

# NNR's Municipal Review Final Report 2016

The application of regulations and supervision  
in Sweden's municipalities



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# NNR

BOARD OF SWEDISH  
INDUSTRY AND COMMERCE  
FOR BETTER REGULATION  
– CUTTING RED TAPE FOR BUSINESS –

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## Foreword

The business climate in Sweden is created by many different factors. Customer demand and competition from domestic and foreign commercial players are essential elements, but they are difficult to influence. One element of the business climate that can be influenced is the application of the various regulatory frameworks that govern the operations of companies. Regulatory frameworks are adopted at a national level by the Swedish parliament (the Riksdag), the government and government agencies. To maintain and strengthen a good Swedish business climate, growth and competitiveness, the regulatory frameworks must be as clear and cost-effective as possible, and their application should be predictable with high legal certainty.

Many regulatory frameworks that govern the operations of companies are applied by municipalities. The application requires a certain amount of interpretation of the regulatory frameworks, both by the municipality (at an overarching level) and by the individual administrator (at a more detailed level). But even the clearest and most cost-effective regulations must be interpreted; no regulation can be sufficiently detailed to preclude the need for interpretation or application.

The interpretation and application of the regulatory frameworks can, in fact, be influenced by the municipalities. Companies request regulatory frameworks that are predictable and create equal conditions for companies all over Sweden. The predictability of a regulatory framework is governed by two factors. Predictability is, in part, governed by how well an entrepreneur perceives that the regulatory framework agrees with the actual outcome when applied, and, in part, by how well the entrepreneur's experience of how the same regulatory framework was applied on an earlier occasion and/or in a different location, agrees with the actual outcome when the entrepreneur comes into contact with the regulatory framework again later on. Good predictability in both aspects contributes to the perception of a legally certain regulatory framework that creates fair and equal conditions for companies.

Over the years, NNR has understood from companies that they do not always recognise how the regulatory frameworks are applied in different municipalities. An entrepreneur's experience-based perception of how a regulatory framework is applied is based on how the regulatory framework is applied by the first municipality in which they are active. When the entrepreneur later expands their operations to another municipality and discovers that their previous experience-based perception is no longer valid, problems arise. A new, experience-based learning process must be initiated. This learning process consumes some of the time and resources that the entrepreneur could otherwise have spent on operating and developing their business. The inability to rely on their own knowledge of how national regulations, such as the Swedish Alcohol Act, are applied causes uncertainty for the entrepreneur. Taken together, this results in a poorer business climate than would otherwise have been possible.

The entrepreneurs' perception of not being able to rely on their own experiences prompted NNR to investigate whether this perception is founded.

This report summarises the results and knowledge on municipal regulatory application that NNR obtained from responses to questionnaires sent to municipal civil servants in February 2016 regarding the six areas dealt with in the project 'Regulatory application at a municipal level'.



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# 1. Introduction

Changing and improving business regulation is a topic that is often raised on the political agenda when the overall business climate is being discussed. Entrepreneurs and business organisations frequently identify various aspects arising from the regulatory framework that are seen to be a cost driver or having a negative impact on potential growth. Issues regarding the design of various regulatory schemes are attracting increasing attention, both in Sweden and internationally. There are certainly many reasons for this growing interest, but, importantly, increasing globalisation has brought the regulatory frameworks in many countries into competition. The competitiveness of companies is based on certain fundamentals, such as regulatory costs and supply and demand in the market. Another explanation may be the major differences in how regulatory frameworks are applied at a local level, such as by county administrative boards and municipalities.

The Swedish government has initiated efforts to facilitate for companies at both municipal and regional levels. These efforts have taken the form of mandates to the Swedish Agency for Economic and Regional Growth regarding efforts made by municipalities and to Kronoberg County Administrative Board regarding the efforts of county administrative boards. The final reports for both mandates were presented in 2015. The organisation for municipalities and county administrative boards, the Swedish Association of Local Authorities and Regions (SALAR), conducts its own work to improve the municipal business climate and facilitate for companies. One such example is the arrangement of training for municipalities and the implementation of regular surveys on the municipal organisation's availability and services to companies. At a local level, many individual municipalities have their own initiatives to assist companies. One such example is Tillväxt & Tillsyn (growth and supervision), a project run by the municipality of Rättvik in cooperation with the non-profit organisation Tillväxt & Tillsyn. The number of municipalities that are members of the organisation is increasing steadily.

