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Technical Report – Part III: Standard Cost Guidance, Database and Template.

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Guidance
for the Polish
Standard Cost Model



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Chapter 1 The Polish SCModel



Background

When making new regulations or changing existing ones it is important to determine the effects of these new or amended regulations on businesses. One important type of regulatory cost for businesses is the so-called administrative burden (AB). The methodology for AB measurements is described in a handbook "*Pomiar kosztów regulacyjnych ponoszonych przez adresatów aktów prawnych i sposoby ich redukowania*" developed by the Ministerstwo Przedsiębiorczości i Technologii. To facilitate the calculations of the AB, a specific model tailored to the Polish context has been developed based on the principles of the Standard Cost Model (SCM)¹.

The information in this guidebook focusses on the practical use of the Polish version of the SCM as a tool to quantify the AB. This guidebook contains:

- a description of the Polish SCM
- the step-by-step measurement of AB linked to the SCM
- A detailed description of the use of the SCM
- An overview of the most common problems and solutions

¹ The Polish SCM was developed as part of the SRSS project 'Improvement of the regulatory framework quality in Poland' carried out by EIPA and Sira Consulting.

Chapter 1 The Polish SCModel



Structure

The Polish model is made in Microsoft Excel and contains the following work-sheets:

1. Setup

This sheet contains the standard information the model uses for the calculations. It contains three parts:

1. The definition of enterprise size to determine when businesses are considered small, medium or large.
2. Hourly rates (tariffs). The tariffs are based on the information from the report 'Struktura wynagrodzeń według zawodów w październiku 2016 r.' (Główny Urząd Statystyczny, 2018)².
3. Typology of information obligations. Each type of information obligation is succinctly described and matched with examples to facilitate users in selecting the correct type of information obligation.

The setup sheet does not need to be filled out when using the model. The model automatically uses the standard information of the setup sheet in the corresponding Q-data and PxQ sheets.

2. Q data

All target groups and events that are needed to calculate the AB are entered in this sheet. Including all the information on the size of these groups. How to fill in this sheet is explained in chapter 5.

3. PxQ sheet

The calculation of the AB is done in this sheet. The steps needed to fill out the PxQ sheet and to calculate the burden are explained in chapter 2.

4. Standard activities

This sheet contains the list of standard activities. These can be used to calculate (part of) the burden of an information obligation without the need of gathering information from businesses.

The list was made based on the experiences from other countries and the information gathered from Polish businesses in 6 panels and a questionnaire. The specific sources and considerations to determine the standard times and costs for each standard activity is explained in this sheet as well.

² Only the wages for employees in the private sector were considered. A standard overhead percentage of 25% was added to all internal wages. The external rates are estimated based on information from the business panels, desk research and the 2010 Polish SCM.

Chapter 2 Step-by-step measurement

An AB measurement is done in four steps³. This chapter describes the steps in relation to the SCM-template.

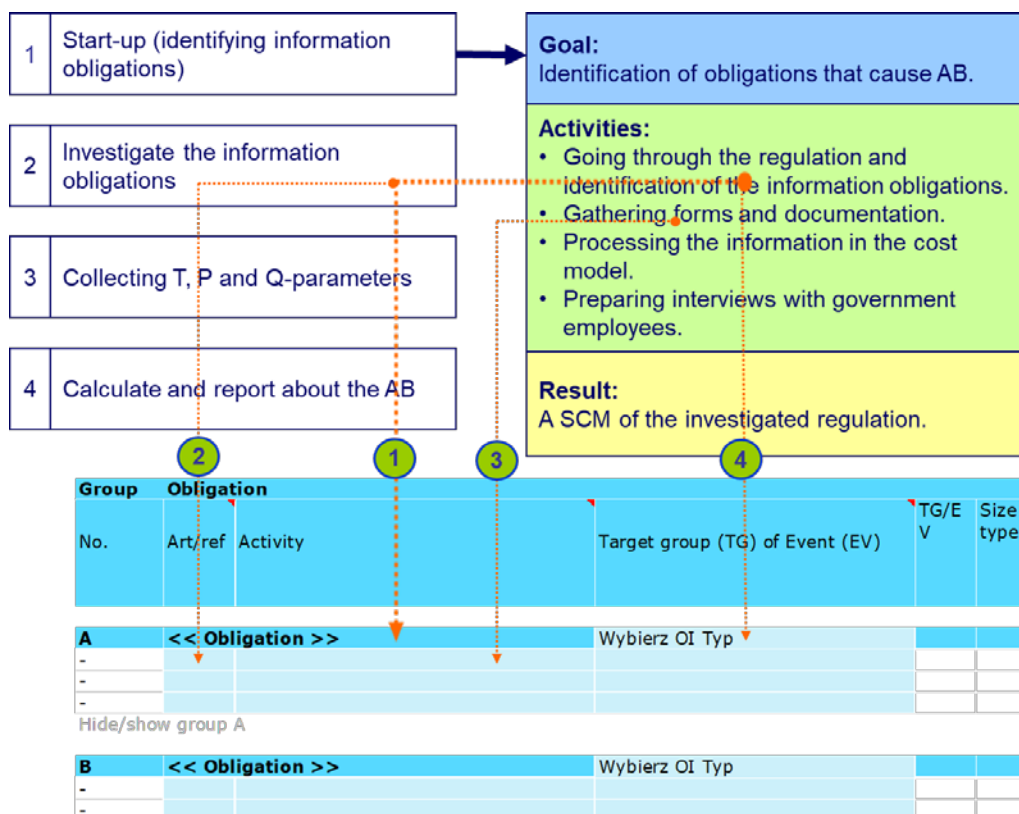


Step 1– Start-up

An AB measurement begins with the identification of the information obligations ensuing from rules and regulations issued by the government. After identifying the information obligations the user needs to collect additional information on these obligations. For example:

- The target groups
- Forms and documents related to the information obligations
- The administrative activities required to fulfil the information obligations

These obligations and the further gathered information are then entered into a SCM.



