

CHALLENGES IN THE MANAGEMENT OF REGIONAL PROPERTY/ASSETS AS AN OPTIMIZATION OF FISCAL DECENTRALISATION AFTER THE IMPLEMENTATION OF LAW NUMBER 1 OF 2022 CONCERNING CENTRAL AND REGIONAL FINANCIAL RELATIONS (HKPD) IN THE CITY OF DEPOK

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Abstract

It is understood that the presence of Law Number 1 of 2022 concerning Central and Regional Financial Relations (HKPD Law) is an important instrument in the implementation of fiscal decentralization in Indonesia today. In addition, the HKPD Law is an important means to accelerate the achievement of the main objectives of fiscal decentralization, namely the welfare of local communities, especially by optimizing Regional Original Revenue (PAD). One of the alternatives is through optimal management of regional assets to encourage regional economic growth, which in turn will have an impact on increasing PAD as a source of regional financing. Conversely, with regional assets that are not managed and utilized optimally, it will waste regional finances, namely the frequent discovery of regional asset maintenance problems that are not comparable to the benefits or benefits that can be generated from the existence of these regional assets. This study uses a qualitative method, and aims to determine the extent to which Depok City assets can be used as an alternative source of PAD after the implementation of the HKPD Law. The results showed that the Depok City Government's policy is in accordance with the current condition of regional asset management. However, the utilization of local assets is constrained due to the limited capacity of local governments. Optimizing the potential of regional assets requires a collaborative strategy between stakeholders. Optimizing fiscal decentralization for the welfare of the community is not only limited to the HKPD

Law, but several reforms must be carried out in various policy areas, such as optimizing PAD through broader tax decentralization and its consequences, harmonizing and synchronizing regulations on the management of Regional Property (BMD) that are consistently related to regulations at the central level.

Keywords: *Local Assets; Local Revenue; HKPD Law.*

INTRODUCTION

After more than two decades of regional autonomy in Indonesia, the fiscal decentralization policy has brought many changes. Not only in the model of political order, but also in the socio-economic development of society and the economic balance between the center and the regions. Direct communal elections, an increase in the Gini index in the regions, a decrease in the poverty rate, and the distribution of various state tax incentives to local governments are claims of the state's success in implementing regional autonomy. In line with the regional expansion, the government implemented a tax decentralisation policy in order to delegate some government tasks from the centre to the regions. One important aspect can be seen in the intergovernmental fiscal policy relationship between the central and local governments. The delegation of tasks to autonomous local governments must be accompanied by financial delegation (money follows function). The delegation of costs (cost distribution) is because they have received broad powers and responsibilities in public services, which of course must be followed by income distribution, because without delegation autonomy becomes meaningless (Huda, 2007).

The delegation of expenditure is one of the consequences of decentralisation, making financial sector self-sufficiency an important criterion to truly know the ability of a region to manage and take care of its household. However, municipal self-sufficiency is still a problem. The ability of municipalities to meet household needs is still "supported" by the central government. In the context of the implementation of tax decentralization and the progress of provincial governments, local governments that are able to manage the local economy well by having high PAD are still dominated by non-regional local governments and the majority are located in Java Island, such as Jakarta Province (43.3T), East Java (18.5T), West Java (17.6T), Surabaya City (4,973T), Badung Regency (4,556T), Tangerang City (2,873T), Bogor Regency (2,795T) and Bandung City (2,572T). The low PAD of most local governments in Indonesia makes them dependent on transfers from the central government.

Data from the Ministry of Finance in 2019 shows that regional dependence on TKDD is still very high. Nationally, the dependence of TKDD on the regional revenue and expenditure budget (APBD) is 80.1%. Meanwhile, the portion of regional own-source revenue (PAD) is only around 12.87%. Low PAD will certainly make it difficult for the city government to implement plans for various development projects due to

budget constraints. Data from the Ministry of Finance in early 2023, which is related to APBD data for 2021 and 2022, shows that the APBD is still in deficit both nationally and in certain provincial and district / city subcomponents. Regional power in exploring possible sources of income in their regions is inseparable from the limited ability of the state to provide sources of development financing to all sectors in all regions of the country. The limited financial capacity of the national economy can be seen from the indicators of the APBN debt ratio, which continues to increase every year. Indonesia's debt was recorded at Rp7,855.53 trillion at the end of July 2023 or 37.78 percent of the debt to GDP ratio. This debt is a sign that the state's ability to finance national development, including feeding local governments in the form of TKDD, is unlimited.