The ongoing work at both local and regional levels is important and should continue. However, NNR believes that concrete measures must be undertaken to prevent substantially different processing times, diverging legal applications of the same regulatory frameworks and supervision fees that have no clear link to a service in return.



## 2. Background

In April 2010, NNR decided to initiate a project on regulatory application at a local level. The project focused on processing times, services guarantees and fees related to licences, permits and supervision in the areas of alcohol licences, environmentally hazardous activities and building permits. The project also looked at 'business pilots' or 'one way into the municipality'. The main purpose of the project was for municipalities to review their application of regulations, practices and services governing the supervision of and charging of fees from companies with the aim of making the application of regulations more uniform, predictable and efficient, as well as less costly for companies. In 2012, NNR decided to continue the project, and a new survey was carried out in October the same year. This was, in part, a follow-up to the 2010 survey, but it also entailed an expansion of and changes to the survey. The area of food control was added, the functions of business pilots were investigated and the survey's questions in the building permit area were changed due to new legislation in the area. The survey carried out in February 2016 is partly a follow-up to the two previous surveys, but it also involves an expansion of and changes to the survey. The area of public procurement was added and the survey's questions relating to business pilots, food control, environmentally hazardous activities, alcohol licences and building permits were partially expanded and adapted to matters of current interest.

Within the framework of the projects, six partial reports were presented – one for each area covered by the project. These reports were based on the survey that was carried out in February 2016, which was aimed at municipal civil servants in charge of permits, licensing and supervision related to alcohol licences, building permits, environmentally hazardous activities and food control. The survey was also aimed at the municipalities' procurement and purchasing departments, and included questions regarding the application of, information on, follow-up on and organisation of public procurements. The survey was further aimed at municipal heads of industry and commerce (or the equivalent) regarding business pilots/'one way into the municipality' and their roles/functions. Contact details of civil servants in the municipalities were collected from each municipality's website and directly from the municipalities. The questionnaires were preceded by a control mailing to ensure that the contact details were correct and that no municipalities that wanted to respond would miss the opportunity.

The questions outlined in the online questionnaire were developed by NNR in dialogue with entrepreneurs and experts and reviewed from a methodology and survey perspective by Statistics Sweden. The questions were also tested across a number of municipalities before being finalised. In addition to general questions relating to contact details, the questionnaires contained 8–11 further questions. It was also possible to insert written comments for all of the questions, and many municipalities made extensive use of this opportunity.

To enable comparisons among municipalities, NNR provided fictional case studies to use as examples, for which the municipalities were asked to state their processing times and fees.

This report summarises the six published follow-up reports from 2016 regarding regulatory application at a municipal level.



### 3. Results from NNR's review

NNR has reviewed six areas in total that are relevant to the municipal business climate: alcohol licences, building permits, environmentally hazardous activities, food control, business pilots and public procurement. Four of these areas are directly related to the municipal application of regulations, which makes them particularly interesting for identifying the underlying reasons why companies perceive that there are such major differences among municipalities. The four areas are alcohol licences, building permits, food control and environmentally hazardous activities.

Differences in the application of regulations are difficult to document directly, so NNR has tried to identify them by documenting their symptoms, including processing times, fees and risk assessments. NNR believes that there may be several explanations for the differences in processing times and fees, but that the differences indicate a difference in the amount of time spent by municipalities on the same task. The fact that the amount of time spent on the same task differs indicates a difference in the way the regulations are read and interpreted.

To obtain comparable data from the municipalities, NNR has used fictional case studies in the questionnaires, so all municipalities have provided information based on the same basic conditions. To create a picture that is as comprehensive as possible, NNR has posed questions to the municipalities regarding several different areas of supervision.

#### Alcohol licences

NNR asked how long it takes from when a complete application has been submitted to when a permanent alcohol licence is granted by using a simple fictional case study. Processing times for the case study were shown to vary throughout the country, from 1 to 12 weeks. Regionally, there are variations from 3 to 12 weeks between municipalities that are located right next to each other.

The number of municipalities that offer a service guarantee in relation to the processing time (60 percent offered such a guarantee in 2016) has increased since NNR's 2010 municipal review, which is a positive statistic for the business climate. However, many municipalities that offer a service guarantee have a guaranteed time that considerably exceeds the average processing time, which may confuse companies. Also, only 5 municipalities in Sweden offer some form of deterrent if the service guarantee is not met.