1. Add the name of each IO in column F. Each IO has his own block to add the administrative activities. The name of the IO is filled in on the darker blue top row.
2. Add the number of the article in the regulation in which the activities are mentioned. (column F, below the name of the IO)

³ This guidebook uses 4 steps while paragraph 2.3 of the Polish handbook describes 3 phases. The steps described here are a more practical approach linked to using the SCM and do not interfere with the phases used in the Polish Handbook.

Chapter 2 Step-by-step measurement

3. Add the administrative activities that can be determined from the regulations and the relevant forms. You can select standard activities from the drop down menu.
4. Select the IO type from the drop down menu. (column H)



Points of Interest for step 1

- Identify all information obligations from the primary legislation first, then the secondary regulations to get more details about the IO's. Investigating only the law is not enough.
- Measuring changes in obligations: Make a clear distinction between the obligations and activities before and after the change by using a different worksheet for each situation. It is recommended to fill out two separate models. One for the pre-change situation and one for the post-change situation.



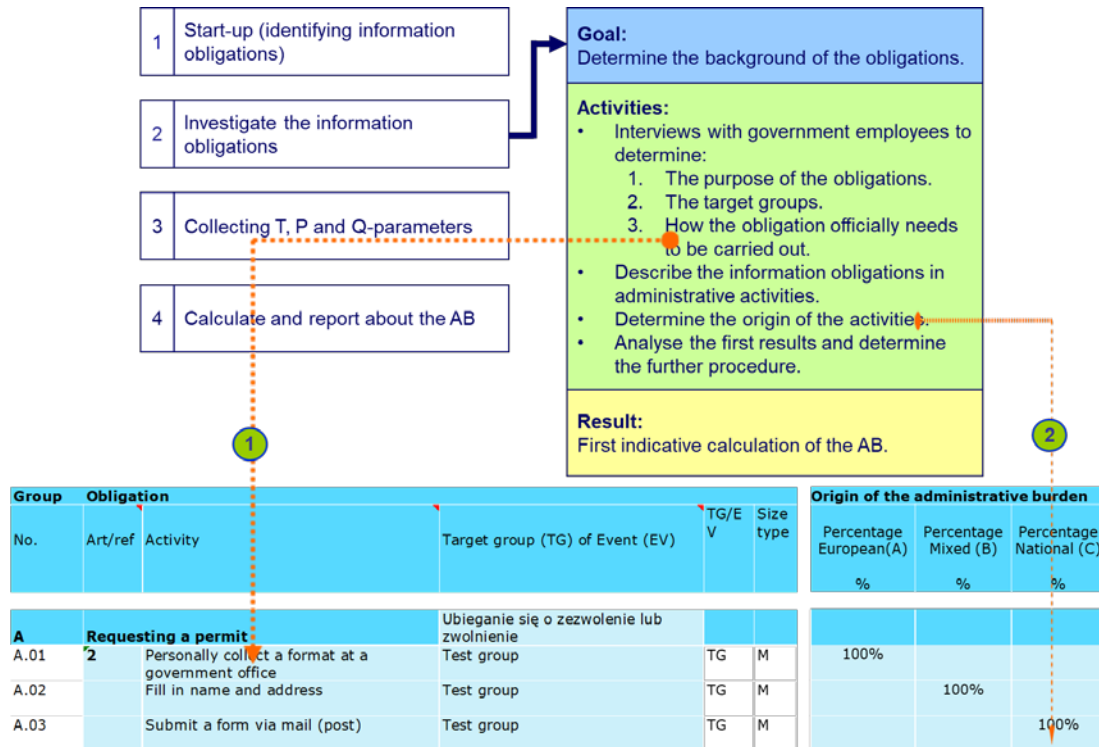
Step 2 – Investigate the information obligations

In interviews with government employees from the relevant ministry and/or government agency the information obligations that have been entered in the SCM are investigated further. The focus is on:

- Verifying and supplementing the information obligations and activities ensuing from the regulations
- Further detailing the target groups
- Classifying the information obligations by national/international origin
- Measuring changes in obligations: The differences between the obligations before and after the simplifications

The additional information is entered in the model. If the IO consists largely of standard activities a first indicative calculation of the AB can be made. This will require a few assumptions regarding the function level of the person(s) carrying out the administrative activities and the time and costs of the nonstandard activities.

Chapter 2 Step-by-step measurement



1. Adjust the administrative activities based on the information from the interview.
2. Fill in the origin of each activity. (column AC, AD, AE)
3. Determine the frequency of each activity based on the interview and fill these in column T.



Points of Interest for step 2

- Identify all possible businesses of the target group. Also ask for possible segmentation within the target groups to determine the amount of interviews in step 3.
- Use a structured method for interviewing government employees and make sure that they have the opportunity prepare and to give feedback on the interview report.
- Also identify possibilities for the reduction of the AB from the government's point of view.

