
Liquor Control and
Licensing Branch

Service Plan
2003/04 – 2005/06



BRITISH
COLUMBIA

Ministry of Public Safety and Solicitor General

FEBRUARY 2003

Message from the General Manager

I am pleased to present the Service Plan for the Liquor Control and Licensing Branch.

Nearly 1.8 billion dollars worth of liquor is purchased annually in the province of British Columbia. Of these sales, 37% or \$670 million occur in establishments under the jurisdiction of Liquor Control and Licensing Branch programs. Changes to the provincial liquor distribution system and the planned closure of up to 130 government liquor stores over the next three years will considerably increase our oversight responsibilities with regard to licensee and private liquor purchases.

While the Liquor Control and Licensing Branch regulates both the manufacture of liquor, and the sale and service of liquor in licensed establishments (such as bars, night clubs, and restaurants), it also regulates the sale of packaged liquor in licensee retail stores, the sale of culinary and medicinal non-beverage alcohols, the permitting of grain alcohol and the licensing of special occasions.

Monitoring and managing this diverse public policy area requires the Liquor Control and Licensing Branch to be mindful of the many interdependent and sometimes conflicting factors at play.

In fulfilling its mandate and resolving liquor-related public safety issues the branch works in partnership with a variety of stakeholders:

- with local governments/First Nations to ensure that licensing decisions reflect local priorities and the views of residents,
- with communities of individuals, such as social welfare organisations to address shared public safety concerns related to liquor misuse,
- with police, bylaw enforcement officers and fire officials to ensure consistent, fair and timely enforcement of liquor laws, reduce liquor-related disturbances and ensure the safe operation of establishments, and
- with industry associations and liquor licensees to promote safe and responsible liquor service in licensed establishments.

As presented in this Service Plan, our long term goals focus on increasing public safety, upholding community standards, and reducing the costs associated with liquor misuse. The Service Plan also sets out our business objectives for the next three years, strategies to achieve these objectives, and performance targets that we will use to measure our success.

I am impressed by the commitment, hard work and dedication of our staff, and confident we will meet the targets we have set in the Service Plan. To our provincial, local government/First Nations, community and industry partners, I look forward to strengthening our relationships and addressing shared concerns through continuing and future cooperative efforts.

Helen V. Pedneault
General Manager
February 25, 2003

Table of Contents

Introduction	5
Branch Overview	6
Vision, Mission & Mandate	8
Guiding Principles & Values	9
Key Strategic Issues for the Branch	10
The Branch Logic Model	11
Our Long Term Goals	12
Objectives, Strategies, Performance Measures and Targets	12
Summary of Branch Resource Usage	18
Appendix 1: Key Strategic Issues for the LCLB	19

Introduction

The Liquor Control and Licensing Branch Service Plan has been developed to set out the direction of the branch and the results that it hopes to achieve over the next three years (2003 to 2006). The plan is intended to serve the branch staff and management, MLAs and the public, community and local government partners and industry stakeholders. It clarifies the intended outcomes of branch programs, the means the branch will take to reach these outcomes, and the yardsticks it will use to assess its achievement of these outcomes.

The goals and objectives of the branch incorporate and support the goals of the Ministry of Public Safety and Solicitor General relating to the liquor control and licensing function. Performance measures for the branch include the measures reported for this function in the Ministry Service Plan, as well as additional measures developed by the branch to assess its progress towards its own goals and objectives. As a result of the branch's work to develop its Service Plan, adjustments were made to the liquor control and licensing component of the ministry's 2003-2006 Service Plan to better reflect the work of the branch.

The branch goals and objectives are also consistent with and support the government priorities of:

- safer streets and schools in every community
- open and accountable government
- a strong, growing economy

The branch Service Plan was developed by the Branch Management Team with assistance from an external consultant. The process began with the development of a logic model representing the branch's intended results and the means of achieving these. Branch vision, goals, objectives, strategies and performance measures were built on the logic model. An environmental scanning process was used to identify the factors that could help or hinder the branch's progress and the risks of each occurring. The goals, objectives, strategies, and measures were then revised to ensure that the most significant of these factors were being addressed. The plan was communicated to all branch staff.

