

RED CARPET NOT RED TAPE:

Policy Considerations for the Okotoks & District Chamber of Commerce Board of Directors

Issue(s): Currently many businesses in Okotoks perceive regulations at Town Hall to be over burdensome, costly, unnecessary and frustrating. The business community would like to suggest ways to reduce the regulatory burden on businesses to ensure the Town of Okotoks is viewed as 'Open for Business'.

EXECUTIVE SUMMARY

The Okotoks & District Chamber of Commerce is committed to working with community partners and government to create a business friendly environment. To this end, the Okotoks and District Chamber of Commerce created an online survey to discover the experiences of small and medium-sized enterprises (SMEs) in establishing a business in Okotoks. This commitment is in recognition that SMEs are big business to the local, provincial and national economy. Having to satisfy regulations and policies, complete forms, and follow processes can be costly for business, resulting in limited opportunities and economic growth. An effort to nurture SMEs and minimize hurdles by eliminating unnecessary regulatory requirements makes good economic sense for everyone in the district. Currently, many of our members find processes and regulations at the Town burdensome, costly and time consuming and there may be a variety of opportunities to minimize the perceived 'red tape'.

BACKGROUND:

Red tape is a term used today in a figurative sense to describe excessive regulations to rigid conformity to formal rules that is considered redundant or bureaucratic and hinders or prevents action or decision making. Red Tape barriers can involve legislation, regulation, fees, permits, licenses, paperwork, standards, processing times, guidelines, filing and certification requirements, reporting, investigation, inspection and enforcement practices, and any procedures that affect the efficiency of government services for the clients served. These clients include individuals, organizations and businesses.

The regulatory and compliance burden poses a serious problem for small businesses, mainly due to the fact that SMEs lack the necessary resources to understand and respond to the myriad of regulations imposed by government. The disproportionate impact on small firms is especially important given that SMEs are a critical driver of our economy locally, provincially and nationally. The costs of complying with regulations represent a significant proportion of overhead expense and subsequent reduction in net profits for affected businesses.

Cumbersome red tape, lengthy processing times for approval and complex reporting obligations result in companies having to expend valuable time and resources on understanding and meeting technical requirements, with many having to hire external consultants just to fulfill the associated paperwork requirements. As a result, companies have fewer internal resources to finance investments in assets, knowledge and innovation. In other words, all of this adds up to less time and resources let to invest into their business.

The lack of clarity, when it comes to accessing information and assistance, results in frustration for many companies as there is difficulty in identifying who does what in government and finding the most appropriate individual(s) who can provide concrete answers. The problem is further compounded by the strict approach to compliance taken by some municipal representatives. We need to shift from zero tolerance, process focused enforcement to an outcome sensitive approach. In enforcement there needs to be a clear accountability framework for regulators. At the moment, it is business which must absorb the costs in the process focused approach; and there is no down side for regulators when their actions create delay, confusion and/or contradictory instruction for a regulated company.

Reducing the compliance burden will require concerted action to pinpoint and eliminate existing irritants that have a clear detrimental effect on growth, competitiveness and innovation. To succeed, the commitment to cut red tape needs to be top of mind in government and needs to aim at working towards reducing the burden of regulatory requirements on business. It is an important initiative to complete in order to ensure businesses can grow, prosper and create jobs without being impeded by unnecessary regulations.

We understand that Government plays an important and necessary role as a regulator in our society. It has a responsibility to protect the public interest. For example, we must be assured that food and water are safe for human consumption, houses and buildings are built to an acceptable standard, and that our environment is protected for current and future generations. The regulatory environment also plays a key role in competitiveness and economic prosperity. However, there currently seems to be no mechanism for a regular review of the relevance or effectiveness of regulatory requirements. The current situation must change to enhance efficiency for the residents and businesses of our community, which benefits the economy as a whole.

ANALYSIS:

The Okotoks & District Chamber of Commerce is very interested in ensuring that established businesses which want to expand and grow their enterprises have the opportunities to do so in Okotoks. Fledgling entrepreneurs and established enterprises need an appropriate climate in which to begin and continue business development. Business formation, growth and expansion are potential sources of new wealth in our economy. This activity benefits all residents, whether directly, as in the creation of employment opportunities and the addition of services or indirectly, such as through taxation.