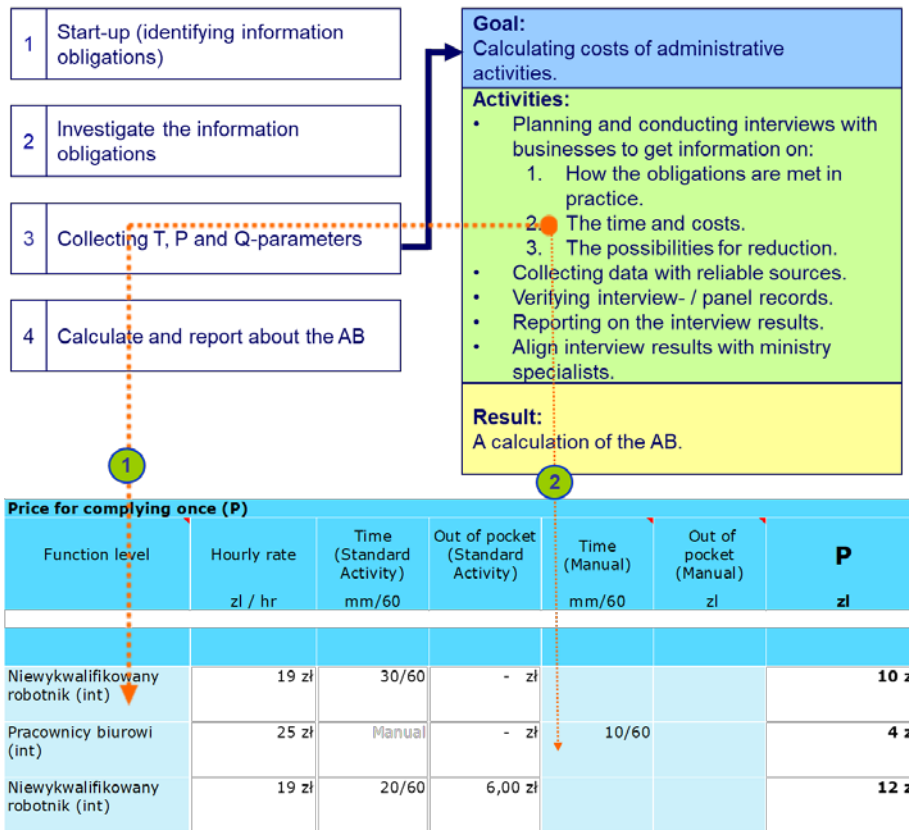


Step 3 – Gather data

Following the interviews in phase 2 information must be gathered from representatives from the relevant target groups. During this phase the required information is gathered in a number of interviews with businesses.

Chapter 2 Step-by-step measurement

At the end of this step all information necessary to complete the calculation of the AB should be known and entered in the SCM.



1. Fill in the Function level of the person carrying out the activities.
2. Fill in the time and costs of each nonstandard activity. You can also override the time or costs of a standard activity by filling in column P and Q.
3. Adjust the administrative activities based on the information from the interview.
4. Determine the percentage business as usual and fill in column Y.



Points of Interest for step 3

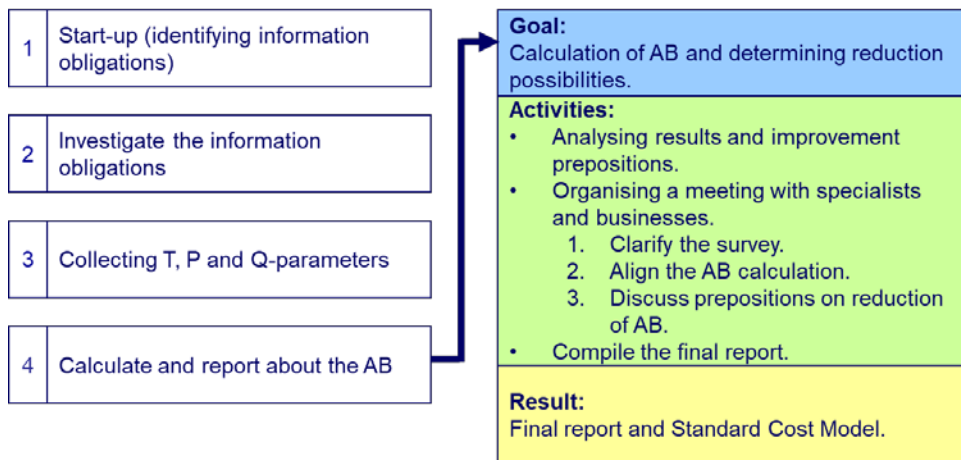
- Analyse the segmentation within the target group(s) to determine the necessary number of interviews.
- Always verify the reliability of the sources of information that are used to gather the data.
- Use the same method of interviewing, used in step 2.
- Measuring changes in obligations: the calculations of the AB before and after the change must be comparable.

Chapter 2 Step-by-step measurement



Step 4 – Calculate and report AB

Based on the completed SCM both the quantitative and qualitative results of the study are summarised. This can be done in a RIA-template or a separate report. It is important that these results are coordinated with government employees and that results are also discussed with (other) key stakeholders.



The quantitative results of the calculations are summarised on top of each PxQ-sheet (row 5 to 11). Column H summarises the total AB. Column H and further specifies the results for the business as usual and the origin of the AB.

The model doesn't distinguish between small, medium and large companies automatically. Reporting on the effects for SME's separately requires that the model is filled in separately for SME's. Make sure that separate target groups are entered in the 'Q-data'-sheet (see chapter 5) and fill in a separate block or worksheet for the SME's.



Points of Interest for step 4

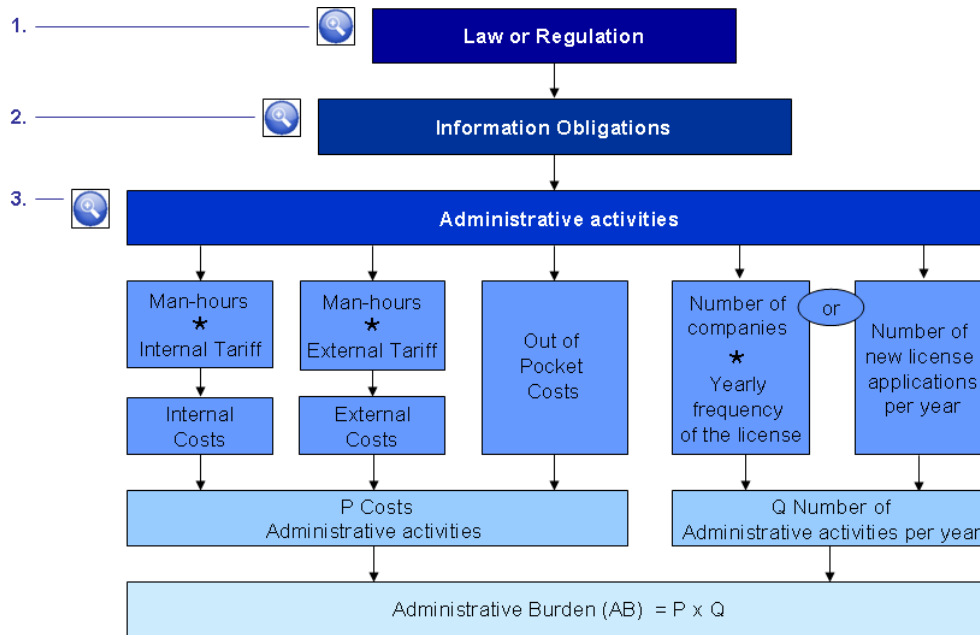
- Make sure all data in the SCM for calculating the AB is retraceable to its source.
- When reporting on AB, bear in mind that the results are an indication and not an exact number.
- Always include methods for (further) reducing the AB.
- Measuring changes in obligations: make sure that it is clear how the change does (or doesn't) lead to the reduction of AB.