Therefore, Law Number 1 Year 2022 on Central and Regional Financial Relations (HKPD) is expected to regulate the scope of economic relations between the central and regional governments, which includes: 1) payments and levies to secure regional income sources; 2) Management of transfers to regions / TKD; 3) management of regional costs; 4) authorizing the implementation of regional financing; and 5) implementation of national fiscal policy synergies. In order to improve the equitable distribution of national resources, the government gives authority to regions to collect taxes and levies, strengthening them through rearrangement of tax types, new regional tax sources, simplification of payment types and harmonization with the Job Creation Law. In addition, payment simplification is carried out by rationalizing the amount of payment. Fees are divided into 3 (three) types, namely General Service Fees, Business Service Fees, and Special License Fees. To achieve the goal of reducing fiscal inequality and service inequality between regions, the implementation of TKD prioritizes actions to be able to meet the needs of the state and regional service institutions while encouraging regional responsibility in providing better services in the province in an efficient and disciplined manner.

In this regard, several regions have expressed their readiness and strategies in implementing the provisions of the HKPD Law, but it should also be noted that the strategies and readiness of these regions are closely related to the system achieved in the HKPD Law. Of course, regional diversity must also be considered in preparing local regulations based on the HKPD Law. In relation to central-local relations, almost all provinces stated that there is still a need for detailed socialization related to the implementation of PDRD in the HKPD Law. This detail also concerns the calculation of taxes to be treated. As a follow-up, there also needs to be further synchronization with related laws and regulations, especially with the existence of Perppu Number 2 of 2022 concerning Job Creation.

Therefore, local governments must make various breakthroughs in an effort to find sources of development financing to achieve the successful implementation of

regional autonomy. Normatively and legally, the position of local governments is to carry out creative and innovative activities in collaboration with other parties to raise funds to increase PAD. For this reason, optimizing the utilization of regional assets can be used as an alternative lever for PAD in Depok City.

LITERATURE REVIEW

In the implementation of the HKPD Law, (Nashrullah, 2023) in his research entitled "Optimizing Fiscal Decentralization in Indonesia After the Birth of the HKPD Law Regime", the results of the discussion show that fiscal decentralization has been positively implemented in two decades. promoted national development. This research is a type of normative research, the approach is legislative approach and conceptual approach. Primary and secondary legal material is collected through a literature review, which is then descriptively qualitatively analyzed and then outlined in a discussion paper. However, several studies have also shown negative developments. Therefore, the HKPD Act was created in relation to accelerating development, improving and responding to contemporary challenges. The content of the HKPD Law is very positive in promoting self-sufficiency and well-being, starting from the reform of the tax and user fee system and regional financing to the synergy of the central region. Some policy reforms are needed in the future to further optimize the HKPD Law, such as optimization of regional own-source revenues through wider tax decentralization, optimal use of regional financial loans, and involvement of law enforcement agencies, while monitoring TKDD.

In optimizing the increase in PAD after the implementation of the HKPD Law, the study of (Feijar, 2023) shows that the Depok City government's policy in managing regional assets in the form of land and buildings as one of the sources of PAD for the Depok City Government is in line with the current situation of regional property management. However, there is still no firm action against parties who do not comply with the use of regional assets and the utilization of Depok City Council assets by the community and the management of regional assets related to the use of regional assets. From the land and buildings owned by the Depok City Government obtained from the transfer of Infrastructure, Housing, and Services (PSU), all regional assets in the form of land and buildings must be realized in a sustainable and local manner. involvement, synergy and support and maintenance of relationships with all stakeholders both internal and external to ensure investment management is carried out properly in accordance with applicable regulations to create optimal utilization potential in the form of leasing land and buildings owned by the City of Depok to the City Government as initial regional income. Utilization of regional property in the form of rent as a source of regional income to be utilized optimally according to commercial principles.

Other than that, (Balqis Mira Firdausy, 2023) in her paper evaluated the efficiency of the Depok City Regional Finance Agency (BKD) in managing city assets. This document notes that BKD has attempted to take control of the city's assets but still encountered obstacles. Its effectiveness is affected by a lack of coordination between relevant DPOs, a lack of understanding of the importance of investment management, and limited human resources and technology. Improving the management of city assets requires improved coordination, understanding and awareness of the importance of asset management, as well as improved human resources and technology.

The optimization of the utilization of regional assets as an alternative lever for PAD is evidenced by the estimation results conducted by a team of legislative analysts from the Center for Regional and Budget Studies of the Secretariat General of DPD RI. The results showed that the optimization of regional asset utilization has a positive effect on PAD, where every 1% increase in the utilization of regional assets will increase PAD by 0.53% and negatively affect poverty, where every 1% increase in PAD will reduce the poverty rate by 0.09%. Quantitatively, optimizing the utilization of regionally-owned assets as a policy instrument can affect regional economic performance, which is reflected in an increase in PAD and a decrease in poverty. (Center for Regional and Budget Studies Setjen DPD RI, 2023).