The plan will be placed on the branch website and made available to the branch's community partners and industry stakeholders, as well as to all staff. The plan will form the framework upon which the branch will report on its performance annually commencing at the end of the 2003-2004 fiscal year. In addition, management performance plans and staff training will flow from and be guided by the branch Service Plan.

Branch Overview

The British Columbia government regulates and monitors the liquor industry in this province to protect the public from the harm that may be caused by making and selling liquor or products that contain alcohol.

Through the *Liquor Control and Licensing Act* and its Regulations, and by requiring anyone who holds a liquor licence to meet strict terms and conditions, the government works to prevent under-age drinking, the over-consumption of liquor, overcrowding or unsafe conditions in restaurants, bars and pubs, the misuse of non beverage products containing alcohol, and to minimize the potentially negative impact of liquor sales on neighbourhoods and communities.

The Liquor Control and Licensing Branch(LCLB) is responsible for issuing licences to:

- pubs, bars, lounges, stadiums, nightclubs and restaurants to sell liquor by the glass, and licensee retail stores to sell liquor by the bottle;
- breweries, distilleries and wineries to manufacture liquor, and agents to represent domestic and international manufacturers in selling their products in BC; and
- UBrews/UVins to sell their customers the ingredients, equipment and advice they need to make their own beer, wine, cider or coolers.

Currently, the branch supervises about 8,410 licences including: 5240 restaurants (Food-Primary licences), 2365 pubs, bars and lounges (Liquor-Primary Licences), 350 UBrew and UVin stores, 315 Licensee Retail Stores (LRS), and 140 liquor manufacturers (wineries, breweries and distilleries), and issues approximately 100 permits annually to non-beverage alcohol importers (companies bringing in culinary, medicinal and industrial products).

In addition, the branch:

- regulates both Serving It Right: The Responsible Beverage Service Program and Special Occasion Licences for events such as community celebrations, weddings or banquets (issued through BC Liquor Stores);
- educates those who hold liquor licences (called licensees) about the laws and rules that may affect them;
- inspects licensed establishments;
- takes enforcement action when licensees do not follow the *Liquor Control and Licensing Act*, Regulations and/or the specific terms and conditions of their licences; and
- provides advice to government concerning decisions related to liquor policy.

Branch Financing

The Liquor Control and Licensing Branch is a cost recovery program and receives a \$1000 government funding allocation annually under of the Ministry of Public Safety and Solicitor General. Recoveries (dollars) are received from licensing fees and permit charges. The collected funds and \$1000 vote provide for overall policy development, administration, licensing and inspections in support of the *Liquor Control and Licensing Act* and Regulations

Organization

The Liquor Control and Licensing Branch consists of four divisions:

- The **Licensing and Local Government Liaison Division** processes all applications for new liquor licences, as well as applications to amend, transfer or renew existing liquor licences, and seeks the views of local government before deciding which applications should be approved. The division also works with the Liquor Distribution Branch to administer Special Occasion Licences (SOLs). This includes providing SOL policies and procedures and dealing with requests from individuals or groups for exceptions to the standard SOL rules (a charity, for example, may ask to charge more than the usual maximum liquor prices to raise money).
- The **Compliance and Enforcement Division** educates licensees about their responsibilities under British Columbia's liquor laws and policies, and under the terms and conditions of their particular licence. It also inspects licensed establishments - completing approximately 12,600 inspections a year - and takes enforcement action when necessary.
- The **Policy, Planning and Communications Division** is responsible for developing changes to legislation, regulations or policies as required, and for branch strategic planning, issues management and communications. The division also identifies performance measures and creates systems to monitor and track trends, and consults with stakeholder groups, including industry associations, the police and local governments, on liquor control and licensing issues.
- The **Management Services Division** provides financial advice to the branch executive, administers the branch budget and recoveries, and provides systems, telecommunications and information support. It also manages all branch facilities, vehicles and records.

The branch currently has three regional offices, located in Victoria, Surrey and Vancouver. In addition, district offices are located in Campbell River, Cranbrook, Fort St. John, Kamloops, Kelowna, Nanaimo, Nelson, Penticton, Prince George, Squamish, Terrace and Vernon.

