



City of Richmond

Report to Committee

To: Community Safety Committee **Date:** August 3, 2021
From: Cecilia Achiam **File:** 12-8375-03/2021-Vol
 General Manager, Community Safety 01
Re: **Business Licences Quarterly Report - Second Quarter 2021**

Staff Recommendation

That the staff report titled “Business Licences Quarterly Report – Second Quarter 2021”, dated August 3, 2021, from the General Manager, Community Safety be received for information.

Cecilia Achiam
General Manager, Community Safety
(604-276-4122)

REPORT CONCURRENCE	
ROUTED TO:	CONCURRENCE
Economic Development	<input checked="" type="checkbox"/>
Finance	<input checked="" type="checkbox"/>
SENIOR STAFF REPORT REVIEW	INITIALS:
APPROVED BY CAO 	

Staff Report

Origin

This report provides a quarterly update of activities in support of the regulation of business licences in the City of Richmond.

This report supports Council’s Strategic Plan 2018-2022 Strategy #1 A Safe and Resilient City:

Enhance and protect the safety and well-being of Richmond.

This report supports Council’s Strategic Plan 2018-2022 Strategy #7 A Supported Economic Sector:

Facilitate diversified economic growth through innovative and sustainable policies, practices and partnerships.

Analysis

Business Licence Revenue

Revenue from business licences has been impacted by the COVID-19 pandemic. While revenue in past years has grown by two to five per cent annually, revenue in 2020 decreased slightly (see Table 1). In the beginning of 2021, revenue started to recover and there is now a slight increase when compared to 2020. The total 2021 revenue collected to date is \$2,929,589 whereas revenue collected at the end of the second quarter of 2020 was \$2,923,293. This figure remains lower than the same time period in 2019 but on track to meet the expected budget.

Table 1: Revenue from Business Licences

	2017	2018	2019	2020	2021 YTD
New Businesses	1,801	1,745	1,851	1,270	654
Licence Revenue	\$ 3,884,271	\$ 4,087,165	\$ 4,171,813	\$4,161,591	\$2,929,589

Application Processing

The licencing process ensures that businesses have received all required approvals from those organizations that regulate health and safety as well as any other municipal, provincial or federal requirements. This process is monitored to ensure that it is both timely and thorough. Staff use the following measures of performance:

- Valid Licences – this is the number of businesses with valid, paid, licences.
- Expired Licences – this is the number of businesses who have not paid to renew their licence from a previous year. Staff follow up with these businesses to confirm if they have either closed or just have not paid their invoice.
- Suspended Applications – these are businesses that have applied for a new licence or for changes to an existing licence and are waiting for a review of their application. Staff work to keep this number as low as possible by prioritizing these applications.

- Total Licences – this is the total number of all licences that are either valid, expired (and being checked) or under application review.

These statistics (shown in Table 2) are measured quarterly as the numbers fluctuate throughout the year (new applications arrive daily and businesses close down) and are not annual totals.

Table 2: Status and Number of Business Licences

	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2
Valid Licences	14,737	14,802	14,487	14,039	13,670	13,586	13,481	13,341	13,586
Expired Licences	637	641	661	1,385	1,567	1,640	1,585	1,318	962
Pending Applications	397	349	381	367	384	415	436	457	468
Total Licences	15,771	15,792	15,529	15,791	15,621	15,641	15,502	15,116	15,016

There are two positive trends that are shown by the statistics in Table 2. The second quarter of 2021 is the first quarter since the pandemic began that there is an increase in the number of valid business licences. This trend is expected to continue as health restrictions ease and events such as the Richmond Night Market are permitted to operate.

The second positive trend is the drop in the number of expired licences. Starting in the last quarter of 2020, enforcement staff were able to refocus on unpaid and expired licences. As mentioned above, staff follow up with these businesses to confirm if they have either closed or just have not paid their invoice.

Business Licence Enforcement

Table 3: Business Licence Enforcement Revenue

	2016	2017	2018	2019	2020	2021 YTD
Revenue from Tickets	\$ 1,700	\$ 16,350	\$ 37,250	\$ 60,100	\$ 17,250	\$ 16,575

Over the last two quarters, enforcement staff received significantly fewer complaints related to enforcement health orders in place to stop the spread of COVID-19. As a result, they were able to resume regular enforcement of businesses, especially those operating without a licence. Ticket revenue as a result of enforcement will now continue to increase throughout the year.

Financial Impact

None.

August 3, 2021

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Conclusion

This report provides an update to the Community Safety Committee on second quarter results for 2021 in the Business Licences department. So far in 2021, revenue and the number of licensed businesses is starting to recover from the decreases seen in 2020 during the pandemic.



Mark Corrado
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