RESEARCH METHODS

The methodology used by the author in this research is descriptive qualitative. It is research that tries to describe and interpret something, such as the situation and circumstances of existing relationships, the formation of opinions, the consequences or consequences that arise, and so on. This type of research shows the data as it is without manipulation or other treatment from the researcher. (Rusandi, 2023). The purpose of this research is to provide a complete picture of an event or to find and explain the phenomena that are happening. No more than describing several variables related to the problem under study. This research interprets and describes information about current situations, attitudes, and points of view prevailing in society.

RESULTS AND ANALYSIS

Challenges of HKPD Law Implementation in Depok City

In the 2024 State Budget Analysis Workshop Challenges in the Management of Transfer Funds to Regions in the 2024 Draft State Budget After the Implementation of Law Number 1 of 2022 concerning Central and Regional Financial Relations on September 11, 2023, it was conveyed by the resource person that, at first glance, there was a decrease in the dependency ratio after the HKPD Law was enacted but it was more due to a decrease in the allocation of TKD than an increase in PAD and other

revenues. Local taxing power through the HKPD Law to date has not had a significant impact on the increase in PAD and other revenues.

The HKPD Law focuses on Local Taxing Power, to Reduce Administration and Compliance Costs, such as Restructuring Types of Local Taxes, especially consumption-based ones (Hotels, Restaurants, Entertainment, Parking, and PPJ) into Specific Goods and Services Taxes (PBJT). As well as, Rationalization of retribution from 32 types of services to 18 types of services. In addition, this law also intends to expand the tax base. Both Provincial and Regency / City Tax Opsen as a replacement for the revenue sharing scheme and adjustment of authority (PKB, BBNKB, MBLB Opsen) without additional taxpayer burden. As well as the expansion of objects through the synergy of Central and Local Taxes (such as valet parking, recreational objects, and so on).

However, the realization of local taxing power only occurs in local taxes, the results of the management of separated local assets and other separated PAD but for local revenues, especially inter-regional transfer revenues and grants have decreased. The perspective is different if TKDD is reduced so that it increases the portion of local taxing power even though it is pseudo. Rationalization of retribution from 32 types of services to 18 types of services resulted in a significant decrease in local retribution. Expansion of the tax base seems to be quite successful in increasing local taxes. Focus on anticipating the decline in local retribution and continuing local taxing power on local wealth management taxes.

Conception of Regional Original Revenue (PAD): Optimizing the Implementation of Fiscal Decentralization as an Effort to Improve the Welfare of Regional Communities

Given these conditions, it is natural for local governments, both provincial and district / city, to make various breakthrough efforts to overcome the APBD financing deficit so that the continuity of development plans in the regions can still be carried out amid the limited capabilities they have. The simple formulation is to increase local own-source revenue (PAD) and reduce dependence on TKDD funds from the central government through optimizing the management of assets owned by local governments. The success of the region in increasing PAD is expected to encourage an increase in tax revenue, regional levies, BUMD dividends and other legal sources of PAD, which will create a resilient economic climate in the region.

The low PAD generated by local governments can be identified due to several factors in its management. According to (Center for Regional and Budget Studies Setjen DPD RI, 2023) the results of studies conducted on several local governments in Indonesia there are factors that hinder the management of regional assets such as; not yet comprehensive policy framework, traditional perceptions that do not prioritize the potential utilization of public assets for regional income, inefficiency, limited data and

limited human resources (M.H. Hanis, 2011). In another study conducted by Mardiasmo, et al (2012) and Mardiasmo (2021) it was revealed that the slow reform of government asset management was caused by: (1) the reform is still at an early stage; (2) limited HR capabilities; (3) slow completion of ownership documents; and (4) low asset benefit functions.

Regional revenue is a rationally measurable estimate that can be achieved for each source of revenue. The sources of regional revenue as contained in Government Regulation Number 12 of 2019 concerning Regional Financial Management are as follows:

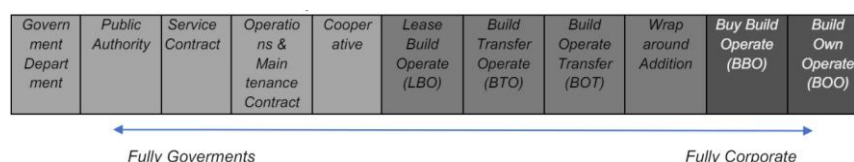
- a. Local own-source revenue (PAD), consisting of local taxes, local levies, management of separated local assets, and other legitimate local own-source revenues.
- b. Transfer Revenue, consisting of Central Government Transfers and Inter-regional Transfers. Central Government transfers consist of: balancing funds, regional incentive funds, special autonomy funds, special privilege funds, and village funds. Inter-regional transfers consist of: revenue sharing and financial assistance.
- c. Other Legitimate Regional Revenues, consisting of Grants, Emergency Funds, Other revenues. The main component of regional income is Land and Building Tax (PBB) and Fees for Acquisition of Land and Building Rights (BPHTB), this is a sign to immediately make breakthrough efforts to find other alternative sources of income that have great potential to be developed into a source of regional revenue, through a pattern of cooperation with third parties so as to reduce dependence on revenue from limited regional taxes.

Regulations on the Utilization of Regionally Owned Assets in Indonesia Assets owned by local governments or in regulations known as Regional Property (BMD) are important capital in exploring the potential for regional original revenue (PAD). Government Regulation of the Republic of Indonesia Number 28 of 2020 concerning Amendments to Government Regulation of the Republic of Indonesia Number 27 of 2014 concerning Management of State / Regional Property defines Regional Property (BMD) as all goods purchased or obtained at the expense of the Regional Revenue and Expenditure Budget or derived from other legal acquisitions. In PP Number 27 of 2014 Article 3 paragraph (2) states that there are 11 cycles in the management of state / regional property (BMN / D), namely: (1) needs planning and budgeting; (2) procurement; (3) use; (4) utilization; (5) security and maintenance; (6) valuation; (7) alienation; (8) destruction; (9) deletion; (10) administration; and (11) guidance, supervision, and control.

The BMD utilization criteria are carried out for the utilization of BMN / D that are not used for the implementation of the duties and functions of the Ministry /

Institution / regional work unit and / or optimization of State / Regional Property by not changing ownership status. In the BMD utilization scheme, the forms of utilization of regionally owned assets in Indonesia take many concepts from the theory of the spectrum of public and private partnerships (Savas, 2000 in the Center for Regional and Budget Studies of Setjen DPD RI, 2023).

Figure 1: Spectrum of Public-Private Partnerships



Source: Savas, 2000

Based on this figure, the more to the left, the greater the role of government in asset utilization. Meanwhile, the more to the right, the greater the role of business entities. The eleven (11) concepts above are then adopted in the regulations into six (6) forms of utilization of State / Regional Property, namely (1) lease, (2) borrowing and use, (3) utilization cooperation (KSP), (4) Build to Serah (BGS) or Build to Serah Guna (BSG), (5) Infrastructure Provision Cooperation (KSPI) and (6) Limited Cooperation for Infrastructure Financing (KeSTuPI). The six BMN / D utilization methods above can be grouped into 2 (two) fields: infrastructure and non-infrastructure.

Regional Original Revenue (PAD) of Depok City

The determination of Depok City's regional revenue target has adjusted to the latest legislation, namely Law Number 1 Year 2022 concerning Financial Relations between the Central Government and Regional Governments. The regulation has mandated that there are 7 (seven) revenue objects that may not be collected retribution, namely: 1) Retribution on Burial/Funeral Services including Excavation and Backfill as well as Burning/Furnishing of Corpses, 2) Retribution on Motor Vehicle Testing, 3) Retribution for Fire Extinguisher Inspection and/or Testing Service, 4) Retribution for Provision and/or Desludging of Toilets, 5) Retribution for Tera/Tera Ulang Service, 6) Retribution for Supervision and Control of Telecommunication Towers, 7) Retribution for Provision of Other Facilities in the Terminal Environment.

One of the sources of PAD in Depok City is tourism. PAD from the tourism sector in Depok City in 2019 amounted to 251.5 billion rupiah. However, the Covid 19 pandemic caused a decrease in the number of tourist visits to Depok City, which had implications for the decline in Depok City's PAD from the tourism sector in 2020 to 162.61 billion rupiah. As conditions improved after Covid 19, in 2021 and 2022 the number of tourist visits rose again, so that PAD from the tourism sector increased again to 182 billion rupiah. In 2022, as the economy improves, PAD from the tourism sector can exceed PAD in 2019 to 259 billion rupiah.

However, the growth rate of Depok City's PAD is not proportional to the increase in regional expenditure, which is characterized by the existence of a budget deficit. This means that the need for expenditure to fund development in Depok City is still far greater than the increase in PAD. On the other hand, revenues sourced from transfer revenues show a downward trend. For this reason, the general policy of Depok City's regional revenue in 2024 is to optimize the achievement of regional revenue through improving regional financial management systems and management, exploring the potential of PAD, increasing taxpayer discipline in reporting and payment and improving the quality of Human Resources (HR) for revenue management.