Our Vision

Safer and healthier communities where businesses and individuals manufacture, sell, serve and promote liquor responsibly.

Our Mission

To regulate the liquor and hospitality industry in order to reduce public harm associated with the misuse of liquor.

Mandate of the Branch

With reference to the *Liquor Control and Licensing Act*, (sections 3 and 6), the general manager is required to administer the Act, and to supervise all licensed establishments and manufacturers of liquor.

In doing so, subject to the Act and the regulations, the general manager must

- a) issue, renew, amend, transfer, suspend or cancel licences as provided by the Act and the regulations,
- b) specify which regulations apply to a licence so granted,
- c) supervise the conduct and operation of licensed establishments,
- d) grant licences to all breweries, wineries and distilleries manufacturing in British Columbia,
- e) appoint or designate any person he or she considers advisable as an analyst for the purposes of the Act,
- f) authorize officials to issue licences and permits under the Act, and
- g) perform all other acts required to properly and efficiently administer his or her responsibilities as defined by the minister and under the Act and the regulations.

Our Guiding Principles

Under the *Liquor Control and Licensing Act* and Regulations, the general manager of the branch is required to use good judgement in the “public interest”. The operating principles that guide the general manager’s decisions – and, by implication, branch practices – are an expression of how the public interest is interpreted for branch purposes. These operating principles are as follows:

Public Safety

It is in the public interest to safeguard individuals and communities from harm caused by:

- the abuse of liquor and other irresponsible drinking behaviour, and
- the inappropriate or reckless manufacture and/or sale of liquor which might arise in instances of destructive competition.

Regard for Community Standards

It is in the public interest to have regard for:

- the impact of liquor manufacture and sales, and
- the extent to which those impacts are understood and supported by individuals and their communities.

Our Values

Integrity

Our work is guided by a desire to be fair, honest, open, and aligned with liquor control legislation and policy. We recognize the impacts of our decisions on both stakeholders’ livelihood and the tranquillity of British Columbia communities. Thus, we strive, always, to balance the needs of the licensee with the public interest.

Quality work/ products/services

We continually try to improve our work to ensure it is accurate, consistent with standards and focused on good public policy. We aim to carry out our work with professionalism at all times.

Teamwork/ Collaboration

We believe in partnering with our stakeholders and each other to find solutions. We strive to maintain a work environment where colleagues are respected, communication is open, and both critical assessment and camaraderie are encouraged.

Innovation	We value pro-activity and the maintenance of flexibility to respond to unique situations. We want our working environment to be one that supports initiative and fosters creativity.
Recognition of achievements	Acknowledging and celebrating success is important to us. We want to be recognized by our peers and in turn, will strive to give recognition for a job well done.
Quality of work life	Our branch should be a place where members feel respected and valued. On an ongoing basis, we will endeavour to involve individuals in decisions which impact them and to provide them opportunities for personal development and meaningful work.

Key Strategic Issues for the Branch

The branch's ability to realize its vision is affected by many factors. These factors were identified through an environmental scan process and were important contributors to setting the branch's goals and objectives, identifying branch strategies to address the major issues, and selecting measures of branch performance. A summary of the key strategic issues is given here. A full description of these issues and their potential impacts on the branch can be found in Appendix 1.

Externally, the main factors which impact LCLB's ability to achieve its goals are:

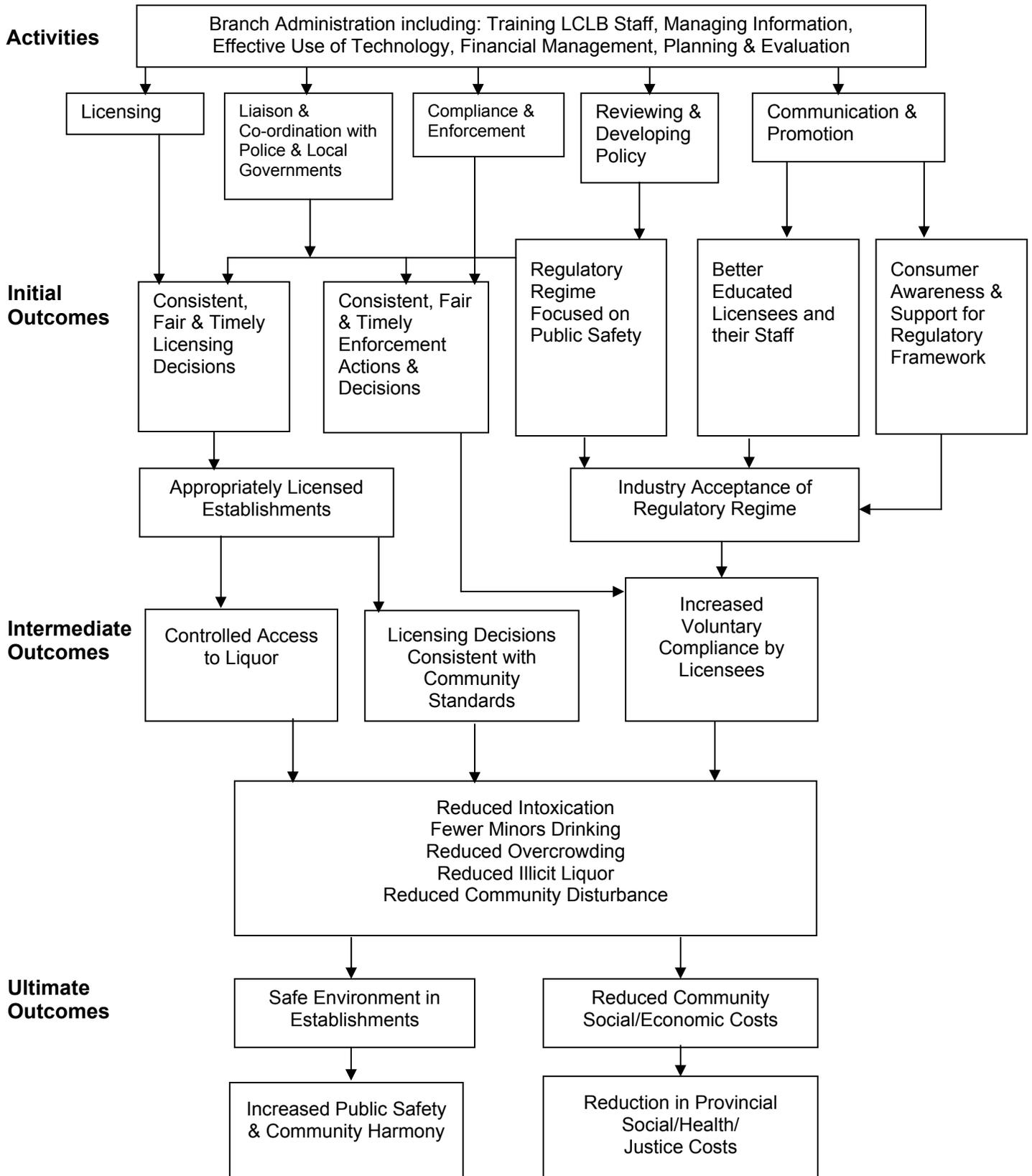
- its strong links to the maintenance of public safety,
- the alignment of its new directions with government's emphasis on the reduction of red tape, including the privatization of retail liquor sales,
- the potential it has for increased partnering with the federal government,
- economic impacts,
- demographic changes in British Columbia,
- strong public support for its programs and a sound legislative foundation,
- the need for strong relationships with external stakeholders, and
- legal risks.

A number of factors also influence the branch from within. The most significant of these include:

- recognition and appreciation by employees of the branch's strong track record,
- management and staff support for continued improvement of branch programs,
- the branch's cost recovery status,
- management of the branch's human capacity,
- internal communications,
- the branch's capacity for change,
- management of information in the branch, and
- the challenges of regional programming.

The Branch Logic Model:

Our Intended Results and How LCLB Programs Will Achieve Them



Our Long-Term Goals

1. Increased public safety
2. Liquor control decisions that reflect community standards
3. Reduced impacts on social, health and justice programs due to the misuse of liquor
4. Increased voluntary compliance by licensees

Objectives, Strategies, Performance Measures and Targets

Objective 1: To reduce unnecessary regulations not focussed on public safety and strengthen those that are.