As an example, the fee for the alcohol licence in the case study ranges from SEK 1,200 in the cheapest municipality to SEK 14,800 in the country's most expensive municipality. Between two relatively similar neighbouring municipalities, fees range from SEK 6,500 to SEK 12,565 for the same licence.

#### Building permits

In the survey, NNR asked about the processing time for a simple building permit case study, and it turned out that it varied from 1 to 10 weeks throughout the country for the same case study. Regionally, there are examples of neighbouring municipalities with a variation from 2 to 10 weeks.

With regard to the fees for NNR's building permit case study, there are vast differences, ranging from just over SEK 5,000 in the municipality with the lowest fee to SEK 170,000 in the municipality with the highest fee in the country. Regionally, fees in neighbouring municipalities can vary from SEK 29,000 to SEK 107,000 for the same case study.



## Environmentally hazardous activities

With regard to supervision fees for environmentally hazardous activities, NNR enquired about the supervision of a small car wash business. In one region, NNR noted that one municipality planned to carry out one inspection visit per year and charge an annual supervision fee of SEK 1,200, while an adjacent municipality planned to carry out one inspection visit every two years but charge an annual supervision fee of SEK 14,250. Disregarding the cost of administrative supervision at the municipal office, this would mean a variation in cost per inspection visit from SEK 1,200 to SEK 28,500 for supervisory work based on the same legislation.

Many municipalities in Sweden interpret the meaning of the regulatory framework differently, believing that the need for supervision varies depending on whether or not the companies hold a third-party certification. Nine percent of municipalities believe that the third-party certification has a major effect on the assessment of the need for supervision, while 30 per cent of municipalities believe that it does not affect their assessment at all. This contributes to companies perceiving the major differences in applications as worrying.

## Food control

Food control is the most distinct example of how municipalities interpret regulations completely differently. NNR posed several questions regarding the municipalities' application in relation to regulations on food control. The law sets out a system for the risk classification of grocery stores, which NNR referred to in one of the questions. Most municipalities classified NNR's case study store in risk class 6, which means an annual inspection time of 4 hours. In most regions, however, some municipalities placed the same store in risk class 2, which means an annual inspection time of 20 hours. NNR also asked a question about 'information supplements', which involve the time municipalities consider that they must spend on verifying the labelling in the case study store. Most regions have a variation ranging from 1 to 8 hours for the same case study. Along with the hourly fee, which varies from SEK 700 per hour to just over SEK 1,300 per hour in the country, most regions have extremely large variations in the annual control fee, which varies from SEK 5,000 to just over SEK 25,000. NNR also enquired how many visits were planned per year, and this varied from 1 to 3 visits. In this respect, the fact that the municipalities interpret their supervisory duty in relation to food control differently is shown by some municipalities planning to spend 20 hours on a single occasion while neighbouring municipalities plan for two visits with a total inspection time of 8 hours.

The mix of fee financing and tax financing in the municipal supervisory activities referred to by many municipalities as an explanation for the differences in other areas of supervision does not apply to food control. According to the Swedish Ordinance (2006:1166), regarding fees for the official control of food and certain agricultural products, municipalities are obliged to finance their control activities through fees only. Even though this factor does not affect actual fees, NNR noted that there is the same amount of variation in the area of food as in other municipal activity areas that it reviewed. NNR therefore believes the issue of tax to be of little consequence in relation to the variations observed.

## One way into the municipality/business pilots

Problems in the application of regulations may, to some extent, be counteracted if the companies that are subjected to them receive clear explanations and good guidance when they are dealing with the interpreters of the regulations (each municipality). Business pilots may constitute an important part of such guidance. If properly devised, a business pilot may act as the entrepreneur's own consultant and as an entryway to their relationship with the municipality. To contribute in





the best way possible, the business pilot must receive several different mandates from the politicians. The mandate that may be of the greatest significance is the ability to drive processes forward, in part to minimise time loss and in part to proactively solve any problems that may arise. The proactive driving force needed by companies cannot be provided without a strong political position that works in favour of a positive business climate.

Many municipalities are proactive in their relation to companies, such as by introducing a pilot function, but these actions must become more systematic. NNR has noted that the proactive behaviour tends to be relatively dependent on the individual. A truly beneficial business climate in Sweden requires all entrepreneurs, regardless of their situation or circumstances, to be treated and guided in a forceful, driving and proactive manner.