Meanwhile, there are two revenue objects that based on the calculation will experience a decrease, namely: 1) Retribution for Building Permit and 2) Parking Tax which is expected to decrease to only one third of the previous year. Therefore, it is estimated that in 2024, the increase in revenue from other revenue objects will partly be used to cover the reduction in the above revenue objects and only a small part can boost overall PAD. (Depok City Government, 2023).

Table. 1. Realization and Projection/Target of Depok City Regional Revenue for 2021 - 2025

KODE	URAIAN	Realisasi Tahun 2021 (n-3)	Realisasi Tahun 2022 (n-2)	APBD Tahun 2023	Proyeksi / Target pada Tahun 2024	Proyeksi / Target pada Tahun 2025
4	PENDAPATAN DAERAH					
4.1	PENDAPATAN ASLI DAERAH (PAD)	1.536.968.635.023	1.642.228.601.282	1.595.202.767.878	1.682.920.944.312	1.646.869.850.597
4.1.01	Pajak Daerah	1.169.253.332.761	1.371.824.230.585	1.297.755.689.598	1.447.945.518.565	1.400.641.598.556
4.1.02	Retribusi Daerah	39.447.651.577	39.620.471.503	41.000.560.793	38.327.943.307	20.047.382.776
4.1.03	Hasil Pengelolaan Kekayaan Daerah yang Dipisahkan	40.427.126.174	23.317.038.495	27.071.215.126	-	5.230.488.563
4.1.04	Lain-lain PAD yang Sah	287.840.524.511	207.466.860.699	229.375.302.361	196.647.482.440	220.950.380.702
4.2	PENDAPATAN TRANSFER	1.712.394.211.949	2.003.029.027.362	1.777.127.677.725	1.640.651.850.394	1.473.010.584.182
4.2.01	Pendapatan Transfer Pemerintah Pusat	1.175.432.550.673	1.280.348.208.127	1.204.219.812.000	1.121.414.425.943	960.482.652.663
4.2.02	Pendapatan Transfer Antar Daerah	482.722.404.276	722.680.819.235	572.907.865.725	519.237.424.451	512.527.931.519
4.3	LAIN-LAIN PENDAPATAN DAERAH YANG SAH	146.660.911.260	19.398.544.385	-	-	166.907.795.522
	Jumlah Pendapatan	3.396.023.758.232	3.664.656.173.029	572.907.865.725	3.323.572.794.706	3.286.788.230.301

Source: Final Draft of Depok City RKPD Year 2024

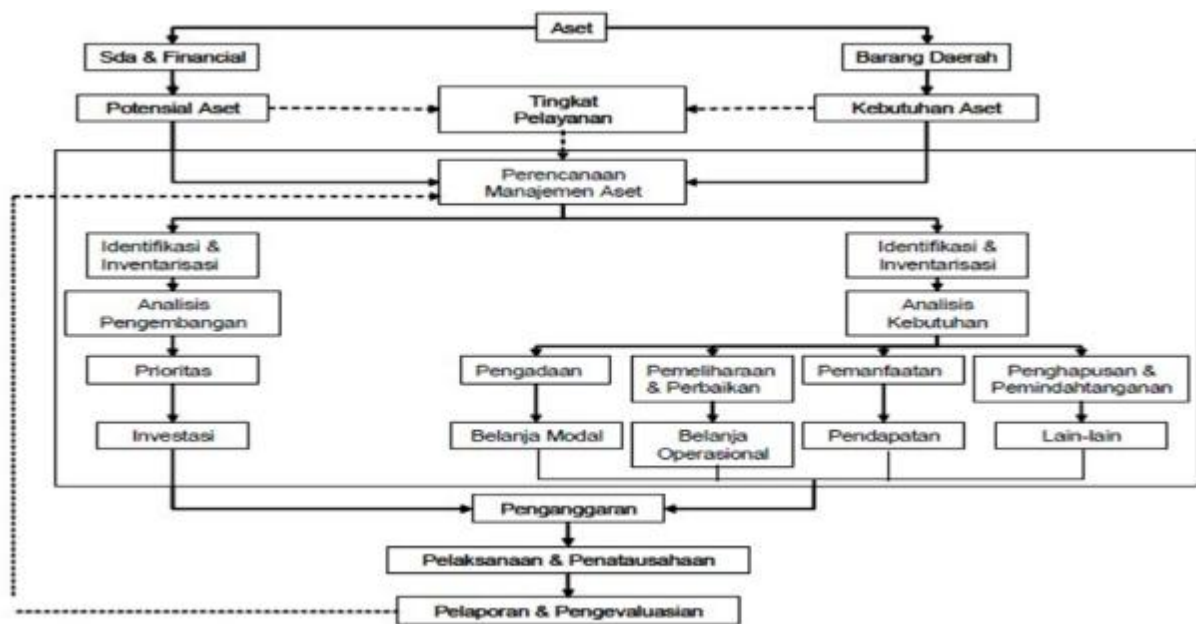
Conception of Regional Property (BMD)