Chapter 3 Reducing AB



Identifying AB Reductions

The SCM is the key to locate AB-reduction possibilities. It utilises hard data and enables the user to see the effects of the proposed changes in the information obligation.



Element

1. Law
2. Information obligations
3. Administrative activities

Questions

- Can information obligations be removed from the regulation?
- Can regulatory information obligations be simplified?
- Can certain administrative activities be removed?
- Can certain administrative activities be simplified?
- Reduction of the target group
 - Reduction of frequency
 - Reduction of time involved
 - Reduction of costs
 - Reduction of appeal time (waiting time)



The feasibility of achieving a reduction of the AB depends in all cases on the purpose of the legislation, the risks involved, and the relation between costs and benefits.

Chapter 3 Reducing AB



Example of AB Reduction

Old situation (Dutch example)

Every fire extinguisher must be in good working order. To assure this every fire extinguisher was tested every year by an independent inspection agency and gets a certificate as proof. The owner of the fire extinguisher must make an appointment with this agency to undergo testing. The actual testing takes 10 minutes. The time of the test is not part of the AB because the owner is not obliged to stay with inspector.

P:

- Make an appointment: 5 minutes.
- Let the inspector in and show the location of the fire extinguisher(s): 5 minutes.
- These activities are done a secretary. Tariff = € 25 / hour.
- The price of the test per fire extinguisher: € 50⁴

Q: The legislation differentiates between types of fire extinguishers. This example only takes mobile fire extinguisher into account. This number is not registered. An estimate was made based on the total amount of business locations and the average number of mobile fire extinguishers per location. The estimate was 500.000 mobile fire extinguishers.

PxQ: The AB for businesses of this information obligation is:

- P: $(10/60 \text{ hours} \times € 25) + € 50 = € 54$.
- AB: $€ 54 \times 1 \text{ (frequency)} \times 500.000 = € 27.08 \text{ million per year}$.

New situation: A reduction of the AB is reached by decreasing the frequency of the test to once every two years. This gives the following AB:

- P: $(10/60 \text{ hours} \times € 25) + € 50 = € 54$.
- AB: $€ 54 \times \frac{1}{2} \times 500.000 = € 13.54 \text{ million per year}$.

Result: A reduction of 50% of the AB.

To illustrate this example the figure below shows the relevant part of the model. Irrelevant columns are hidden.

Obligation		Price for complying once (P)				Number of activities (Q)			Total costs, split
Art/ref	Activity	Hourly rate	Time (Manual)	Out of pocket (Manual)	P	Frequency (TG) of Relevance (EV) #/year or %	Size of Target Group / number of Events #	Q	P*Q
		zł / hr	mm/60	zł	zł			#	zł
Inspect fire extinguisher (old)									
35	Make an appointment with inspector	25 zł	5/60		2 zł	1	500.000	500.000	27.083.400 zł
35	Show the location(s) to the inspector	25 zł	5/60	50,00 zł	52 zł	1	500.000	500.000	1.041.700 zł
v group A									
Inspect fire extinguisher (new)									
35	Make an appointment with inspector	25 zł	5/60		2 zł	1/2	500.000	250.000	520.800 zł
35	Show the location(s) to the inspector	25 zł	5/60	50,00 zł	52 zł	1/2	500.000	250.000	13.020.800 zł

⁴ The actual invoice businesses get is higher but also includes the cost of maintenance and repairs. These costs are not AB but substantive compliance costs.

Chapter 4 Handling problems



Troubleshooting

During the measurement it is possible that problems occur. In this part of the guidebook the most common problems and solutions are addressed.

The IO is carried out differently by each authority

Regional or local authorities can have freedom in the way they carry out certain IO's. This can result, for example, in different forms which require different information from businesses to fill in the form. The AB for this IO will therefore differ for each regional or local authority. Since AB is measured on a national level this means you should collect all possible forms and calculate the AB for each possible implementation type. The sum of these gives the AB for the whole of Poland.

In practise it might not be possible to gather information on all different implementation types because of constraints on time or available information. In this case gather as much information as possible and discuss with the government official (step 2) which is the most common implementation type. Use this most common implementation type to calculate the AB for the entire country.

It is important to make a qualitative description of the differences you find between the various authorities. Local differences might lead to unnecessary AB and irritation for companies that operate under different local authorities. Eliminating these differences are ways to reduce AB and irritation. The local authority which causes the least AB (whilst delivering on policy objectives) is the Best Practise and an example for the other local authorities.

Determining the time and costs

The time and costs of the activities that businesses have to carry out, result from the interviews with business representatives. It is possible that they do not know the time and costs for a specific activity:

- The business representative doesn't exactly know the time and costs of the activity because he doesn't perform it often or it was a long time ago. You can help him or her by asking if the activity takes more or less time then, for example, an hour. Keep repeating this until the interviewed person cannot give more detailed information. When asking these questions do start with a reasonable amount of time. Don't start with asking if something takes more or less than 10 minutes if you suspect that a huge amount of information must be gathered.
- The activity is part of a larger process. For example the costs for an accountant who also performs other tasks that are not part of the obligation. First determine the time or costs of the total process and then decompose the total process with the business representative. You can use this to determine if the activities that are part of the IO's are a big or small part of the process. With the time and costs for the total process you can estimate the time and costs for the necessary activity. This technique can also be used to determine the percentage of the AB versus the Administrative Costs.
- The activity is performed by another person. This can occur if the different activities for an obligation have to be performed by different people within a business. Ask if you can speak to this person after the interview. If that is not possible ask if the

Chapter 4 Handling problems

- interviewed person can gather this information and send it afterwards. Otherwise use the technique from the first bullet to get an estimate.
- The business doesn't perform the activities because they have a different way to carry out the obligation. First ask if other businesses use this alternative method as well and if this is a legal way to oblige the obligation. If not: find another business to interview. If so let them describe the alternative activities and determine the time and costs involved. Make an estimate of the percentage of businesses that use this alternative process. Enter both processes in the SCM and calculate the AB for both separately. The Total AB for the IO is the sum of the total AB for each process. Remember that this is a segmentation of the target groups and therefore might require more interviews.

