



JAN 30 2017

Ref: 38391

Mr. R. Blain Lawson
General Manager and Chief Executive Officer
Liquor Distribution Branch
2625 Rupert Street
Vancouver, BC V5M 3T5

Dear Mr. Lawson:

This Mandate Letter confirms your organization's wholesale division mandate, provides government's annual strategic direction and sets out key performance expectations for the 2017/18 fiscal year.

On behalf of the Province of British Columbia (BC), thank you for your leadership and the contributions made by the Liquor Distribution Branch (LDB) over the past year and congratulations on the efforts made towards a number of achievements.

Your organization and government partners provided a business case to the Minister to bring forward to Treasury Board. This business case supports a transition to an appropriate warehousing solution to replace the current Vancouver Distribution Centre that supports growing capacity demands, while realizing efficiencies to increase productivity.

The wholesale division has worked to:

- Continue modernizing the LDB wholesale systems to reflect the changed liquor environment in BC,
- Improve effectiveness, and create separation between the LDB's wholesale and retail operations,
- Optimize financial performance; and,
- Sustain net returns to the Province in accordance with government policy, Treasury Board directives, the appropriate legislation and regulation, and in alignment with the Taxpayer Accountability Principles (TAP).

.../2

BC's Corporate Governance Framework takes a principles-based approach in providing direction for effective governance of ministries and Public Sector Organizations (PSOs). Since June 2014, the TAP have provided guidance to ensure that the actions taken and services provided strengthen accountability and promote cost control while meeting the public policy objectives established by government on behalf of the citizens of BC.

It is critical that PSOs operate as efficiently as possible, in order to ensure British Columbians are provided with effective services at the lowest cost possible. This requires constant focus on maintaining a cost-conscious and principled culture through the efficient delivery of services that stand the test of public scrutiny and help develop a prosperous economy in an environmentally sustainable manner. This is critical to government's commitment to control spending and balance the budget.

Government is making open information a priority across the public sector to enhance government transparency and accountability in the use of public resources, the delivery of programs and public services.

Government provided the following mandate direction to the LDB's wholesale division under the *Liquor Distribution Act*: to manage the importation and distribution of beverage alcohol in the province of BC. To achieve this mandate, LDB's wholesale division is directed to take the following strategic actions:

Warehouse Solution

Complete an approved business plan, with the assistance of an executive project board, and begin the critical work of executing a successful transition to a new warehouse solution that will enable the LDB to distribute more of the products consumers want such as BC craft beer, wine and spirits, in accordance with government direction. Continue to ensure that capacity demands are fulfilled while providing a high level of customer service.

Corporate Social Responsibility

Reinforce the focus on corporate social responsibility through alcohol awareness campaigns in collaboration with stakeholders, focusing on the prevention of over-consumption.

Continue to work on environmental sustainability by minimizing the amount of waste generated by LDB operations going to landfills.

Modernization of Wholesale Systems and Processes

Continue with long-term efforts to update the LDB's wholesale systems to reflect the new liquor landscape, while also focusing on streamlining processes to reduce red tape for BC businesses with particular appreciation for the challenges faced by small business.

Financial Returns

Optimize the LDB's financial performance and sustain net returns to the Province in accordance with Government policy, Treasury Board directives, the appropriate legislation and regulation, and in alignment with the TAP.

The ongoing culture shift to principled public sector governance remains a priority for government. PSOs are expected to undertake more comprehensive professional development to enhance orientation of their board members and senior executives. Government will be providing programming and resources designed to complement components of orientation to ensure understanding of the accountabilities and expectations of public sector boards and organizations. For detailed information about TAP directives, please refer to the following link: [Taxpayer Accountability Principles](#).

Government is committed to continue to revitalize the relationship between Government and PSOs. This strong focus on increased two-way communication supports and ensures a common understanding of Government's expectations. Timely communication of emerging issues which may affect the business of the LDB and/or the interests of government is critical to building trust and the effective delivery of public services, including information on any risks to achieving financial forecasts and performance targets. With TAP embedded in the Annual Service Plans and Reports, this will support board chairs in assessing and communicating the organization's overall performance.

In addition, it is expected that your organization will continue to be diligent in ensuring familiarity with and adherence to statutory obligations and policies that have broad application across the public sector. Please refer to the following link for a summary of these accountabilities: [PSO Accountability Summary](#).

The General Manager and Chief Executive Officer (CEO) is required to acknowledge the direction provided in the Mandate Letter by signing this letter. The Mandate Letter is to be posted publicly on your organization's website, and a copy signed by the General Manager and CEO provided to the ministry and made available to the public upon request.

I look forward to our regular meetings focusing on strategic priorities, performance against TAP and working together to protect the public interest at all times.

Sincerely,



Coralee Oakes
Minister

Enclosure



R. Blain Lawson
General Manager and Chief Executive Officer
Liquor Distribution Branch

pc: Honourable Christy Clark
Premier

Ms. Kim Henderson
Deputy Minister to the Premier and Cabinet Secretary

Ms. Athana Mentzelopoulos
Deputy Minister and Secretary to Treasury Board Ministry of Finance

Ms. Cheryl Wenezenki-Yolland
Associate Deputy Minister
Ministry of Finance

Mr. Tim McEwan
Deputy Minister
Ministry of Small Business, Red Tape Reduction and
Minister Responsible for the Liquor Distribution Branch

Mr. R. Blain Lawson
General Manager and Chief Executive Officer
BC Liquor Distribution Branch

B.C. Taxpayer Accountability Principles

Further information available at: <http://gov.bc.ca/crownaccountabilities>

- | | |
|--|---|
| 1 Cost Consciousness (Efficiency) | Strengthen cost management capabilities and foster a culture of cost-consciousness at all levels of public sector organizations. Provide public services and programs as efficiently and effectively as possible to “bend the cost curve” and support sustainable public policies and programs as a lasting legacy for generations to come. |
| 2 Accountability | Transparently manage responsibilities according to a set of common public sector principles in the best interest of the citizens of the province. By enhancing organizational efficiency and effectiveness in the planning, reporting and decision making, public sector organizations will ensure actions are aligned with government’s strategic mandate. |
| 3 Appropriate Compensation | Comply with a rigorous, standardized approach to performance management and employee compensation, which reflects appropriate compensation for work across the public sector that is consistent with government’s taxpayer accountability principles and respectful of the taxpayer. |
| 4 Service | Maintain a clear focus on positive outcomes for citizens of British Columbia by delivering cost-efficient, effective, value-for-money public services and programs. |
| 5 Respect | Engage in equitable, compassionate, respectful and effective communications that ensure all parties are properly informed or consulted on actions, decisions and public communications in a timely manner. Proactively collaborate in a spirit of partnership that respects the use of taxpayers’ monies. |
| 6 Integrity | Make decisions and take actions that are transparent, ethical and free from conflict of interest. Require the establishment of a strong ethical code of conduct for all employees and executives. Serve the citizens of British Columbia by respecting the shared public trust and acting in accordance with the taxpayer accountability principles. |