The implementation of state financial management cannot be separated from the implementation of regional autonomy, but each region is given the opportunity to manage, develop and develop its region according to its potential and needs. BMD is produced by one of the provincial government agencies, which is used for the implementation of educational and social services. In addition to providing benefits to the community, the provision of BMD is carried out to support the regional

economy (such as building infrastructure) so that it can generate revenue for local governments in the form of PAD. Therefore, local governments need a good planning strategy and focused on its implementation, so that local finance becomes a source of monetary attraction and PAD for local governments.

Local government asset management is not only BMD owned by the local government, but also belongs to other parties controlled by the local government. Careless asset management can cause inefficiency where the cost of acquiring and maintaining assets is greater than the benefits. According to Sholeh and Rochmansjah (2010), good regional asset management requires at least 3 (three) main functions, namely good planning, efficient and effective implementation/operation, and inspection/monitoring. These three functions can be carried out if BMD management is carried out with the right strategy. (DJKN Ministry of Finance, 2021).

Figure 1: Flow of Regional Asset Management



Source: (DJKN Ministry of Finance, 2021)

Problem Inventory List (DIM) of DPD RI in the Draft Law on Regional Asset Management in Depok City

During the visit of the House of Regional Representatives (DPD RI) to Depok City, it was conveyed that the strategy of the Depok City Government so that BMD management can become one of the drivers of the regional economy is by optimizing asset utilization in the form of partnerships with third parties. These assets are: Build-to-Sell (BGS) Integrated Terminal of Depok City; Optimizing the Management of Sports Fields and UMKM Facilities through Cooperation with Community Groups (Oplosan Emas) at Godham Mampang Field, Kukusan Field, Limo Field and Irekap

Cilodong Field; as well as Land Lease for Private Schools and Lease space for business premises including space for Bank BJB ATM and BJB Cash Office. Related to the cooperated assets managed by the third party, the City Government no longer incurs costs for its maintenance.

The efforts to maintain a code of ethics and monitoring of Human Resources (HR) in the implementation of BMD management that have been implemented by the Depok City Government include the making of a Mayor's Decree for all Regional Property Management Officials in all Regional Apparatus. Starting from the Goods User, Power of Goods User, Goods User Administration Officer, User Goods Manager and Assistant Goods Manager. In addition, the Depok City Government already has a system that asset reconciliation is carried out every month between Regional Apparatus and the BKD Asset Management Division, if it does not go well, the Regional Apparatus Employee Income Supplement (TPP) is disbursed late. Apart from that, sanctions are also imposed on BMD users who misuse BMD management. Those who misuse assets will be subject to compensation claims (TGR) and for retirees who do not return the assets they use, the retirement decree will not be given to the person concerned.

In the active Inventory of Material carried out by DPD RI to the Depok City Government, it was also found that there were many derivative regulations from the Central Government that made the regions unfocused in managing BMD such as: Permendagri Number 19 of 2016 concerning Guidelines for the Management of Regional Property; Permendagri Number 108 of 2016 concerning Classification and Codification of Regional Property, Permendagri Number 90 of 2019 concerning Classification, Codification, and Nomenclature of Regional Development and Financial Planning; Permendagri Number 77 of 2020 concerning Technical Guidelines for Regional Financial Management; Permendagri Number 47 of 2021 concerning Procedures for Implementing Bookkeeping, Inventory, and Reporting of Regional Property. The Depok City Government requested that the regulations of the Minister of Finance and Minister of Home Affairs Regulations be in line and not contradict each other.

In addition, the application of Article 50 of Law Number 1 Year 2004 concerning State Treasury, the Depok City Government also requested this article to be applied to assets that are the object of disputes in the Court where the Depok City Government has been declared defeated by the court so that the assets are threatened with execution by the Court, we hope that it can be applied in the field, such as the Kemiri Muka Market civil dispute.

Another thing that was found was the elimination of regulations on the sale of official vehicles for ASN in the Regional Government, even though the sale of official vehicles for ASN who will retire is a form of appreciation for the services and

dedication concerned. As well as not given the authority for local governments to conduct limited sales so that many heavily damaged goods accumulate in the regions.