The option for companies to monitor and manage their applications online is still limited. Only 21 percent of the municipalities that responded to NNR's questionnaire stated that companies can monitor one or more applications online. One of the most important advantages of the ability to monitor an application online is increased transparency and accessibility in relation to the companies. It also saves time for the companies and the municipality, as there is no need for the company to call or write to ask if the application has been received or to ask what stage the case has progressed to, who the administrator is, etc.

## Public procurement

The rules on public procurement are intended to remove actions that restrict competition and protect suppliers against arbitrariness among the procuring authorities. Competition among companies ensures that better products, services and terms can be offered to meet public requirements. The manner in which the municipality applies these rules affects how well the competition works, which means that it also has an effect on the general business climate.

A municipality may influence the number of tenderers by keeping companies informed of current procurements and of how procurements work in general. A municipality's provision of information can be devised in different ways, and in the report 'Offentlig upphandling, tillämpning, information, uppföljning och strategi', NNR has attempted to identify effective working methods that contribute to a strengthening of the business climate. Three percent of municipalities always enter into a dialogue with companies prior to the preparation of enquiry documents, but 10 percent never do. Stimulating the innovative ability of companies through arranging 'functional procurements' is another way that has been used by 42 percent of municipalities at some point over the past three years. Follow-up contacts with companies that submitted a tender but did not win the procurement is one way of providing information on procurements at a point in time when the entrepreneurs are particularly susceptible to receiving such information. Such follow-up conversations are always held by 2 percent of municipalities, while 34 percent of municipalities never hold them.

Following up on the requirements posed during the delivery period is a way of making all companies' more willing to submit a tender in the next procurement. Companies that deliver on promises should be recognised for their achievements, and those that cannot manage the tasks they have been assigned should be made known to the authorities. Thirteen percent of municipalities always monitor requirements posed during the delivery period, while 46 percent only do so from time to time.

NNR also discovered that how the head of procurement function is organised can have a significant impact on how procurements are integrated into the municipality's general industry and commerce policies. If the head of procurements/purchasing is placed in the municipality's management team, this may contribute to treating procurements as the strategic instrument that it is capable of being.



## 4. Conclusions and actions

### Fees and tax financing

One reason for the considerable differences in fees that is highlighted by municipalities in their communication with NNR is that not all municipalities finance all of their activities with fees, as some of the activities are partially funded by taxes. Based on this reasoning, the most expensive municipality could be entirely fee funded and all other municipalities may be partially tax funded. NNR believes that this factor has a natural effect on the differences observed, but that it is insufficient as an explanation of the significant differences. Within food control, there is no tax funding, but NNR has still noted differences of the same significance as those highlighted in the other reviewed areas. According to NNR, this shows that the tax factor has a relatively minor impact.

### Fee systems

The design of the fee systems may also affect the business climate by making the system transparent and logical for the fee-paying companies. From the companies' viewpoint, fees can often be likened to the purchase of consultancy services, such as a quality assessment. The supervision provided by the municipality is not voluntary, but based on the principle that it undertakes certain measures to ensure regulatory compliance and charges a fee for this. Many municipalities take a subscription-based approach to their supervision. Companies pay a fixed fee in advance but then have to wait and see which supervisory activities the payment result in, if any. If there is no time to carry out an inspection, many municipalities explain to the companies that there will be double the amount of inspections in the following year – a 'supervision debt'. In this context, NNR queries whether an activity will be safer just because the municipality's inspector spends double the amount of time on inspections the following year. If the inspector finds that an activity is well managed, there is no reason to spend an additional 10 hours on the inspection just because there is a supervision debt. Unfortunately, this is just one example of how the fee system is applied in an illogical manner.

Companies find it acceptable to pay for inspections that actually take place, but they find it logical to pay after the inspection in question has been carried out. Naturally, there is some logic to pay in advance for recurring supervision at the municipal office that is carried out annually, as a matter of routine. However, entrepreneurs prefer to pay less if an inspection visit is cut short, because it is clear that the company's activities are of a high standard, and more if the visit takes longer due to discovered deficiencies. The trust in the municipality's supervision is reinforced if an entrepreneur can see what they pay for. A service provider that charges a standard fee in advance starts off from a position where they will be doubted. Distrust is a poor basis for successful supervisory work, but charging the main part of the inspection fee in arrears would be a simple solution to this problem.

