MFP will be carried out by "The Agency for the Development the Municipal Formation of Novorossiysk" with the participation of specialized working groups of representatives of the Projects Department of the Administration, the Department of Resorts and Tourism,
enterprises and organizations of the resort and tourist destination of the municipality. In order to expand recreational areas and form new competitive services based on the unique natural and historical and cultural potential of the municipal formation of Novorossiysk, and subsequently receive a stable increase in income from the resort and tourist destination in the budget, first of all, it is necessary to invest in ecological and geographical research with assessment of the recreational potential of the territory, in the implementation of MFP activities, renovation of the necessary infrastructure, in information support and advertising campaigns.

Strengthening the international ties and cooperation, attracting foreign investors with well-known brands in the tourism business, cooperation with the Federal State Unitary Enterprise National Marketing Center for Tourism (Visit Russia), the World Without Borders tourism association, and the Tourism Association of Russian Regions will increase the competitiveness of Novorossiysk as a center of tourism in the foreign and domestic market of recreational services. This will contribute to solving a number of identified problems simultaneously.

First of all, it will solve the problem of insufficient occupancy of sanatorium and recreation organizations and other collective accommodation facilities, because the utilization rate of available places in 2019 was only 0.23. The efforts of local authorities should be aimed at increasing the number of accommodation facilities with year-round provision of recreational services, at updating the material and technical base. To improve the quality of the services provided, it is important to complete the classification of accommodation facilities, which is mandatory from 01.07.2019, in accordance with Law of 05.02.2018, No. 16-FZ and Decree of the Government of the Russian Federation of 16.02.2018, No. 158 "On Approval of the Regulations on the Classification of Hotels". It is required to intensify work with the Federal Social Security Service of the Russian Federation to increase the number of preferential vouchers to sanatorium and health organizations of the municipal formation of Novorossiysk.

On the part of local authorities, together with the officers of the Federal Tax Service and the Ministry of Internal Affairs, it is necessary to strengthen the control over the "unorganized" sector of tourist services, increasing the share of registered taxpayers, it is possible to issue licenses allowing a certain type of activity for a short period. According to research, up to 66% of vacationers on the Black Sea Coast are accommodated in "private houses". The income of mini-hotels and other individual accommodation facilities during the holiday season is on average 62 USD per tourist. For the possibility of expanding recreational zones while preserving the natural potential of the territory, strict control by the authorities is required over the targeted use of natural resources with observing the requirements of environmental legislation, especially in protected areas. In order to protect the sea water and soil in recreational areas against pollution it is necessary to renovate the wastewater treatment and solid waste disposal systems.

Infrastructure is the basis for the formation of the recreational services market. The development of the necessary engineering and tourist infrastructure, the construction of new and the expansion of old highways are extremely important for the municipal formation of Novorossiysk. To promote the resort and tourist destination of the municipality, it is necessary to develop new popular types of recreational services of ecological, sports (active), agricultural, gastronomic and sea tourism. The municipal authorities, together with local tour operators and tourism industry enterprises, should intensify the development of new ecological routes, projects of popular services for hang gliding, cycling, mountain biking, diving, surfing, yachting, and sea trips. In mid-May 2020, the Ministry of Resorts, Tourism and Olympic Heritage of Krasnodar Krai developed the Rules for the Provision of Active Tourism Services, the observance of which must be monitored by the local government bodies. When rendering recreational services, according
to these Rules, "environmental safety, minimizing harmful effects on air and water basins, fauna, flora and soil" must be observed.

In order to create a positive image of the municipal formation of Novorossiysk as a territory with high natural, historical and cultural recreational potential and to promote the municipal brand "Novorossiysk is the Center of Tourism", active work on information and marketing support of the resort and tourist destination is required. Within the framework of the MFP, it is advisable to develop measures for positioning and promotion of the resort and tourist destination and the brand "Novorossiysk is the Center of Tourism". It is possible to cooperate with the Novorossiysk branch of the Russian Geographical Society. For positioning and PR-promotion of the resort and tourist destination and the brand "Novorossiysk is the Center of Tourism", it is important to rely on comfortable, safe, comprehensive services and entertainment conditions of stay on the attractive for tourists territory of the municipality. The development of recreational services is a kind of investment project the payback of which depends on the number of recreational flows, the formation of their loyalty, and the acquisition of regular customers. The demand for the municipal formation of Novorossiysk from tourists will entail an influx of investments, new participants and business partners. This will contribute to a gradual increase in the number of new jobs, an increase in tax revenues to the budget and an increase in other indicators of the social and economic development of the territory.

The implementation of the developed recommendations for optimizing the activities of local authorities will make it possible to form a competitive year-round resort and tourist destination on the territory of the municipal formation of Novorossiysk, with resort and tourist services that meet international quality standards.

5 Conclusions

In order to improve the system of municipal management of the development of recreational services, it is necessary to carry out a transition to multipurpose coordination and implement the municipal flagship projects. It is required to solve a number of tasks facing the local government. These include: the development of year-round recreational services of sanatoriums and recreation centers with the renewal of their material and technical base, support for new popular recreational services, modernization of engineering, transport and tourism infrastructure, regulation of the legal functioning of the “unorganized sector of private entrepreneurs”. It is important to control the state of all recreational resources, especially over the excess of the permissible load on natural recreational areas. For sustainable social and economic development of the municipal formation of Novorossiysk it is necessary to implement a municipal flagship project to position and promote the resort and tourist destination and the brand "Novorossiysk is the Center of Tourism".

The implementation of the developed proposals will contribute to the popularization of the recreational services the resort and tourist destination the municipal formation of Novorossiysk and an increase in the number of tourists. With an increase in the flow of recreants, in addition to an increase in the occupancy of accommodation facilities, the demand for excursion services, the level of attendance of display facilities will also increase; other additional services not only for collective accommodation facilities, but also for other enterprises of the resort and tourist destination of the municipal formation of Novorossiysk will also become more demanded. This will lead to an increase in the income of enterprises of the resort and tourist destination, and, accordingly, an increase in tax revenues to the budget. Sustainable development of recreational services of the resort and tourist destination will create new jobs, increase the level and quality of life the population municipal formation of Novorossiysk. Even with the projected minimum growth rate the
volume of services rendered is equal to 103%, for 5 years of implementation of the MFP "Novorsyisk is the Center of Tourism" the economic effect will amount to over 1.12 million USD. The volume of tax revenues from the enterprises of resort and tourist destination of the municipal formation of Novorossiysk to the consolidated budget will amount to over 1.41 million USD. Already in 2021, the consolidated budget of Krasnodar Krai can replenish the resort tax in the amount of 105,184 USD. These funds will be spent on the development of infrastructure for recreational services of the municipal formation of Novorossiysk. In addition to the resort tax, each vacationer will leave hundreds and thousands of times more money in the resort and tourist destination of Novorossiysk. Taking into account the tourist multiplier, the economic effect of the development of recreational services will be 2-5 times greater.

With an increase in the competitiveness of the resort and tourist destination, taking into account the tourist multiplier, the positive effect of the development of recreational services will be reflected in the formation of a favorable image and improvement of the territory, in the creation of high-quality infrastructure, in the growth of the level of medical services, in the demand for cultural and sports institutions, in the quality and standard of living of the population of the municipal formation of Novorossiysk. And this is the main goal of the functioning of the municipal government system.

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