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Minors As Agents Program - Performance Measure Review

PREPARED FOR LIQUOR CONTROL AND LICENSING
BRANCH

BY BC STATS – JUNE 2016

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Background

In 2010, the B.C. government amended the *Liquor Control and Licensing Act* to provide authority for a minor employed or contracted by the province to legally purchase liquor from all types of liquor retail outlets and licensed establishments for the purpose of testing licensee compliance with the Act's prohibition on supplying liquor to a minor.¹ The Minors as Agents Program (MAP) employs youth under 19 to monitor the illegal sales of liquor to minors. The MAP began in liquor stores in 2012, and has since been expanded to include other venues such as food primaries, liquor primaries, and special occasion licensed (SOL) events.

The Liquor Control and Licensing Branch (LCLB) focuses inspections on those establishments that are the subject of complaints and information obtained in the community^{s.15}

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Scope

The LCLB approached BC Stats to assist in reviewing current measures for the Minors as Agents Program and to provide recommendations for improvements.

The objective of this report is to provide comments and recommendations for improvement related to the rate of liquor establishment compliance with ID-checking requirements.² The scope of this report is limited to this single performance measure (PM).

Performance Measures for MAP

MAP is just one component of LCLB's compliance and enforcement activities. The Compliance and Enforcement Division regulates the operation of over 10,000 permanent licensed establishments and appointment stores and about 25,000 SOL events annually.

MAP focuses inspections on Rural Agency Stores, Government Liquor Stores, Licensee Retail Stores, Liquor Primary, and Food Primary.

¹ Section 22(1) of the Liquor Control and Licensing Act.

² Performance Measure 6: Rate of liquor establishment compliance with ID-checking requirements (SBRT 2016/17-2018/19 Service Plan)

The four measures associated with MAP are:

- Total number of inspections;
- Sales to minors during inspections;
- Non-compliance rate³; and
- Compliance rate⁴.

The main performance measure reported in the ministry service plan and service plan report for MAP is the compliance rate. **Compliance is “the percentage of inspections of liquor establishments⁵ where the establishments are found to be in compliance with ID-checking requirements.”** Legally, sales people must request two (2) pieces of identification from the youthful-looking agents.

Between 2003 and 2009, the compliance rate was very low, particularly in private liquor stores, and did not generally improve over time. The overall provincial compliance rate for 2009 was 29 %. After MAP was established, the compliance rate increased to 68% in 2013, 71% in 2014, and 60% in 2015.⁶

The *Ministry of Small Business and Red Tape Reduction's* 2016/17 -2018/2019 Service Plan reports 2014/15 as a baseline PM for MAP and establishes targets to 2019.

Performance Measure 6: Rate of liquor establishment compliance with ID-checking requirements					
Performance Measure	2014/15 Baseline	2015/16 Forecast	2016/17 Target	2017/18 Target	2018/19 Target
Percentage of inspections of liquor establishments (stores, food primaries and liquor primaries) where the establishments are found to be in compliance with ID-checking requirements.	67.9	69	73	76	80
<small>Data Source: Results for this measure are based on records kept by the Liquor Control and Licensing Branch, Ministry of Small Business and Red Tape Reduction (Responsible for the Liquor Distribution Branch). Liquor establishments include: liquor stores (whether private or government-operated), grocery stores selling wine on their shelves, manufacturers with on-site stores and liquor primary and food primary establishments (e.g. bars and restaurants). Special occasion licences are not included.</small>					

³ Sales to minors during inspections as a proportion of total number of inspections.

⁴ Proportion of establishments who are found to be in compliance with ID-checking requirements during an inspection.

⁵ Over time, the PM has changed to include not only liquor stores, but also food primaries and liquor primaries.

⁶ In 2015, the overall number of inspections fell substantially in 2015 due to lack of staff to administer the program; the decrease in inspections may have contributed to the decreased compliance in 2015.

Strength of Current Approach

1. Training and Inspection Procedures

Documentation and adherence to standardized training and procedures for inspections contribute to the consistency and comparability of measuring compliance. As MAP expands and changes, it is suggested that new procedures are documented to ensure consistency across inspections and regions.

2. Expansion of the Program

While the expansion of the program in 2014/2015 to include food primaries and liquor primaries makes year to year comparisons difficult, the increased breadth of the measurement provides more accurate and reliable data about compliance with the law. Continued use of MAP special projects to measure compliance with regard to SOLs are recommended.

3. Intelligence-Based Operations

Intelligence-based inspections that focus financial and staff resources on areas-based complaints may help to target improvements. Additional data on the impact of random vs intelligence-based inspections would assist Regional Inspectors in knowing where to focus resources to improve compliance (see Recommendation #1, below)

4. Targets

The current targets established for MAP are appropriate given the scope of the program and available resources.

Recommendations

Data

Continued reporting using the 2014/2015 results as the baseline is recommended to ensure comparability now that MAP includes inspections of additional types of establishments. However, contextual information, such as compliance rates from before MAP was established should be noted to ensure that minor changes in compliance are not overstated. It is normal for established programs to experience plateaus in success and for improvements to happen over long periods of time.

1. Type of Inspection

Intelligence-based inspections have significant value to the program as they provide a method for testing and more importantly enforcing the laws related to ID-checking. However, data originating

from complaints may be biased for a variety of reasons.⁷ To ensure that **compliance rate** data is accurate and generalizable, the key performance measure (KPI) should be limited to random inspections.

Ideally two KPIs would be established and used to measure success of the program:

- Compliance Rate – based on random inspections only⁸
- Improvement Rate – based on the number of establishments who were found to have non-compliance due to intelligence-based inspections and then demonstrated compliance with ID-checking requirements at subsequent inspections.

2. Establishment Type

Consider reviewing compliance and non-compliance rates for each type of establishment and assigning targeted resources to establishments with lower compliance (i.e., liquor primary). Note, this approach may further jeopardize the generalizability of the measure and as such should be calculated as an Improvement Rate measure, or used in situations where limited resources dictate fewer inspections than intended.

Regional Distribution of Inspections

Currently Regional Inspectors are responsible for planning inspections for their region. Regional inspectors consider complaints and history of inspections, and attempt to plan inspections that are both distributed across the region but also make good use of existing resources.

To ensure that MAP is distributed evenly across the province, the following recommendations should be considered:

- Establishing an additional region or regions⁹ to ensure that the Interior and Northern areas of the province are experiencing inspections at a rate that corresponds to the number of establishments in these regions.
- If the Lower Mainland region is experiencing inspections at a rate that is disproportionate¹⁰ to the rest of the province (based on number of establishments), consider using a weighting technique to ensure that the PMs reported reflect compliance for all of B.C.

⁷ Police activity in particular local areas, erroneous complaints due to establishment competition, difficulty in reaching remote locations even when complaints are filed.

⁸ This measure could include establishments who were targeted based on complaints but found to be in compliance with ID-checking requirements.

⁹ Currently there are only three regions: Vancouver Island & Interior; Lower Mainland; Fraser Valley and North

¹⁰ Based on population or number of establishments, or a combination of these variables.

- Taking a 'whole-province' approach to considering where to invest resources for inspections. This would include:
 - Reviewing the number of inspections across the province
 - Reviewing compliance rates across the province
 - Establishing a random sample of the entire province, every five years, to ensure and validate reliability across inspections and regions in the other years.

Conclusion

In conclusion, the main recommendation to improve MAP's KPI is to separate random inspections from intelligence-based inspections to ensure that the PM is an accurate and generalizable measure of compliance.

BC STATS

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