It is important to know and tell the people you interview that the calculation of AB is not an exact science but a way to estimate the costs of specific information obligation. It is therefore not necessary to have very specific data for every activity. An estimate of the time and/or costs is enough. Just be as exact as possible.

How to handle one-off costs

In a measurement for changing regulations you will look at two situations: before and after the change. It is possible that businesses will have to make one-off costs to adapt to the changed situation. These are one time investments that are not part of the structural AB. An example could be that software has to be adapted to provide the correct information. You do measure these costs but, report them separately from the structural AB.

Describe the one-off costs as a separate IO so you can distinguish between the one-off and the structural costs. In larger measurements it is recommended to use a separate work sheet for the one-off costs.

Multiple simplifications for a single Information Obligation

In order to reduce the amount of AB that results from an information obligation multiple simplifications can be done. But consider the possibilities that the AB-reduction for each single simplification can be influenced by the other simplifications. For example:

- An IO obliges 1.000 businesses to fill in a form every year. This takes 1 hour with a tariff of zł 25. The total AB is: $P (1 \text{ hour} \times \text{zł } 25) \times Q (1 / \text{year} \times 1.000 \text{ businesses}) = \text{zł } 25.000$ per year.
- Three simplifications are done. The first reduces the time needed to fill in the form by 15 minutes. The second reduces the frequency to once every two years. The third reduces the number of businesses that have to oblige to the IO by 25%.
- The AB-reduction for each individual simplification is:
 1. zł 6.250. This results from zł 25.000 minus $P (0,75 \text{ hours} \times \text{zł } 25) \times Q (1 / \text{year} \times 1.000 \text{ businesses}) = \text{zł } 18.750$ per year.
 2. zł 12.500. This results from zł 25.000 minus $P (1 \text{ hours} \times \text{€ } 25) \times Q (0,5/\text{year} \times 1.000 \text{ businesses}) = \text{zł } 12,500$ per year.
 3. zł 6.250. This results from € 25.000 minus $P (1 \text{ hours} \times \text{€ } 25) \times Q (1 / \text{year} \times 750 \text{ businesses}) = \text{zł } 18.750$ per year.
- The total AB reduction is NOT the sum of the three individual simplifications. This would give a total AB-reduction of zł 25.000, making the total AB zero per year.

Chapter 4 Handling problems

You should calculate all the simplifications at once: $P (0,75 \text{ hours} \times \text{zł } 25) \times Q (0,5/\text{year} \times 750 \text{ businesses}) = \text{zł } 7.031$ per year. An AB-reduction of $\text{zł } 25,000$ minus $\text{zł } 7.031 = \text{zł } 17.969$ per year. A reduction of 72% instead of 100%. If you are not investigating all simplifications at the same time, then continue the calculations starting from the results of the simplifications that have already been calculated.

What is the difference between the 'External tariff' and the 'Out-of-Pocket costs (OOP)'?

Businesses may have to hire external parties to perform certain administrative activities. For example to conduct pollution measurements or to make an accountants report. These external parties will send an invoice that the businesses have to pay for their services. The amount on the invoice is the OOP of the activity.

Sometimes it is necessary to hire an external party for a certain period of time. In this case you can calculate the external costs by multiplying the numbers of hours with the external tariff of the hired external person. In contrast to the internal tariff, the external tariff is the commercial hourly rate.

Both situations are referred to as the external cost of an activity. In the SCM only one value can be filled in (column Q). This is the relevant amount on the invoice (OOP) or the total cost of hiring an external party.

When is Q determined by 'the number of activities' instead of the number of businesses in a target group?

If an activity has to be done by a target group with a fixed frequency, Q is determined by the number of businesses in that target group. For instance: everybody has to fill in their tax-forms once per year.

If the occurrence of an activity is not determined by the number of businesses in a target group, the number of activities per year is used for Q. For example: the number of building permits that are applied for each year is not determined by the number of construction companies or architects.

This information is entered in the worksheet called 'Q data'. There are separate tables for target groups and for events. If you want to enter events then scroll down a bit to get to the second table.

Chapter 4 Handling problems



SCM problems

While working with the model it is possible that a mistake is made. Directly after making the mistake is made these can be corrected by pressing Ctrl-Z. If this doesn't correct the problem check if the problem and possible solution is mentioned below.

1. Problems with formulas

Especially when cells, rows and columns are (incorrectly) copied problems can occur with the formulas in the model. The most common problems are:

- a. The formula is missing. In the model cells that could contain a formula are white. If a white cell doesn't contain a formula but you expect it should (it doesn't turn blue or red when other cells in the same row are entered), then the formula might be missing.
- b. The formula refers to a wrong cell. This isn't always visible unless the formula returns an error message. To check for these problems, check the results of the calculations for unexpected low or high results.

All formulas in the same column are made in such a way that they can always be copied into a different row in the same column. First check if you can find a cell in the same column that contains the correct formula. You can copy (Ctrl-C) and paste (Ctrl-V) this formula into the cell with the incorrect or missing formula.

Formulas can also be copied by pointing your mouse on the bottom right corner of a single selected cell. Press and hold the left mouse button and move the mouse up or down to copy the formulas to the cells above or below. This is useful if multiple cells in a column need to be copied.

The colour of a cell in the SCM is important:

- White cells may contain formulas.
- Blue cells can be filled in.
- Cells that turn blue or red must be filled in.

2. The calculation doesn't return a value

When filling in the SCM you might notice that not all calculations automatically show a result. The model only shows the result if all necessary data has been entered. This includes the description of the administrative activity.

In order to help you fill in the SCM, the model shows the parts which need to be filled in. The colour of the cell is blue if data should be filled in. If cells aren't filled in that should be the cells that contain formulas have a red colour and a short error message that explains which data should be entered.

3. The cell returns the value

The width of the cell is too small. Increase the column width.