Branch goals supported by this objective: Goals 1, 3 and 4

Related Strategies:

- 1.1 Amend the regulation to reduce the number of license classes and the detail associated with each class
- 1.2 Eliminate unnecessary liquor advertising regulations
- 1.3 Improve the server training program to strengthen "service to minors" and "over-service" education components

Related Branch Performance Measures and Targets:

Measure	Baseline	03/04 Target	04/05 Target	05/06 Target
(1) Percent (%) regulatory requirements eliminated ¹	29%	0	0	0

1. This measure may be retired in future years once new liquor regulations are in place and substantive changes to the LCLB program have been implemented.

Objective 2: To make more effective use of LCLB resources engaged in the licensing process.

Branch goals supported by this objective: Goal 1

Related Strategies:

- 2.1 Develop an organizational structure that supports the new licensing regime
- 2.2 Carry out quarterly reviews of licensing progress and priorities
- 2.3 Review internal licensing work processes to eliminate unnecessary steps/reallocate resources
- 2.4 Centralize processing of licensing applications

Related Branch Performance Measures and Targets:

Measure	Baseline	03/04 Target	04/05 Target	05/06 Target
(2) Average time to issue a liquor licence, by licence category (excluding processing by applicant or local government)	6 months for liquor-primary licence	4 months for liquor-primary licence	3 months for liquor-primary licence	3 months for liquor-primary licence
(3) Average cost to LCLB to process a liquor licence, by licence category.	TBD	TBD	TBD	TBD

TBD: to be determined

Objective 3: To increase compliance by licensees through enforcement focused on key public safety issues, such as:

- intoxication in licensed establishments
- service to minors in licensed establishments
- overcrowding in licensed establishments
- illicit liquor in licensed establishments
- liquor-related community disturbances associated with licensed establishments in targeted areas.

Branch goals supported by this objective: All goals

Related Strategies:

- 3.1 Focus inspections and investigations on service to minors, over-service, overcrowding and illicit liquor
- 3.2 Identify high-risk establishments using internal and external information (local governments, police, schools and licensees)
- 3.3 Target inspection resources on high-risk, problem establishments
- 3.4 Review quarterly compliance and enforcement progress and priorities

- 3.5 Institute comprehensive in house training for inspectors, special investigators and advocates
- 3.6 Develop new and improved "Serving it Right" program
- 3.7 Increase licensees' awareness of the consequences of non-compliance by communicating results of enforcement actions to local government, police and licensees

Related Branch Performance Measures and Targets:

Measure	Baseline	03/04 Target	04/05 Target	05/06 Target
(4) Average annual number of proven contraventions by age of licence (licensed more than 12 months vs. licensed 12 months or less), by region, by licence category and by type of contravention (public safety issues)	TBD	TBD	TBD	TBD
(5) Number of contravention notices, total issued, and total by region, by licence category and by type of contravention (public safety issues). (Also show data as percentage of establishments e.g. 30% of estabs in Surrey received CNS)	900 total	730 total	730 total	730 total
(6) Percentage of licensees who are found in compliance	79%	68%	83%	90%
(7) Contravention notices as a percent of inspections	8%	5%	4%	4%
(8) Number of complaints about licensed establishments: received by LCLB; recorded by police (LPCs); by region, by complaint subject, by type of complainant.	TBD Estimate 225	TBD 215 total	TBD 205 total	TBD 195 total
(9) Number of illicit liquor investigations	TBD	4	7	10

Objective 4: To provide tools/information to staff to ensure consistent application of policies and procedures.

