

Case study – “ICAS” Inter-municipal application-sharing

1. Summary

This case study covers the pilot activity in Dalane related to strengthening inter-communal cooperation and reduction of cost by application sharing (ICAS).

Dalane comprises of four municipalities; Eigersund, Bjerkreim, Lund and Sokndal. In 2005/2006 these four municipalities invested in a common fibre-optic backbone connecting the four city halls of Dalane with a shared internet access point, including a common firewall.

The focus now was shifted to putting this new infrastructure into good use. An obvious answer to this challenge was a joint purchase and implementation of the main administrative system in the four municipalities.

However this goal was an ambitious one given the fact that this software is used on a daily basis by all employees doing procedural work in the municipalities like building matters, social work and political protocols and so on. Doing this upgrade in four municipalities at the same time, also presented us with some challenges.

This being said, the biggest challenge of them all was to motivate the city managers and anchor the “outsourcing” of the running of the shared application server to only one of the four municipalities in the collaboration. In the end we succeeded with this process in all but one of the municipalities; Lund. However Lund also participated in the preparations, the joint tender and of course the common training of staff.

In retrospect this pilot activity has given us valuable lessons in doing inter-communal work, especially in terms of motivating and committing the participating parties to staying in project until end of delivery. It is our experience that technology may be a minor factor in succeeding with application-sharing compared to good project management and will to reorganize existing organizations by stakeholders.

2. Background/conditions

2.1. Geography

Dalane is situated in the southern part of Rogaland county on the west coast of Norway. The region comprises of four municipalities, Eigersund, Bjerkreim, Lund and Sokndal. The topology of this rural region is characterized by hilly landscape with small mountains, valleys and small fjords.

2.2. Social

Dalane has about 22.000 inhabitants in total. Eigersund is the biggest municipality with over 13.000 of this population. Eigersund also has the city-centre of the region. Although some people in Dalane are commuters working in the Stavanger-area or offshore, Dalane is mainly a labour market on it's own with people living for instance in Eigersund going to Lund for day-time job and vice versa.

The Dalane-region has, like the rest of Norway, a very low unemployment rate for the time being. The city-centre Eigersund is booming with new shopping malls and apartments being built at a rate making skilled craftsmen and needed equipment and excavators hard to come by. Mobility in local labour-market is at an all-time high.

2.3. Political

The local elections in September replaced all of the prior mayors, but the division of powers amongst political parties remains much the same. The labour party has the mayor in municipalities Sokndal and Lund, while the conservative party controls this position in Eigersund and Bjerkreim. The four city councils elect representatives to the regional council; Council of Dalane.

The Baltic Rural Broadband activities are managed from the administrative body of the Council of Dalane, namely the Business Manager's office.

2.4. Attitude

There is skepticism towards inter-communal cooperation, especially in the smaller municipalities. The topic of reducing the number of Norwegian municipalities through mergers is a complicated matter. The smaller municipalities fear that inter-municipal cooperation might be the first step into abandoning their own administration. Loss of rural jobs and self-government are common arguments not to participate, while others claim this kind of rationalization is the only way to keep existing municipalities capable of existing on their own in the future. These issues are very relevant to our Baltic Rural Broadband-activities given their nature as inter-communal attempts at

cooperation.

2.5. Availability of Knowledge

The ICT-staff of local municipalities are competent, and have a well-developed network of consultants where needed. Availability of knowledge in terms of technical solutions is not a big problem, compared to lacking experience and work-related procedures in running shared tenders and implementation of new software for instance.

3. How are decisions made?

3.1. Decision makers

The stakeholders in the Baltic Rural Broadband-activities are mainly the city managers and ICT-managers of the municipalities, and of course the regional project manager.

3.2. Why was the decision taken?

The decision to go ahead with an application-sharing project was made for several reasons. Of course the potential of the investments on a fibre-optic backbone between the city halls should be pursued in concrete measures.

We've also touched on the political climate in Norway calling for rationalization of the municipal organization (2.4). The four municipalities proving their ability to cooperate with each other on an operational level thus becomes a goal in itself.

Finally the decision to go ahead with application sharing, of course, also was made on economical reasons.

3.3. What was the main impact for the region

The main impact would be the fact that tax money was saved implementing a joint purchase, training, installation and and running of new administrative software in the four municipalities. Even though one of the municipalities, Lund, backed out on the operational part of the cooperation buying their own hardware, the project is considered a success.

“Learning by doing” is a good way to explain the benefits of this project besides the financial gains. Hopefully the experiences made during this project activity will lower the threshold to participate in similar activities in the future.

3.4. What are/were problems?

The main problem has been the skepticism towards and the lack of routines doing something in a new way.

Especially ICT-managers in the smaller municipalities were put to the test having to give up some control by outsourcing the operation of the server to Eigersund. We can't hide the fact that

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one of the municipalities was very reluctant to going all the way in this cooperation, and in the end, Lund actually ended up buying their own hardware instead of going ahead with the others on the final goal of a shared application-server.

Secondly, the project management has been difficult. First of all, decision makers in the municipalities are not used to being “coordinated” by external management. Add the fact that the project manager was changed during the period, and you have a real challenge at your hands. In practice much of the day-to-day technical management of the project was done by the head of the secretariat in the municipality of Eigersund.

3.5. Stakeholders (public/private – motivation)

The decision-makers of this project were the city managers and their advisors, mainly the ICT-managers. As discussed in previous chapters, their motivation was coloured by factors such as control with own resources, positioning in terms of long-term trends towards merger of smaller municipalities into bigger units, and of course desire to prove critics wrong and show that inter-municipal cooperation is possible. The potential expenditure cuts in this projects was also an important point.

4. Model of financing

4.1. Investment

The investments in equipment (software/hardware) and personnel was shared between the municipalities and governmental funding.

The Baltic Rural Broadband-angle of this project is promoting the use of broadband-technology with stakeholders, and creating good routines that may be documented for the benefit of transnational partners. The BRB-funding thus covers part of the project management costs, and the use of external consultants. Finally the regional Council of Dalane covers 70% of the costs related to project management by its administrative body.



5. Work process – the implementation

- a) Establishing workgroups and steering committee
 - a. *Steering committee (SC).*
(leader: project manager Valentin Svelland)
 - b. *Main workgroup – “joint administrative system”* (leader: head of secretariat in the biggest municipality; Eigersund: Leif Broch).
 - c. Initially meetings were held in each sector too throw light on other areas of municipal administration where new co-operations would be possible.
Group leaders reported their findings to the SC.
- b) Drawing up an formal co-operation agreement in SC.
- c) Initiating tender by decision in SC. Task carried out by main workgroup assisted by external consultant to oversee process.
- d) Selection of software-solution and purchase.
- e) Collective training of staff in the municipalities.
- f) Implementation of chosen software on shared application server.
- g) Operation initiated.

6. Recommendations and advice (steps and process you have to be aware of)

Early on in the process a steering committee was established to oversee the work to establish a shared application-server. This committee consisting of city-managers and ICT-managers from each of the four municipalities was crucial to addressing potential pitfalls of the cooperation. Stakeholder’s commitment to the main objective are of the utmost importance.

This group functioned very well, but still there were problems not surfacing in this forum. With hindsight, it would be fair to admit that reporting routines should have been even stricter, perhaps with periodic feedback forms from key personnel. Also, the resolution to participate fully in the new shared application-server, and to let go of in-house operation of this software, should have been taken to a second vote. With the municipality of Lund’s reservation in this matter, we didn’t get a formal commitment authorized from all of the four city-managers.