In addition to the payment model, the attitudes of the municipal supervisory personnel are crucial for creating trust in the supervisory work. NNR, like a number of municipalities in Sweden, believes that a focus on dialogue in the meeting between companies and supervisory personnel creates the best conditions for long-term, continuous safety for the population in the municipality. With the right attitude, the municipality's supervisory personnel can strengthen the entrepreneur's desire to do things right and ensure that the entrepreneur acts as the supervisory department's on-site representative in the business on a daily basis. Daily supervision through a representative is better than strict troubleshooting once or twice a year.



Following the observations above regarding the municipalities' supervisory and service activities, NNR believes that these differences cannot be fully explained by differences in costs for salaries or premises, geographical differences or other different circumstances. The differences that are observed must also depend on the fact that municipal administrators differ in the way they read, interpret and apply regulations.

## Consensus

What can be done to address these differences? NNR takes it for granted that most municipalities already have procedures in place for handling individual differences (in relation to processing applications) between administrators in the same department within a municipality. For example, the municipality probably has methods to counteract the risk that one building permit administrator is known to be 'less strict' or 'more strict' than another building permit administrator. One way of achieving this is to ensure that the building permit administrators in the municipality meet regularly to discuss consensus in their assessments. It should be possible to apply the systems for creating consensus, both internally in the municipality and also at a regional level, when administrators from adjacent municipalities meet. It should also be possible to raise this work on achieving consensus to a national level.

NNR believes that one of the keys to reducing differences between municipalities is to expand both the work on identifying forums and the tools for increased consensus. The responsibility for this rests not only with the municipalities, but also with SALAR and the government agencies. Central guidelines and application documents issued by SALAR or the regulatory authorities are another conceivable method. Another important part is to enable the access to and increase the exchange of data and information electronically between municipalities. If municipalities have easy access to other municipalities' assessments in similar matters and are able to measure and compare resources and efficiency, the application can become more uniform and good examples can be disseminated. Working to achieve a consensus should consist of discussing case studies, with the starting point that there may be no right answers but there are diverse ways of reasoning, which can be developed and refined through dialogue.

The major differences that have been noted by companies and repeatedly documented by NNR are unacceptable, especially considering the fact that there are reasonably easy ways that may materially reduce the differences, thereby strengthening the business climate in Sweden. NNR believes that Sweden's municipalities must undertake all conceivable measures to correct the situation, which, in turn, will have a positive impact on the factors of the business climate that are at the disposal of the municipalities. If ambiguities and/or a lack of efficiencies in the underlying regulations are discovered during the process, municipalities should, of course, take the initiative and demand that adapted regulations are developed by the Riksdag, government and/or government agencies. One such example that has been identified by NNR in its surveys is the principle of when and how inspection fees are charged. NNR believes that it would be more advantageous to charge a part of the inspection fee in arrears.

## In-depth studies

The differences documented in NNR's surveys have in some ways been described in a comprehensive manner, and in-depth studies of the municipalities' application efforts would be beneficial. These could comprise in-depth interviews with municipal administrators or additional surveying of one of the areas reviewed by NNR, from a sample of municipalities. The municipalities could be selected based on the extremes in NNR's surveys or by choosing municipalities that show different results in SALAR's 'insight' surveys compared with the Confederation of Swedish Enterprise's surveys on local business climates. Another possible measure would be to review and



compile existing data held by government agencies or individual municipalities. One example is the building permit statistics for homes and business premises produced by Statistics Sweden. These statistics show the number of building permits and apartments and the gross area for building new homes, holiday homes and business premises. The statistics contain all new building projects that require a building permit and show the actual construction by type of building, etc.

NNR is happy to contribute to a continued dialogue regarding the interpretation and application of the regulatory framework, in part through the reports on the municipal application of regulations (which is available to download from [www.kommungranskning.se](http://www.kommungranskning.se)) and in part through the different forums in which NNR's representatives participate.



## 5. NNR's recommendations

### One way into the municipality/business pilots

**1. All municipalities should provide one way in for companies, often referred to as a business pilot.**

A business pilot should be made available during the hours stated. Ensuring a high level of availability means that the business pilot should be a key part of the municipality's administrative structure, so that all employees in the municipalities are familiar with the business pilot's role and significance. An entrepreneur should not need to have contacts of their own to end up in the right part of the municipal organisation. The system should also be adapted to entrepreneurs who are less well versed and/or less active in social networks.

