

## SUMMARY

Ramboll Management Consulting and Agenda Kaupang AS have cooperated in conducting FoU-project "Successful actions to resolve the future of municipal technical tasks", on behalf of KS.

In 2013, KS received a completed pilot project, "Challenges and opportunities in the municipal technical sector." The report showed that municipalities face challenges in solving the tasks within parts of the sector. The study showed, however, that municipal leaders have several unused opportunities to improve their own ability to resolve the tasks in a better way.

The purpose of this project has been to build on the knowledge gained from the pilot project, identify additional opportunities for improvement and provide direction for innovation and increased insight into how public sector can better be able to solve current and future tasks in the areas of water and sewage, road and transport and construction and real estate.

The data for the project consists of documents, interviews, meetings /workshops with various stakeholders, as well as case studies in 10 municipalities.

### **Trends in municipal technical sector**

This FoU-project has identified two key developments: 1) Climate change, primarily more precipitation in the form of water, and 2) urbanization and densification. These trends are operating in parallel and enhance the effect of each other, in that more precipitation combined with increased densification increase the need for handling runoff and storm water.

Urbanization and densification of areas make new demands on collaboration between individuals and entities engaged in planning and design, and mean that sector knowledge is becoming increasingly more important in the planning phase. In this context, it emerges a large consensus in the municipalities that municipal work is, and will continue to be, increasingly more important. It is emphasized that municipal planning should be both comprehensive - across disciplines, departments and service areas - and long-term. This requires municipalities to have access to good, sufficient and relevant expertise.

### **Future competence needs in technical sector**

Future trends indicate that municipalities will need more engineers, particularly those with competencies within water and sanitation (VA), but also more transversal competences related to strategy and planning, purchasing and orders, legal issues, project management, and IT / technology. This means there are both room and need for more (new) professions in municipal technical sector.

Large municipal organizations are generally better equipped than smaller municipalities in terms of access to qualified labor. The municipalities that do not have significant challenges in recruiting skilled labor are mainly municipalities / companies with academic environments of a certain size, and which have a certain financial maneuvering ability. This project gives, however, reason to point out that there are several factors that make municipalities an attractive and competitive employer, but that there is a need for municipalities to become better at marketing themselves to potential employees:

- There is a need for more active communication towards students and graduates within technical subjects to highlight and promote the tasks and professional development opportunities that exist in the municipal technical sector. This includes for example that the municipalities participate in career days and hold guest lectures at relevant UH - institutions, that they offer summer jobs and opportunities for student assignments, and that they strengthen their recruitment efforts in terms of both content and use of recruitment channels

- It is important that the municipalities as an employer facilitates academic career paths and development opportunities, including career development independent of one's manager, and professional advancement
- One move to strengthen municipal attractiveness in this field could be to establish strong professional communities through cooperation with other municipalities, or by gathering the relevant technical competence in the municipality in a department / unit. It may also involve designing clear strategies and plans that highlight municipal future projects and ambitions of the municipal technical area towards students and future candidates for positions in technical sector. This may mean inviting students and UH - communities actively to get them involved in joint research projects, providing work placements and opportunities for student assignments, and invite relevant candidates and institutions to visit and having a dialogue on challenges, opportunities and needs in the municipal technical sector

Beyond this, the attractiveness may increase through marketization of wages and strengthened professionalism through closer dialogue with the UH - sector. The latter may be important both to increase attractiveness, recruitment and supply of qualified candidates as well as contribute to more practice relevant disciplines. Closer cooperation could also result in specific research and development projects that can benefit both parties. Findings from this and previous projects show that there are significant and unexploited potential for cooperation between the municipal technical sector and universities and colleges.

### **Organization of technical services**

The municipalities' desire for rational operation has led to the use of alternative organizational solutions in the technical sector rather than the classical agency model. This includes municipal enterprises (KF) and inter-communal companies (IKS). Such solutions have both advantages and disadvantages, and this project does not give a clear answer to what is "best" in terms of organization of municipal technical services. Instead, the assumption that the "right" organization will depend on various local and contextual factors, is strengthened. The following are important prerequisites for solid assignment work:

- First, the size of the technical units is important, because it often creates stronger and more solid academic environments, better basis for recruitment of candidates, more rational and efficient operations and greater financial strength and vigor. One initiative in this context is cooperation across municipal boundaries. Such cooperation contributes to larger units and increased capacity and increased opportunities for professional dialogue, exchange of experience and quality development
- Second, it is important that municipalities organize themselves in a way that supports holistic thinking and interaction in terms of planning, strategy and goal development, execution, and control of municipal technical tasks. Collaboration in municipal work emerges as particularly important. This means that sector-specific expertise is drawn into the strategic planning, so that one can influence solutions when the opportunity is greatest and when strategies are made
- Third, the project shows that culture, leadership and governance (where services are organized as a company) are essential for solid assignment work in the sector, irrespective of organizational structure. Good culture and leadership involve both clarity and forceful implementation from the manager's side, and that the manager promotes mastering, motivation and satisfaction among employees by facilitating innovation, learning and development. Good corporate governance requires clarity of roles and responsibilities, and processes that facilitate good and regular dialogue between politicians and administration

### **Collaboration with local and central government**

Municipal technical sector is affected, like other sectorial areas, of policy signals from both local and central authorities. When it comes to local government's management of the sector, it is crucial how technical services are presented to politicians in the municipal council. The municipal council is the formal owner of buildings and infrastructure in the municipalities and priorities are made through decision. A means to hold local elected officials accountable is to give them an insight into the consequences of not allocating the necessary funds for maintenance.

The major decisions are made frequently during the processing of the budget and finance plan. Findings from the present and past projects indicate that technical services is a balancing item of many municipal budgets, especially when it comes to maintenance of building and infrastructure:

- One hypothesis is that technical services are losing the battle for attention and funds in the budget because the basis for decisions presented from administrative level to politicians are not good enough. We therefore examined whether it actually is a fact that technical services are presented in a worse way than other services in municipal policy documents. However, we find little support for this hypothesis. Yet, even if it is not reflected in public policy documents, it is perceived that the municipal technical services are more politically invisible than other municipal service areas
- When it comes to relations with the central government the technical sector is less uniform than other municipal service areas. Several ministries, directorates and agencies are responsible for various municipal technical areas and control hierarchy is consequently less transparent and uniform compared with other service areas. This typically results in the municipalities receiving conflicting orders and sanctions from various authorities which can make it challenging to know what to prioritize. Good, holistic and normative governance documents in municipalities are important to handle this governance challenge
- Findings from this project show that municipalities could benefit from more professional guidance and financial support from governmental level to stimulate quality and professional practices in the technical sector. Disparities between national accounts consumption of fixed capital calculations and depreciation in the municipal accounts KOSTRA indicate that municipalities have fewer resources for maintenance, development and upgrading of the technical infrastructure than what the state uses as basis to award grants to municipalities. It can therefore be considered to design incentives or requirements for municipalities so they put aside sufficient funds for maintenance to prevent further decay of the municipal capital