Chapter 5 Advanced SCM Use



Calculating AB with the SCM : Target groups

The information about the target groups is collected in a separate worksheet in the SCM. Organising this information in a separate work sheet called 'Q data' has the following advantages:

- It provides a quick and clear overview of the target groups, their size and the source of the information.
- It prevents mistakes in the model. By using a separate sheet no different sizes for the same target group can be entered.
- It enables you to make quick changes in the information about the target groups. You only have to change the information once for the entire model to be adjusted. This helps when new information is found or to calculate the effects of an AB reduction proposal.

To use the 'Q data'-sheet take the following steps:

1. Enter the name of the target group in the column 'Target group (TG)' or 'Event (EV)'.
2. Select the size of the businesses (small, medium, large). This means each target group or event should be entered multiple times to distinguish between the effects on different sizes of businesses. If no distinction is possible use the most common.
3. Enter the number of businesses in the next column.
4. Enter where you got the information from in 'source'.

To use a target group in the calculation of the AB, select the appropriate name of the target group or event in the drop down menu. You can find this in the column directly after the description of the administrative activity (column H). The name of the target group or event, size type and the number of businesses or events will be filled in automatically. The figure below illustrates this.

Nr.	Target group (TG)	Size type	Number of enterprises	Source
1	Bakkeries	Medium	5.000	Fictional example
2	Hairdressers	Small	7.500	Fictional example
-				
-				

Group Obligation					
No.	Art/ref	Activity	Target group (TG) of Event (EV)	TG/E V	Size type
A << Obligation >>					
A.01	23	Get a form from a website	Bakkeries	TG	M
A.02	24	Fill in name and address			
-					
-					
-					
-					
-					
-					

The figure shows a red dotted arrow pointing from the 'Bakkeries' cell in the first table to the dropdown menu in the second table, which is currently displaying 'Bakkeries' and 'Hairdressers'. The dropdown menu is open, showing the selected item 'Bakkeries' in blue and 'Hairdressers' below it. The word 'ror' is visible in red text to the right of the dropdown menu.

Chapter 5 Advanced SCM Use



Calculating AB with the SCM : Allocating AB and origin

Administrative costs versus Administrative Burden

Not all information obligations lead to AB. The costs businesses have regardless of government regulations are Administrative costs but not AB. It is therefore necessary in the SCM to fill in which costs belong to the administrative costs and which part is AB. This can be entered for each single activity in column Y.

After filling in the data to calculate the costs, as described in the first part of this guidebook, the administrative costs will be calculated automatically in column Q of the SCM. In the next column it should be entered which part of these costs are business as usual and therefore not part of the AB. This should be entered as a percentage:

- 0% means all the costs are part of the AB. Businesses would not do this activity without regulations.
- 100% means none of the costs are part of the AB. Businesses would do this entire activity even without regulations.
- Other percentages can be used if only part of the activity would not be done without regulations. Determine this percentage during interviews with businesses.

The origin of Administrative Burden

Not all AB is a direct result of the national policy of the Polish Government. An increasing part of the legislations is a result of Directives that are imposed by the European Commission. Information obligations that result from European legislation cannot directly be changed by the national government. The possibilities of AB reduction are therefore influenced by the origin of the information obligations.

In the SCM you can fill in the origin on the level of each individual activity. Scroll to the right of the worksheet. In columns AC, AD and AE you can enter the percentage of category A, B or C that is applicable to that activity. Make sure that for each individual activity the sum of A, B and C is 100%. Read the Regulatory burden handbook for the explanation of the categories.

In the very exceptional case that the origin is unknown category D should be used. Only use this if the origin is completely unknown. If only the ratio between A and C is unknown use category B.

Chapter 5 Advanced SCM Use



Adding activities and obligations

Adding activities

Each information obligation has 15 rows to fill in the different administrative activities that businesses have carry out to fulfil the obligation. If no rows are visible then press on the '+'-sign on the left side of the screen, slightly below the information obligation.

It is still possible that you want to add rows to fill in more activities. To do so follow the following steps:

1. Select an entire row by pressing on the row number with the right mouse button.
2. Select the option 'copy' in the menu that appears.
3. Press on the row number below the place you want to add the row with the right mouse button.
4. Select the option 'insert copied cells' in the menu that appears.

To prevent problems it is better not to:

- Select the first row of the information obligation to copy.
- Not add rows below the last line of the information obligation. Always add rows above the last row.

Adding information obligations

When carrying out the measurements it will be necessary to add information obligations. The easiest way to add these is to copy one of the existing information obligations:

1. Select the first row of the of the information obligation by pressing on the row number with the left mouse button. The first row is the blue row which contains the name of the obligation.
2. Select all other rows by keeping the 'Ctrl' pressed and clicking the row numbers below the blue row until the first empty row is selected. This last 'empty' row is the first row that does not contain formulas to calculate the AB. In other words: this row does not contain any grey cells.
3. Press the right mouse button and select the 'copy' option.
4. Aim the cursor on the row number on the second empty row below the information obligation and press the right mouse button. Select the option 'insert copied cells'.
5. The rows for the new information obligation are now copied. Enter a new letter in the blue cell left of the name of the information obligation (column E).

Chapter 5 Advanced SCM Use



Calculating effects without an old situation

The effects of changed legislation is normally calculated by comparing the old and the new situation. It is also possible to calculate the effects of changes in burdens without having a calculation of the old situation. This is called the Delta-method.

When using the Delta-method is not the question how businesses carry out the obligations and activity in the old and the new situation, but only how much more or less time and costs they have in the new situation compared to the old situation.

For example:

- If a specific administrative activity is added or removed by a regulation then only the AB for that activity is measured. The AB for that specific activity is the change in AB caused by that regulation.
- If an activity takes more or less time of to carry out it is only measured how much the difference is. When a business reacts: "It takes me 30 minutes less to carry out this activity" then 30 minutes is filled in in the SCM as the time for the activity. This works the same for external costs.
- When the size of the target group is changed then enter the number of businesses in the 'Q-data' sheet that are added of removed by the regulation.

Standard activities can only be used in the Delta-method when adding or removing administrative activities.

Be careful when investigating regulations of which have multiple effects of which some cause more burden and others less burden. It is possible to use negative numbers in the model to show the difference and provide the correct net result.