In the management of BMD, there are also administrative challenges for the Depok City Government, such as asset ownership documents originating from the transfer of Bogor Regency assets as a consequence of Depok City as an autonomous region resulting from expansion. The administrative boundary between Depok City and Bogor Regency is not firmly defined, so there are assets of Depok City Government that have not been handed over by Bogor Regency Government. For example, Citayam Market, which stands on an area of 5,500 m², consists of 2 parcels of land, namely 2,342 m² located in Pabuaran Village, Bojonggede Subdistrict, Bogor Regency and 3,158 m² located in Bojong Pondok Terong Village, Cipayung Subdistrict, Depok City.

The Depok City Government also utilizes the land/land of fasos fasum or utilization of abandoned land for the creation of UMKM centers in maximizing the management of regional property. The Depok City Government's efforts to improve the quality of planning for BMD management are also to complete the SHS at the beginning of the year and compile the RKBMD of the Regional Apparatus. In addition, the Depok City Government also strives to build a good BMD information system, by evaluating asset reconciliation every month, and updating asset recording applications, namely SIPKD Asset Module and e-BMD.

Economic Policy Direction for 2024 Depok City

The Depok City Government in determining its Government Work Plan uses four process-oriented planning approaches, namely the technocratic approach, which uses scientific methods and frameworks to achieve regional development goals and objectives. Second, the participatory approach, which involves all stakeholders. Third, the political approach, the elaboration of development agendas offered by the elected Regional Head into goals, strategies, policies, and programs for regional development during the term of office. And finally, the bottom-up approach, namely the synergy of participatory development planning (*sapa saba*) starting from the stages of Strategic Issues FGD, Community Collaboration (*Kongko*) Development, Partnership Forum where the results are harmonized through *Musrenbang Anak*, *Musrenbang Kelurahan*, *Musrenbang Kecamatan* by involving the participation of 7 development actors (*heptahelix*) and top-down is carried out to provide direction and guidance, to be in accordance with the vision and mission that has been determined so as to create synchronization and synergy in achieving the objectives of the national development plan and regional development plan.

The concept of development strategy promoted in the 2020-2024 RPJMN is how to synergize cooperation between the government and other parties in terms of

funding and other aspects which are contained in various types of mutually beneficial forms of cooperation. One of the strategic concepts in synergizing cooperation between the government and other parties implemented by the Depok City Government is through the implementation of the heptahelix strategy. The heptahelix collaboration plays an important role in supporting joint innovation goals and this collaboration also contributes to the socio-economic development of a region. The heptahelix element consists of government, entrepreneurs, academics, community and media, and includes Non-Governmental Organization (NJO) and Observer as government partners. The concept of thinking or re-modeling of these economic development models should be able to accommodate the perspective of a collaborative strategy concept for Regional Asset Utilization in Depok City.

In addition to being process-oriented, regional development planning is also substance-oriented, using three THIS approaches, namely first, the holistic-thematic approach in regional development planning is carried out by considering all elements of development as a unity of potential factors, challenges, obstacles or problems that are interrelated with one another. Second, the integrative approach, implemented by uniting several authorities into an integrated process and a clear focus in an effort to achieve regional development goals. Third, the spatial approach, implemented by considering the spatial dimension in planning.

Related to PAD, in the 2024 State Budget Analysis Workshop Challenges in the Management of Transfer Funds to Regions in the 2024 Draft State Budget After the Implementation of Law Number 1 of 2022 concerning Central and Regional Financial Relations, which was carried out by the Center for Regional and Budget Studies of the Secretariat General of DPD RI on September 11, 2023, Depok City Bappeda stated that the direction of Depok City's economic policy in 2024 will optimize PAD revenue and other funding sources, as well as development cooperation through funding from the APBN, Provincial APBD, CSR, Partnership Forum and utilization of regional assets, as well as the development of Depok City BUMD. Based on the Degree of Fiscal Autonomy (DOF) or regional financial independence, it can be seen from the comparison between PAD and overall regional opinion in 2023 is 47.30%, increasing in 2024 to 51.56%. The real capacity of regional financial capacity can be seen from revenue and financing receipts which experienced a slight decrease from 2023 to 2024.

If you look at the data presented in the Final Draft of the 2024 Depok City RKPD below, the performance target in the Regional Finance Agency program in BMD management is very optimistic with a percentage of 100% in accordance with the laws and regulations. On the other hand, the percentage of PAD target to regional income is still pessimistic with 39.77%. Although the Indicative Ceiling is still very temporary, adjustments will be made to add or subtract based on the ability of fiscal capacity or

the 2024 RAPBD deficit and mandatory/priority spending. The ceiling is adjusted to efforts to achieve the Depok City RPJMD targets for 2021-2026, Campaign Promises and Strategic Issues that apply in the relevant year.