**2. The business pilot should have an informative, coordinating and driving role.**

It should be possible for the business pilot to provide comprehensive information on the regulations that apply to the company's operations and on how to comply with such regulations. The business pilot should coordinate various applications and transmit information to and between various administrative channels. The business pilot should act as, or someone should be appointed to act as, the company's contact and be responsible for following up on the matter. The business pilot should also act as a driver to ensure that the matter is handled as quickly as possible. One of the main elements of the role should include helping the entrepreneur with alternative solutions, i.e. if there is a risk that a permit or licence will be denied.

**3. The municipality should coordinate its administration of cases where various permits or licences are required.**

The administration tasks that are carried out within the municipality's administrative channels in relation to various permits and licences that are required for a company's operations should, as far as is reasonably practicable, be coordinated and carried out simultaneously. In connection with this, companies should be offered the opportunity to meet the various administrators involved in the case, either together or individually.

**4. It should be possible for a company to monitor its applications with the municipality online.**

More municipalities must offer their entrepreneurs the option to monitor applications online. Municipalities that do not offer this today should introduce it gradually, by identifying types of applications that have higher priority and then extending the service to cover more areas.

**5. Municipalities' websites should contain or refer to clear and easily accessible information on the rules, requirements and fees that apply to companies' different activities.**

Information on rules, requirements, fees and contacts must be easily accessible on the municipality's website and adapted to companies' needs, so that companies can obtain knowledge quickly and easily in relation to their operations. Large companies with establishments in several municipalities may benefit if information on the application processes for different permits and licences are easy to find, by structuring municipality websites using a logic that can be recognised from municipality to municipality.

**6. In their contacts with entrepreneurs in the municipality, municipalities should choose a method that entails maximum availability and the opportunity to pose follow-up questions.**

At every important stage of a case's administration, the entrepreneur should be offered the opportunity to pose supplementary questions easily and directly to the administrator or business pilot.



## Public procurement

### **1. All municipalities should have a strategy for providing information to companies on current procurements.**

With strategic information work, NNR is of the opinion that municipalities should identify ways of also reaching companies that do not actively seek information on current purchases and procurements and have not previously participated in procurements. With a developed strategy, the number of tenders per procurement would increase, which would benefit the municipality by way of increased competition. It would also benefit the business climate, as more companies would be given the opportunity to sell to the municipality. Strategic information efforts could also include contacts with companies that did not win in a procurement.

### **2. All municipalities should consult companies prior to the preparation of enquiry documents.**

A good dialogue with companies would make it more likely that the enquiry documents contain a description of requirements that is adapted to the latest and the best that the market can offer, and therefore result in more companies being able to submit tenders.

### **3. All municipalities must regard procurements and purchasing as a strategic area.**

Strategic work can comprise many different elements. One such example is when a municipality applies the regulatory framework in a manner that encourages companies to submit tenders. Another example is to involve the heads of procurement and purchasing as early as possible in the municipality's overarching decisions, including in the management teams. At the same time, the heads of procurement and purchasing must utilise the skills available from various heads of the municipality's channels, to ensure that requirements are as consistent as possible in relation to the needs of those channels. Another way is to devote resources to the purchasing and procurement function to increase the skills of the employees, especially regarding market knowledge and familiarity with the companies that are current and potential suppliers.

### **4. The procurement professionals' work on creating a dialogue should also include an evaluation of expired procurement contracts.**

Through follow-up conversations with the companies and municipal channels, the procurement professionals can improve their skills within the area and carry out an even better procurement process next time.

### **5. All municipalities should continuously monitor whether requirements are met during the delivery period.**

Such monitoring encourages the suppliers to maintain the quality of their ongoing deliveries, while raising the quality of future tenders by making companies aware that there will be a follow-up, which will encourage them to submit more properly worked out and sustainable tenders.

### **6. All municipalities should involve their industry and commerce departments in their work on developing their procurement and purchasing activities.**

NNR believes that strategic work on purchasing and procurement activities can be included in a municipality's business strategy.

### **7. Minor municipalities should seek to cooperate with other municipalities regarding the procurement function.**

Cooperation between municipalities can take several forms. When cooperating across municipal borders, procurements must be packaged in a way that allows small companies to submit tenders for separate parts of the contract. Companies benefit from cooperation across municipal borders, as each municipality gains access to increased procurement skills.