Chapter 5 Advanced SCM Use



Calculations for non-businesses

The model is primarily build to calculate the burden for businesses. It is possible to use the model for other than businesses. Here we describe how the SCM can be used for calculating cost effects for citizens and governments. To fully accommodate burden measurements for non-businesses the model must be adjusted. The approach described in this chapter is without technical adjustments and doesn't use the full potential of the model. For this reason it is not recommended to calculate the burden for different groups (businesses, citizens and governments) in one model at the same time.

Citizens

Citizens also experience AB from regulations. Just like businesses they have to comply with information obligations. It is possible to add (groups of) citizens as a target group or event. The standard activities can also be used but the time and costs might be different. A manual override can be done by filling in the time and costs in column P and Q of the PxQ sheet.

The main point of discussion is the tariff that should be used for a citizen. This needs to be adjusted because the business tariffs will not be same. In some countries, like the Netherlands, citizens do not have a tariff and the burden is calculated in time and money. The current model doesn't support this and therefore a tariff for citizens must be chosen. This can be changed in the setup sheet of the model.

Governments

Governments can be added as a target group or an event. The calculation is the same. When using standard activities it is wise to reconsider the time and costs and maybe override them in column P and Q. The main difference between businesses and governments are the tariffs. These are not the same as for businesses. When calculating burden for governments the table in tab 'Setup' should be adjusted.

Also governments do not have a business as usual component. For this purpose it should always be 0%.

SCM setup

Definition of enterprise size

Type of enterprise	Employee range	Label	Avg. Wage	ratio	Overhead
Small	0-10	S	18,16	75,57	25%
Medium	11-250	M	24,03	100	
Large	> 250	L	28,764	119,70	

Hourly rates

(including 25% overhead)

Function level	Hourly rate per type of enterprise			PKD 2007
	0-10	11-250	> 250	
Zarząd, właściciel, dyrektor generalny (int)	79,38 zł	105,04 zł	125,73 zł	112
Kierownik, menadżer (int)	39,61 zł	52,41 zł	62,74 zł	12, 13, 14
Księgowy (int)	33,37 zł	44,16 zł	52,86 zł	241
Wykwalifikowana siła robocza (int)	20,53 zł	27,16 zł	32,51 zł	3, 7, 8
Pracownicy biurowi (int)	19,15 zł	25,34 zł	30,33 zł	4
Niewykwalifikowany robotnik (int)	14,56 zł	19,26 zł	23,06 zł	5, 9
Zarząd, właściciel, dyrektor generalny (ext)	120,00 zł	130,00 zł	150,00 zł	
Kierownik, menadżer (ext)	60,00 zł	75,00 zł	90,00 zł	
Księgowy (ext)	50,00 zł	65,00 zł	75,00 zł	
Wykwalifikowana siła robocza (ext)	40,00 zł	45,00 zł	50,00 zł	
Pracownicy biurowi (ext)	25,00 zł	30,00 zł	35,00 zł	
Niewykwalifikowany robotnik (ext)	20,00 zł	25,00 zł	30,00 zł	

The hourly rates are based on the information from the report 'Struktura wynagrodzeń według zawodów w październiku 2016 r.' (Główny Urząd Statystyczny, 2018) . Only the wages for employees in the private sector were considered. A standard overhead percentage of 25% was added to all internal wages.

The external rates are estimated based on information from the business panels, desk research and the 2010 SCM.

Katalog obowiązków informacyjnych (OI)

No	Typ OI	Opis	Przykłady
	Wybierz OI Typ		

1	Ubieganie się o zezwolenie lub zwolnienie	Dotyczy wszystkich wniosków związanych z określonymi działaniami, w tym prowadzenie konkretnej działalności	<ul style="list-style-type: none"> - Pozwolenie środowiskowe - Pozwolenie na budowę - Licencja bankowa
2	Certyfikacja	Oznacza wnioski o certyfikację określonych osób, procesów lub produktów. Pociągają za sobą działania mające na celu uzyskanie, utrzymanie i zapewnienie certyfikatów.	<ul style="list-style-type: none"> - Certyfikaty CE - ISO jeśli wymagane prawem
3	Rejestracja	Przechowywanie informacji w i/lub dostarczanie informacji do rejestru zgodnie z wymogami prawnymi.	<ul style="list-style-type: none"> - Wpis do Rejestru Centralnego - Konta nawożenia - Rejestry odwiedzających
4	Notyfikacja	Powiadomienie o określonych wydarzeniach lub działaniach	<ul style="list-style-type: none"> - Transport niebezpiecznych ładunków - Wypadki przemysłowe
5	Sprawozdawczość	Przekazywanie administracji informacji na temat prowadzonej firmy, zgodnie z wymogami prawnymi, z wyłączeniem statystyki (pkt 9).	<ul style="list-style-type: none"> - Roczne sprawozdania finansowe - Deklaracje podatkowe
6	Informowanie stron trzecich	Udostępnianie innym niż administracji informacji wymaganych przez prawo. Może to nastąpić poprzez trwałe oznaczenie lub w inny sposób.	<ul style="list-style-type: none"> - Etykiety lub tagi na produktach - Broszury finansowe - Powiadamianie pracowników o obowiązkach pracodawcy
7	Ubieganie się o pomoc publiczną	Dotyczy wszystkich wniosków o publiczną pomoc finansową w odniesieniu do określonych działań firm.	<ul style="list-style-type: none"> - Granty kulturalne - Subsydia rolne
8	Inspekcje	Dotyczy wszystkich działań związanych z inspekcjami, w tym współpraca z inspektorami i dostarczanie im informacji.	<ul style="list-style-type: none"> - Inspekcja pracy sprawdzająca warunki pracy
9	Obowiązkowe badania/ankiety	Dostarczanie informacji statystycznych w imieniu rządu lub instytucji wyznaczonej przez rząd. Nie uwzględnia kontroli zgodności z prawem.	<ul style="list-style-type: none"> - Dostarczenie statystyk dot. sprzedaży - Informacje dot. Inwentarzu