Table 1. Indicative Programs and Ceiling of Regional Finance Agency Regional Government Work Plan (RKPD) Depok City Year 2024

23	Badan Keuangan Daerah	Program Penunjang Urusan Pemerintahan Daerah Kabupaten/Kota	Cakupan Pelayanan Penunjang Urusan Pemda	100%
		Program Pengelolaan Keuangan Daerah	Status Laporan	WTP
		Program Pengelolaan Barang Milik Daerah	Persentase Kesesuaian Pengelolaan Barang Milik Daerah Sesuai Peraturan Perundangundangan	100 %
		Program Pengelolaan Pendapatan Daerah	Persentase PAD Terhadap Pendapatan Daerah	39,77 %

Source: Final Draft of Depok City RKPD Year 2024

CONCLUSION

Based on the results of the problem analysis and the previous discussion, several conclusions can be drawn regarding the utilization of regional assets as an optimization of fiscal decentralization in the Depok City Government:

- Regarding the utilization of regional assets, seeing the policies that have been prepared have been regulated with very good policies. PAD in the form of land and buildings as one of the sources of PAD in the Depok City Government is generally policy-driven (Depok City Regional Regulation Number 11 of 2018 concerning Management of Regional Property);
- The Depok City Government has sufficient privileges to utilize regionally-owned assets as an alternative effort to increase Regional Original Revenue (PAD). This privilege is fully regulated in regulations ranging from the hierarchy of Laws to the level of Regional Regulations. The latest is the issuance of Government Regulation of the Republic of Indonesia Number 28 of 2020 concerning Amendments to Government Regulation Number 27 of 2014 concerning Management of State / Regional Property;
- There is still no improvement and development of a good strategy in the utilization of regional assets such as leased land and buildings, commissioning. Because the leasing of regional property is part of PAD to support regional development in the Municipality of Depok;

- d. Looking at the current condition of regional asset management, the aspects of planning for regional asset needs and budgeting from the stipulated policy are in accordance with the policy;
- e. The problem of underutilization of BMD in Depok City is that there are still many regional property in the area that are registered with the central/regional government, but are still a controversial/legal issue. Parties claim joint ownership of BMD if the property is owned by the state. The area has been registered and the location is known, but because the state does not have a utilization/distribution plan, it is neglected. As well as the limited quality of personnel (HR) managing BMD and concerns about the impact of overlapping laws on the policy of using regional funds;
- f. The utilization of local assets is constrained due to the limited capacity of local governments. Optimizing the potential of regional assets requires a collaborative strategy between stakeholders. A set of factors that are very important in the collaborative process of solving multiple problems of regional asset utilization, namely: deliberation, building trust, developing commitment and understanding between stakeholders;
- g. Optimizing fiscal decentralization for the welfare of the community is not only limited to the HKPD Law, but several reforms must be carried out in various policy areas, such as optimizing PAD through broader tax decentralization and its consequences, harmonizing and synchronizing BMD management regulations that are consistently related to regulations at the central level.

Based on the conclusion of the analysis above, several recommendations can be drawn regarding the utilization of regional assets to realize regional fiscal independence, as follows:

- a. Depok City Government to optimize the utilization of regional assets because it has a positive effect on PAD and a negative effect on poverty;
- b. The heptahelix concept of economic development that is applied should be able to accommodate collaborative PAD strategies in Depok City and can be an alternative to solving the problem of utilizing regionally-owned assets, especially in terms of tourism and providing a sustainable positive impact for each stakeholder involved;
- c. The Depok City Government, which carries the heptahelix concept as the owner of regional assets, must be able to act as a regulator, facilitator, capital contributor and coordinator between the parties;
- d. Due to the large positive impact of asset utilization on increasing PAD and reducing poverty in the regions, BMD management regulations are expected to be raised to the level of the Law so as to provide greater space

for local governments to be accountable and maximize the potential of their BMD;

- e. Regarding the BMD management program, it is necessary to carry out activities to optimize management and maximize inventory related to BMD and make relevant innovations with the synergy of BMD management through the regional asset task force and improve regional asset governance;
- f. The management of regional assets related to use must further improve control over land areas and land users. So as to reduce the risk of errors in the utilization of land and buildings owned by the Depok City Government arising from the transfer of housing infrastructure, facilities and utilities (PSU) in the form of irregularities in the permission to use regional assets. on land and buildings.
- g. Utilization in the form of leasing regional assets as a source of PAD to be utilized optimally by adhering to commercial principles in line with the application of the HKPD Law.

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