Branch goals supported by this objective: All goals

Related Strategies:

- 4.1 Maintain and improve Intranet site
- 4.2 Bring written publications up to date, including policy and procedures manuals
- 4.3 Carry out a needs analysis to determine training needs in the licensing area
- 4.4 Create a branch staff development strategy that includes training to identify and address skill gaps
- 4.5 Develop an orientation package for new staff
- 4.6 Develop a new system to automate branch processes and provide better management information
- 4.7 Develop management information reports to support consistent application of policies and procedures

Related Branch Performance Measures and Targets:

Measure	Baseline	03/04 Target	04/05 Target	05/06 Target
(10) Average time per employee spent on training per year, per division	TBD	TBD	TBD	TBD

Objective 5: To ensure all new liquor-primary licensing decisions are effectively reviewed by local government and have community support before LCLB approval.

Branch goals supported by this objective: Goal 2

Related Strategies:

- 5.1 Provide local governments with community health indicators to better assess licence applications in their communities
- 5.2 Set terms and conditions for hours, size and entertainment that are consistent with community standards
- 5.3 Provide local governments with information and templates to assist them in preparing resolutions for relevant input to LCLB decisions
- 5.4 Communicate results of enforcement actions to local government, police and licensees

Related Branch Performance Measures and Targets:

Measure	Baseline	03/04 Target	04/05 Target	05/06 Target
(11) Number of liquor-primary licences issued without community support	0	0	0	0

Objective 6: To increase stakeholder understanding of programs and policies.

Branch goals supported by this objective: Goals 3 and 4

Related Strategies:

- 6.1 Establish semi-annual meetings with key industry stakeholders to review programs
- 6.2 Establish a consultation plan for stakeholders
- 6.3 Revise LCLB website to increase visual appeal, user friendliness, navigation

Related Branch Performance Measures and Targets:

Measure	Baseline	03/04 Target	04/05 Target	05/06 Target
(12) Number of consultations/initiatives with partners and stakeholders, per year by division	TBD	TBD	TBD	TBD
(13) Average number of inspections per year, by licence category, by region, and total.	12,650 total	15,000 total	16,800 total	16,800 total

Objective 7: To maintain the fairness of licensing and enforcement decisions.

Branch goals supported by this objective: Goals 1 and 2.

Related Strategies:

- 7.1 Conduct a review of the adjudicator model
- 7.2 Develop a strategy to assist local governments in providing input on community need.
- 7.3 Develop a communications strategy to inform public, licensees, applicants, MLA and local government about how licensing and enforcement decisions are made.

Related Branch Performance Measures and Targets:

Measure	Baseline	03/04 Target	04/05 Target	05/06 Target
(14) Percentage of all "denied" licensing decisions overturned at judicial review	TBD	TBD	TBD	TBD
(15) Average time taken to complete enforcement hearings and take action	120 days	100 days	90 days	90 days
(16) Number of enforcement decisions overturned at judicial review / total proven contraventions and waivers signed (ratio)	TBD	TBD	TBD	TBD
(17) Proven contraventions and contraventions in signed waivers / total contraventions in enforcement action recommended notices; by region (ratio)	TBD	TBD	TBD	TBD

Summary of Branch Resource Usage

Expenditures (With the exception of FTEs, all figures are expressed in thousands of dollars.)	2002/03 Restated Estimates	2003/04 Estimates	2004/05 Plan	2005/06 Plan
Operating expenditures ²	1	1	1	1
Capital expenditures (CCP)	0	0	0	0
Capital expenditures (CRF)	586	905	30	300
FTEs direct	98	104	104	104
Financing Transactions	0	0	0	0

² The majority of annual operating expenditures come from recoveries (fees). Recoveries are estimated at \$8.3 million for 2002/03.

Appendix 1: Key Strategic Issues for the LCLB

External Environment:

Liquor Distribution Branch (LDB) Core Review

The Liquor Distribution Branch (LDB) core review will result in changes to the retailing, warehousing and distribution of liquor in the province. The LCLB will need to work closely with LDB to ensure adequate controls exist to safeguard against increased incidents of illicit liquor and to protect LCLB licence fee revenue. With the move away from government liquor stores to more and larger licensee retail stores, among other things LCLB will need to implement strategies to guard against minors gaining access to liquor.