The Okotoks & District Chamber of Commerce is determined to demonstrate leadership in regulatory reform. Underlying this determination is a desire to eliminate many of the obstacles faced by businesses and to increase the competitiveness and attractiveness of Okotoks as a place to do business, live, work and visit.

The survey of both our members and non-members, resulted in frustrations expressed by the business community and citizens with the demands, expectations and inconsistencies within Town hall. Additionally, a resounding 75% of respondents indicated that they have faced issues of regulatory burden or red tape within the Town of Okotoks.

In order to be innovative and competitive, the businesses in our community need the support of government to provide an environment that can nurture innovation, facilitate growth and generate business opportunities within our region. It is in everyone's long-term economic interest to support

business growth as it contributes to job creation and the generation of wealth that benefits everyone in the district.

RECOMMENDATIONS:

The Okotoks & District Chamber of Commerce recommends the Town of Okotoks:

1. Provide a more efficient business to government process such as “one window” access to government services both online and within Town Hall. We recommend a single staff person be the contact for any business establishing or growing their business in Okotoks. This person would oversee the application from beginning to end, thus eliminating the frustration of ‘one hand not knowing what the other is doing.’
2. Provide a more transparent overview of what is required for an applicant, that is easy to find, easy to understand and that all pertinent staff are familiar with. Navigating the website can be onerous and isn’t helpful.
3. Streamline the permit process to eliminate the need for an applicant to return several times to Town Hall and reduce the amount of duplicate information that is currently required on a number of different applications for one project. One small example of this would be to have a “one step” process that allows an applicant to apply for one permit that covers more than one component of a project e.g. a commercial building development that includes signage on the building.
4. Ensure there is a cooperative, helpful environment in the administration of the bylaws, whereby municipal staff are encouraged to facilitate an outcome sensitive approach, rather than a zero tolerance, process focused approach.
5. Create management accountability relating to decisions made by staff in the planning and building department and create a culture of customer service and a supportive attitude towards applicants rather than a prescriptive, preventative attitude.
6. Encourage the concept of applicants discussing proposals with staff prior to submitting development permit applications. It is important that applicants be given:
 - i) a clear communication strategy
 - ii) easy to comprehend information guidelines and checklists
 - iii) access to decision makers in all applicable departments to explain the requirements for permits and waivers
 - iv) clear timelines. Ensure applicants have access to knowledgeable and appropriate employees, including more senior staff, safety codes officers (building inspectors), etc., as needed. Encourage municipal staff to be more thorough and better prioritize projects so they are able to suggest requirements the first time an applicant meets with

the Town department. Applicants are often frustrated when new requirements are implemented with every new meeting at the Town

7. Provide an opportunity for applicants to receive occupancy permits in circumstances where a permit is issued following the signing of a waiver clause. As in the case of a development permit, should an appeal be launched and were successful, it would be understood that the applicant would be required to bear all responsibilities and associated costs.
8. Provide the opportunity for one Town inspector to be assigned to a project to ensure consistency in recommended changes, and timely approvals.
9. Ensure Change of Use permits are being enforced properly, that town staff are consistent in processes and procedures and permits are not too costly so as not to prohibit growth. If development plans are on file for a property (within 10 years) new tenants should not have to provide new plans (including parking studies, traffic studies, garbage bins placement, etc).
10. Consider pre approvals. This will assist businesses who are interested in developing land or are considering new projects that have yet to be approved.
11. Ensure a consultative process is implemented in the introduction of new and revised regulations and bylaws, consulting with businesses/sectors impacted, and that changes are not made without appropriate notice and consultation. Provide clear explanation of any changes to bylaws or processes to stakeholders, either by way of public notice, a summary brochure or “mark-up style” notation on any new draft policies/bylaws. Ensure the information has been seen.
12. Determine reasoning for new and revised regulations. If a new regulation that aligns with one already in place, then the new regulation may not be required. Always test whether the regulation is reasonable and forego the regulation if it is not.
13. Remove requirements for development extension fees for existing business where no further development has occurred since the original application.

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