Standard activities

Group	Standard activity	Time per enterprise (hh:mm/sec)			External Costs (zł)			Description
		Small 0-10	Medium 11-250	Large > 250	Small 0-10	Medium 11-250	Large > 250	
Getting and sending forms	Get a form from a website	15/60	15/60	10/60				Look up a form on the internet, download it if needed or make a request via e-mail and make a print of the form.
	Get a form via mail (post)	20/60	20/60	20/60	6,00 zł	6,00 zł	6,00 zł	Write a letter with the request to send the form, frank the letter, go to the mailbox or post office and post the letter.
	Personally collect a format at a government office	30/60	30/60	30/60				Find the right office window, request the desired form, and receive the form. Travel time is excluded from this activity.
	Make copies or scan documents (per 10 pages)	8/60	5/60	3/60				Producing copies if more than one copy of the form, application or other documents need to be filed. Time also includes checking the copies and adding them to the forms.
	Digitally submit a form	5/60	5/60	5/60				Send the form via e-mail, a website or SMS.
	Paying a fee for an application	5/60	5/60	5/60				When submitting an electronic application a fee might need to be payed. Waiting time is not part of this proces.
	Submit a form via mail (post)	20/60	20/60	20/60	6,00 zł	6,00 zł	6,00 zł	Put the form and annexes in an envelope, frank it, go to the mailbox and post the letter.
	Personally submit a form at a government office	45/60	45/60	45/60				Find the correct address for admittance, issue the forms and annexes, await response from the recipient and possibly give a verbal explanation. Travel is excluded from this activity.
Collecting and filling in of data	Fill in name and address	2/60	5/60	15/60				Look up and fill in the name and address of the applicant (and company) and sign the form.
	Fill in correspondence number	1/60	1/60	1/60				Look up and fill in the correspondence number. This can be any number that is linked to your business, like the number of the Chamber of Commerce.
	Fill in subject of the application (simple)	10/60	15/60	20/60				Fill in which activities, location, products and/or tasks an application concerns. This involves filling out data other than name and address. This activity might need to be done multiple times in

	Fill in subject of the application (complex)	30/60	45/60	60/60				activity might need to be done multiple times in one form if the form asks for information on multiple subjects
	Fill in permit data	15/60	15/60	15/60				Look up information from already available permits and fill in the required information. This is needed when relying on information that is already been discussed with the government in earlier permit applications of other types of forms.
								This empty row can be used to add new standard activities. To do so copy this entire row and fill in the information for the new standard activity. This will be added to the drop-down menu in the PxQ sheet automatically,
Specific investigation and plans	Hiring external parties (preparation only)	1440/60	1440/60	2160/60				Hiring external advisors to handle specific requests. This includes (for example) accountants and environmental experts to carry out audits or specific investigations (see further activities). This
	Audit by an accountant	1200/60	2400/60	4800/60	10.000 zł	15.000 zł	20.000 zł	Financial statements, grants and other obligation require an audit by an accountant.
	Arranging acoustic investigation	480/60	480/60	960/60	45 zł	85 zł	600 zł	Having an acoustic investigation take place and guide the research team when necessary. IMPORTANT: costs do not vary based on the size of the business but on the complexity of the investigation. How to use: make a specific target group in the tab 'Q Data'. Determine the type of investigation: <i>Small</i> - Simple work place noise investigation <i>Medium</i> - Sound level measurement <i>Large</i> - Measurement of sound emission from installations and industrial plants. The costs are per point of measurement. Asses the average amount of measurement points and use those as frequency in the PxQ sheet.
	Arranging soil investigation	480/60	480/60	960/60	10.000 zł	25.000 zł	45.000 zł	Having an investigation take place in to possible <u>soil pollution</u> and guide the research team when necessary. Costs vary based on the size and complexity of the businesses but also on the environmental impact of the activities of the company
	Draft an emergency response plan	480/60	960/60	1440/60				For some applications an emergency response plan needs to be drafted. In case this is literally stated in the inquiry a time duration will be included in the model

	Make business plan (small)	2400/60	2400/60	2400/60				For some applications a simple business plan needs to be made. This describes in more detail the specific plans a company has and also includes the financial aspects like the necessary investments and possible return. In case this is literally stated in the inquiry a time duration will be included in the model.
	Make business plan (big)	4800/60	6000/60	7200/60				For some applications an elaborate business plan needs to be made. This describes in more detail the specific plans a company has and also includes the financial aspects like the necessary investments and possible return. In case this is literally stated in the inquiry a time duration will be included in the model.
Looking up/finding specific information:	Look up identification	5/60	5/60	5/60				Look up I.D. (passport, driver's license, ID-card or residence permit) and make a copy.
	Get or look up bank statement copy	15/60	15/60	15/60				Looking up a bank statement and make a copy or send a request to the bank (electronically).
	Look up and copy registration certificate of insurance policy	20/60	20/60	20/60				Look up insurance documents and make a copy.
	Make/order an architectural map/plan	5/60	5/60	5/60				Make/order an architectural map/plan.
	Get a detailed cadastral map	10/60	10/60	10/60				Look up and fill out name and address on the internet and make a print.
	Make a certified copy of a document	60/60	60/60	60/60	6,00 zł	6,00 zł	6,00 zł	Find the right office window, wait, hand over copy, wait for the certified copy, pay and receive certified copy. This excludes travel time to notary or municipality.
	Provide a photo	15/60	15/60	15/60				As additional substantiation of the provided information the government might ask for a photo of a situation.
	Make a simple sketch	20/60	20/60	20/60				Make a simple site sketch to clarify the request. For example when applying for changes to a monumental building.
	Extract of birth certificate	10/60	10/60	10/60				Find the right website, make a request for a form and receive and send the form.

	Extract of municipal personal records database	10/60	10/60	10/60				Find the right website, make a request for a form and receive the form.
								This empty row can be used to add new standard activities. To do so copy this entire row and fill in the information for the new standard activity. This will be added to the drop-down menu in the PxQ sheet automatically,
Other type of activities	Visit the municipality	45/60	45/60	45/60				Travel time from and to the desired address.
	Visit the regional government office	60/60	60/60	60/60				Travel time from and to the desired address.
	Meet with a civil servant to discuss a request	30/60	60/60	120/60				Conversation with the employee of the government. This might be needed in order to discuss intended activities and the required government procedures.
	Telephone call with a civil servant to discuss a request	20/60	20/60	20/60				Conversation with the employee of the government. This might be needed in order to discuss intended activities and the required government procedures.