Strong Links to Public Safety

Government has identified “safer streets and schools in every community” as one of its ten New Era commitments and re-iterated this in its 2002/03 – 2004/05 Strategic Plan as part of Goal 3: Safe, Healthy Communities and a Sustainable Environment. Focusing on issues of public safety should lead to greater public acceptance of the liquor control and licensing program and increased voluntary compliance by liquor licensees. It should also enhance the visibility and profile of LCLB functions. The complexity of the liquor control regulations has made it difficult for the public to understand how they relate to public safety, however this has been alleviated to some extent with the December 2002 repeal and rewrite of the regulations.

Government Priorities – Red-Tape Reduction

The government’s support for reduced regulation presents opportunities for change. A new regulatory framework has reduced the number of licence classes, and eliminated a number of unnecessary regulations. Some industry sectors support the changes, however, some others sectors may continue to oppose a number of the changes.

Co-ordination with Federal Agencies

Opportunities may arise to work with federal agencies on illicit liquor and illegal importation of potables. There may also be opportunities to share information between the LCLB and federal agencies that will streamline licensing processes.

Economy

Fluctuations in the economy can have a great impact on the need for branch services. Economic slowdowns carry the risk of increased drinking, liquor misuse, and destructive competition. A fall-off in the tourist trade can also encourage licensee non-compliance.

Demographics

British Columbia's aging baby-boomer population and large youth population are contributing to changing patterns of liquor consumption in the province. Youth aged 15 to 24 years have consistently comprised approximately 9% of the population over the past 15 years. Despite this proportional stability, this population has shown a net increase of nearly 102,000 over the same period. Overall population growth in the province will lead to greater demand for LCLB services. At the same time, however, there has been a general decline in liquor consumption in BC.

Reason for Being

A strong rationale for the branch's programs exists by virtue of its legislative authority and the recognized need to regulate liquor in all North American jurisdictions. Liquor consumption has been controlled since before Confederation and there is strong public support for the regulatory model. At the same time, there is a lack of public understanding of the need for specific LCLB programs and policies. The public perceive that the liquor control regime contains antiquated rules and too many regulations. This has been reduced somewhat with the introduction of new regulations.

Stakeholder Relationships/External Communications

While LCLB programs receive general support from local governments and police agencies, at the same time, criticism is sometimes received from industry sectors, police agencies, local governments and First Nations on some aspects of the program. Consequently, there is a need to expand branch consultation and interaction with local government and First Nation representatives. The newly implemented LCLB community health assessment offers an opportunity for this: this tool will assist stakeholders in assessing the need for a licensed establishment in a community and its potential impact on the community. This in turn, will increase local support and understanding for LCLB programs.

The new compliance and enforcement program offers opportunities to improve police agency support and the new licensing process is expected to strengthen relations with local governments, police agencies and First Nations. Regardless, some local governments will resist changes in liquor regulations that do not provide for their input in the decision-making process.

The branch perceives a lack of public and industry understanding of liquor control issues and LCLB's role in addressing these issues. The branch acknowledges that the potential impact of liquor policies on the livelihood of licensees is significant. Therefore it is critical that LCLB decisions be fair, consistent, defensible and understood. This creates a need but also an opportunity to inform consumers about the LCLB's purpose and to explain how the complex regulations contribute to public safety. Newly updated publications and the LCLB website will help address these issues.

Legal Risks

The branch has faced a significant number of challenges to both licensing and enforcement decisions through the Liquor Appeal Board process, resulting in some LCLB decisions being overturned by that body. With the dissolution of the Liquor Appeal Board in May 2002, licensees wishing to dispute branch decisions must request a judicial review by the provincial courts. While this shift may moderate the number of challenges to the branch, the court's jurisdiction is less constrained than the Liquor Appeal Board's was under the *Liquor Control and Licensing Act*.

Internal Environment:

Reputation/Track Record

Good written policy exists for both the licensing and enforcement programs. In addition, the branch has successfully implemented major projects such as the compliance and enforcement program, Ubrew/Uvin licensing program, the new licensing regulations and processes, and the POSSE computer system. The branch prides itself on fair and independent licensing and enforcement decisions. However, the public and industry do not always understand the reasons for decisions and some police agencies view the compliance and enforcement program as less than effective. Relations with stakeholders vary depending upon the issue.

