



City of Richmond

Report to Committee

To: Community Safety Committee

Date: January 15, 2020

From: Cecilia Achiam
General Manager, Community Safety

File: 12-8375-03/2020-Vol 01

Re: **Business Licences Quarterly Report - Fourth Quarter 2019**

Staff Recommendation

That the staff report titled "Business Licences Quarterly Report - Fourth Quarter 2019", dated January 15, 2020, 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 summary 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 #7 A Supported Economic Sector:

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

7.3 Attract businesses to locate in Richmond and support employment and training opportunities in Richmond as we grow.

Analysis

Business Licence Revenue

Revenue from business licences continues to increase annually. Revenue from licenses was 1.7 per cent higher in 2019 when compared to 2018. This also equates to a 12 per cent increase over the last three years. In 2019 staff also saw an increase in the number of new businesses in Richmond, exceeding the previous high in 2017.

The increase in licence revenue this year is due to a higher priority given to collecting unpaid and expired business licences. Funding was approved to convert an Auxiliary position to regular full-time as part of the 2020 operating budget. This new position will be funded in part by an adjustment to the revenue budget.

Table 1: Business Licence Revenue for 2016-2019

	2016	2017	2018	2019
New Businesses	1704	1801	1745	1851
Revenue (from Licences)	\$ 3,716,597	\$ 3,884,271	\$ 4,087,165	\$ 4,157,628

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 should be both timely and thorough. Staff use three measures of performance including:

- 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/Pending 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.
- 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

	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4
Valid Licences	13,940	14,368	14,285	14,267	14,276	14,737	14,802	14,487
Expired Licences	887	646	688	723	847	637	641	661
Suspended/Pending Applications	282	279	286	274	334	397	349	381
Total Licences	15,109	15,293	15,259	15,264	15,457	15,771	15,792	15,529

There has been a small increase this quarter in both expired licences and suspended/pending applications. This was not unexpected as there were vacancies in the staff team since August 2019. These vacancies should be filled in the first quarter of 2020. Staff expect these numbers to decrease by the second quarter of 2020; closer to the targets of 600 expired and 300 pending/suspended licences.

Business Licence Enforcement

The revenue collected from bylaw fines and tickets related to licencing continue to increase. Table 3 provides the revenue collected in 2019, compared to totals from previous years. As shown in the table, revenue from Business Licence enforcement continues to increase beyond levels seen in recent years.

Table 3: Business Licence Enforcement Revenue

	2016	2017	2018	2019
Revenue from Tickets	\$ 1,700	\$ 16,350	\$ 37,250	\$ 60,100

Over the last year, the Business Licences team has employed part-time auxiliary staff in order to undertake additional enforcement of the licencing bylaws. This has made it possible to provide proactive and targeted enforcement of illegal taxis, businesses without licences and bed and breakfast businesses, among other activities. Going forward, Council approved to convert funding for an Auxiliary staff to a regular full-time position.

Licencing Program for Short-Term Boarding and Lodging

After Council approval in November, the new licencing regulations for short-term boarding and lodging businesses received final bylaw adoption in January. Licences will start being issued in the first quarter of 2020 and the program will be promoted to the public once the staff team is assembled early in 2020.

Financial Impact

None.

Conclusion

This report provides an update on fourth quarter and 2019 annual results to the Community Safety Committee from the Business Licences department. Overall in 2019, there was an increase across all categories related to the number of licences and revenue received. Going into 2020, staff will be introducing a licencing program for short-term boarding and lodging and will report out quarterly with results of the new program.



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