



**FOLKETINGET
STATSREVISORERNE**



**FOLKETINGET
RIGSREVISIONEN**

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Processing times and efficiency at Nævnenes Hus

1. Introduction and conclusion

1.1. Purpose and conclusion

1. This report concerns processing times and efficiency at *Nævnenes Hus*. *Nævnenes Hus* is an agency under the Danish Ministry of Industry, Business and Financial Affairs that provides secretariat services to 18 independent court-like complaints and appeals boards and one administrative complaints body (in the following, these bodies are collectively referred to as *boards*). It follows from the Danish Finance Act that *Nævnenes Hus* must provide its services to the boards efficiently to ensure that correct decisions can be made within the shortest possible timeframe to the benefit of citizens and companies. *Nævnenes Hus* was established as a new agency through the merger of several existing boards. It was anticipated that the establishment of the new agency would result in more efficient processing of complaints. In 2017, when *Nævnenes Hus* was established, government funding was 20% lower than the boards' total appropriation in 2015, and it was reduced further in the subsequent years. The establishment of *Nævnenes Hus* involved, among other things, moving-out and building up a new organisation with a joint IT platform for the provision of services to the boards. It also involved recruitment and training of largely the full staff, and *Nævnenes Hus* was, at the same time, required to launch a number of initiatives to reduce costs.

2. In 2019, the 19 boards that receive services from *Nævnenes Hus* resolved approx. 8,500 complaints concerning trade, consumer, health, environmental and energy issues. *Nævnenes Hus* plays a significant role in relation to sustaining the rule of law on behalf of the citizens and companies and resolving their conflicts with public authorities or other parties. *Nævnenes Hus* has struggled with long processing times for cases handled for several of the boards, which was criticized by the Danish Parliamentary Ombudsman in 2020. Long processing times can have considerable personal as well as financial consequences for both citizens and companies. Often, the parties involved in such cases are forced to hold activities in abeyance, pending a decision by the relevant board.

3. For *Nævnenes Hus* to maintain or improve processing times while government funding is being reduced, it needs to achieve ongoing improvements of its efficiency that, as a minimum, offset the reduction in government funding without extending the processing times. To be able to ensure satisfactory processing times, *Nævnenes Hus* depends on receiving relevant documents in due time from the authorities of first instance like, for instance, municipalities or government agencies.

Authority of first instance

Authorities of first instance are public authorities like, for instance, municipalities or government agencies that make administrative decisions. Such decisions can be appealed and thus reviewed by, for instance, one of the boards that depend on services provided by *Nævnenes Hus*.

4. Nævnenes Hus was set up as part of the inter-government agreement *Bedre balance* / (decision to move government jobs outside the metropolitan area) with the intention to improve the quality and efficiency of processing and thus facilitate correct decisions by the authorities within the shortest possible timeframe to the benefit of citizens and companies. The purpose of the study is to assess whether the Ministry of Industry, Business and Financial Affairs has ensured satisfactory progress in the processing of complaints after the establishment of Nævnenes Hus. The report answers the following questions:

- Is Nævnenes Hus ensuring satisfactory processing times?
- Is Nævnenes Hus ensuring a satisfactory level of efficiency in the processing of complaints?

Rigsrevisionen initiated the study in March 2020.



Main conclusion

The Ministry of Industry, Business and Financial Affairs has not ensured satisfactory progress in the processing of complaints after the establishment of Nævnenes Hus. As a consequence, citizens and companies wait for too long for the boards' decisions on their complaints.

Nævnenes Hus has not ensured satisfactory processing times

Overall, Nævnenes Hus has not managed to reduce processing times. The study shows that processing times have generally not been reduced after the establishment of Nævnenes Hus. Additionally, the study shows that processing times have not been reduced in the period from the establishment in 2017 to the end of June 2020. During this period, processing times increased for six boards and remained stable for five boards.

Processing times for two large boards - *Byggeklageenheden* (handles complaints concerning building and construction issues) and *Energiklagenævnet* (handles complaints concerning energy and utilities) - are long and can stretch over two to three years. The largest board - *Miljø- og Fødevareklagenævnet* (handles complaints concerning nature, the environment, agriculture, fishery and food) and *Planklagenævnet* (handles complaints concerning, for instance, local municipal planning and acquisition of land by compulsion) processed just under 2,000 complaints dating back to before 1 July 2018 in a separate track. In the period from 2019 to the end of June 2020, the processing time for these complaints was up to five years.

The development in the number of pending cases in Nævnenes Hus entails a risk of increasing processing times. Nævnenes Hus registered more cases in 2018 and 2019 than it could resolve. New boards have also been added to the portfolio of responsibilities of Nævnenes Hus and overall the number of pending cases has increased, just as the average age of the cases relating to several of the boards has increased. Nævnenes Hus has on several occasions received temporary additional funding for clearing the backlog of cases relating to Planklagenævnet and Miljø- og Fødevareklagenævnet. The finance act for 2021 includes a permanent increase in funding for Nævnenes Hus. As a result of this increase in funding combined with further steps being taken to improve efficiency, the Ministry of Industry, Business and Financial Affairs expects to see a reduction in the backlog and processing times in the future.

To some extent, Nævnenes Hus has fixed specific deadlines for the delivery of relevant documents by the authorities of first instance that are not required to adhere to deadlines determined by law. There is a risk that the absence of deadlines having been set for delivery of relevant documents by the authorities of first instance may have extended the overall processing time.

Nævnenes Hus has not to a sufficient degree ensured a satisfactory level of efficiency in the processing of complaints

Nævnenes Hus did not establish a satisfactory basis for the required improvement of efficiency. Nævnenes Hus did not set performance targets for progress in efficiency until 2019.

The study shows that Nævnenes Hus managed to improve efficiency by 12% in 2017 compared to the time before its establishment. This meant that Nævnenes Hus did not fully achieve an improvement in efficiency that could offset the reduction in funding of 20%. It follows that Nævnenes Hus already at the time of its establishment fell behind in terms of efficiency compared to funding. However, by the end of 2019, Nævnenes Hus had largely eliminated the backlog.

Efficiency at Nævnenes Hus developed in a positive direction in 2018 and 2019 and offset the reduced funding. However, this development was driven by progress recorded at some of the boards, while several other boards recorded a negative development in their efficiency in the same period.

If the negative development in efficiency at a number of boards had been avoided, two thirds of the cases that piled up in 2018 and 2019, including the backlog of complaints relating to Planklagenævnet and Miljø- og Fødevareklagenævnet, could have been resolved by Nævnenes Hus with fewer resources.