Program Strength and Design

The regulatory concepts are well supported by branch management and staff. Compliance and enforcement policies and statutory authorities are clearly defined and procedures detailed in branch manuals. Hearing decisions provide feedback for the continuous improvement of these key documents. Reductions in unnecessary licensing regulations will enable inspectors to devote more time to the enforcement of issues related to public safety e.g. overcrowding, minors, intoxication and illicit liquor. There may also be an opportunity to evaluate the existing enforcement processes to identify potential streamlining.

Fiscal Status

The LCLB is a self-funded agency and operates on a cost recovery basis. This status is more likely to ensure sustained resources for the branch particularly during periods of expenditure restraint.

Human Resources

The branch has a team of dedicated hard-working staff with a high level of positive energy. There is a strong knowledge base among experienced LCLB staff and managers. In recent years, the branch has been challenged because a number of employees retired or took voluntary departure packages. As a result, institutional knowledge and staff continuity have been affected, highlighting the need for training and establishing processes for retaining institutional knowledge.

Workloads are heavy and there has been a high rate of change in recent LCLB history. As a result, low morale has, at times, been a challenge in some areas of the branch.

The ongoing workforce adjustment program may result in the branch filling vacancies with applicants who have less experience and knowledge related to a regulatory environment. The branch has lost some qualified existing staff as a result of voluntary departure and early retirement programs; however, downsizing has created an opportunity for the branch to attract competent staff displaced from other government offices.

Downward compression of management and professional classifications in government has made it more difficult to attract qualified staff for management positions. A closer relationship with the ministry's personnel branch is needed to ensure understanding and support of LCLB's needs.

Internal Communication

The results of a staff survey in 2001 indicated that internal communications did not adequately inform staff about developments in the branch. Staff expressed a strong desire for more face-to-face communication. An internal communication plan recommended more direct contact with staff through regular meetings, conference calls and executive meetings in the regions and the development of an intranet site and orientation package for staff.

There has been marked improvement in the past year with the adoption of the communications plan by Branch executive. Work was completed on the intranet site and knowledge management framework. Publications and procedures manuals and the Branch internet site were updated to reflect the new regulations that came into effect December 2, 2002.

Capacity for Change

While there is openness and commitment to change among the management team, the branch is suffering “change fatigue” from too much change too fast and too many reviews e.g. core review, liquor policy review, budget and fee reviews. The branch’s new organizational structure has also added an element of change. The magnitude of these changes and the aggressive timelines often leave no time to learn and little time to consider policy. This has resulted in increased errors, unrealistic expectations for implementation, and higher human resource costs due to turnover and absenteeism. Many staff feel out of their comfort zone and this has created some resistance to change, particularly among the inspection staff.

On the positive side, this experience has strengthened the branch’s ability to deal with change. There is a desire, supported by staff with appropriate project management skills, to take a strategic approach. Branch staff are generally willing to keep pace with changing needs and management are committed to improve and implement systems. Recent projects have included reviewing internal processes, improving internal management structures, implementing liquor reform strategies including a new compliance and enforcement program, and new licensing processes. The branch’s move to the Ministry of Public Safety and Solicitor General, with its emphasis on regulatory programs, gives the branch more attention by the Minister and Deputy Minister and more support for its initiatives.

Information Management

The branch has recently implemented a computer system that will significantly enhance the branch’s ability to understand operational trends and support internal and external branch reporting. The branch’s previous information management system was inadequate for the needs of the branch. The applications were poorly integrated and lacked statistical/analytical tools. In addition, data were not readily available to support the full range of performance measures desired for the branch.

Challenges of Regional Programming

The number of LCLB field staff is small in relation to the size of province they serve. The branch has attempted to locate offices appropriately across the province to enable LCLB staff to serve their clients adequately; however, field staff in rural areas must still cover large territories. The location of headquarters in Victoria has the potential to inhibit communication between headquarters and both staff and branch clients residing in the rest of the province. In addition, clear distinctions exist between the licensing and compliance staff. These divisional silos disturb the continuity of branch operations with the result that processes are not always seamless to the client and matters sometimes “fall through the cracks.” They also make it difficult to cultivate a strong corporate spirit in the branch.