## **Alcohol licences, building permits, food control, environmentally hazardous activities**

### **1. All municipalities should offer a service guarantee for alcohol licences and building permits.**

The service guarantee should include an undertaking that the municipality must decide whether or not to grant a licence or permit within a certain given time, and that the fees will be reduced or waived if the municipality fails to meet the guarantee. The guarantee should also contain undertakings to the effect that the companies are assured clear information on what an application should contain, how and when decisions will be made and to whom they can turn with questions and complaints.

### **2. Municipalities should decide whether to grant an alcohol licence or building permit that complies with the detailed development plan within no more than 3 weeks (in both cases, this refers to simple matters).**

If licences and permits are granted more quickly, companies can begin their operations earlier. Today, some municipalities are able to make such decisions within 3 weeks of a complete application, so this period of time should apply as the main rule for all municipalities and be included in a service guarantee. Municipalities should also measure and categorise different types of matters regarding processing times and set targets based on this.

### **3. All municipalities should clearly report and justify the factors used as a basis for the classification of the municipality's food facilities and environmentally hazardous activities as well as the municipality's hourly rate.**

The costs included in the calculation of fees should be stated clearly on the municipalities' websites and information materials.

### **4. The municipalities' fees should be more clearly linked to the services provided by the municipality to the individual company (applies to all areas listed above).**

It should be clear when, and for what, fees are payable by companies. Regarding supervision, fees should chiefly be charged when an on-site inspection has been carried out or the company's documentation has been verified. When fees are calculated or adopted, the link to the work carried out by the municipality with regard to the individual company should also be clearer. The fee should be reduced if on-site inspections are not carried out or cannot be justified. As far as is reasonably practicable, the supervision should be coordinated with other municipal supervision of the company.

### **5. Municipalities should regularly evaluate the effects that their application of the regulations has on companies.**

Municipalities should work strategically with their supervision. For example, an evaluation of whether to charge a fee in arrears may show that it resulted in a improved dialogue between the inspectors and the entrepreneur through the elimination of an element of irritation (such as when the previous year's invoice was not followed by an on-site inspection).

### **6. Municipalities need to have structures in place to promote an exchange of experiences, both at political and civil servant levels.**

Municipalities must make better use of other municipalities' skills and ideas on how to ensure administration is more efficient and to optimise service levels, and they should share good examples of the best ways to improve the business climate.



## Members of NNR, the Board of Swedish Industry and Commerce for Better Regulation

Almega – employer and trade organisation for the Swedish service sector  
Swedenergy (Energiföretagen Sverige)  
The Swedish Property Federation (Fastighetsägarna Sverige)  
The Association of Swedish Finance Houses (Finansbolagens Förening)  
The Swedish Investment Fund Association (Fondbolagens Förening)  
The Swedish Federation of Business Owners Stockholm (Företagarna Stockholms stad)  
The Federation of Swedish Farmers (Lantbrukarnas Riksförbund)  
The Small Business Association (Småföretagarnas Riksförbund)  
Srf konsulterna, the association of Swedish Accounting and Payroll  
The Stockholm Chamber of Commerce (Stockholms Handelskammare)  
Swedish Trade Federation (Svensk Handel)  
The Swedish Industry Association (Svensk Industriförening)  
The Swedish Bankers' Association (Svenska Bankföreningen)  
The Swedish Securities Dealers Association (Svenska Fondhandlareföreningen)  
The Swedish Petroleum & Biofuel Institute (Svenska Petroleum och Biodrivmedel Institutet)  
The Confederation of Swedish Enterprise (Svenskt Näringsliv)  
Swedish Confederation of Transport Enterprises (Transportföretagen)  
Visita – The Swedish Hospital Industry







# The Board of Swedish Industry and Commerce for Better Regulation, NNR

The Board of Swedish Industry and Commerce for Better Regulation, NNR, was formed in 1982 and is a politically independent non-profit organisation wholly financed by its members, which include 18 Swedish business organisations and trade associations together representing just over 300.000 companies. This means that NNR speaks for all active companies in Sweden with one or more employees; companies in every industry and of every size. NNR's task is to advocate and work to achieve more effective and less costly regulations and a reduction in the extent to which companies are required to report information in Sweden and the EU. NNR coordinates the business sector's review of impact assessments of proposals for new or amended regulations as well as the business sector's regulatory improvement work at national and EU level. This focused area of activity makes NNR unique among business organisations in Europe. More information on NNR is available at [www.nnr.se](http://www.nnr.se).