



City of Richmond

Report to Committee

To: Community Safety Committee **Date:** November 10, 2021
From: Cecilia Achiam **File:** 12-8375-03/2021-Vol
General Manager, Community Safety 01
Re: **Business Licences Quarterly Report - Third Quarter 2021**

Staff Recommendation

That the staff report titled “Business Licences Quarterly Report – Third Quarter 2021”, dated November 10, 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 Department	<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 generated 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 for 2021 has decreased slightly (Table 1). It is important to consider the various pandemic related regulation changes when interpreting the data below.

The total revenue collected by the end of the third quarter in 2021 is \$3,717,456. Revenue collected by the third quarter in 2020 was \$3,710,372. Another impact of the pandemic is a small drop in new businesses licenses being issued (Table 2). Tracking the number of new businesses provides an indicator as to the health of businesses in Richmond.

Table 1: Revenue from Business Licences*

	2018	2019	2020	2021 YTD
New Businesses	1,801	1,745	1,851	1,270
Licence Revenue	\$ 4,087,165	\$ 4,171,813	\$ 4,161,591	\$ 3,717,456

*excluding enforcement revenue

Application Processing

The licensing 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/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 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 3) 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: Number and Status of Business Licences

	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3
Valid Licences	14,487	14,039	13,670	13,586	13,481	13,341	13,586	13,558
Expired Licences	661	1,385	1,567	1,640	1,585	1,318	962	967
Suspended/Pending Applications	381	367	384	415	436	457	468	583
Total Licences	15,529	15,791	15,621	15,641	15,502	15,116	15,016	15,108

While the statistics in the table above show that the number of licenced businesses is still lower than seen in previous years, in contrast to the third quarter of 2020, continued efforts are being made in reducing outstanding expired license follow up. Expired licences show up either because businesses have closed or because they are operating without paying for renewal of their licence. Focusing efforts on lowering this number (ensuring businesses pay for their renewal) may be another reason for a positive result in overall revenue.

Business Licence Enforcement

Beginning in 2021, as the business environment adapted operating with multiple public health orders in effect, enforcement staff prioritized expired license follow-up as represented in Table 2 above.

The impact of evolving priorities is outlined in Table 3, which summarizes revenue from tickets issued to business.

Starting in the fourth quarter of 2020, as the number of complaints related to the enforcement of COVID-19 health orders has decreased and the rules for businesses have been clarified, enforcement staff have been focusing on the collection of unpaid licence fees. Businesses continuing to operate without a valid licence are given a warning and then issued a ticket if fees are unpaid.

Table 3: Business Licence Enforcement Revenue from Tickets

	2018	2019*	2020	2021
YTD	\$ 37,250	\$ 60,100	\$ 8,550	\$ 27,850

*Beginning in 2020 revenue generated by short term rental violations are tabulated with the Property Use section as Bylaw fine revenue

Education and Enforcement Support for COVID-19 Health Orders

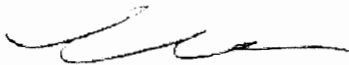
The number of calls to investigate, educate and enforce COVID-19 Health Orders has remained low in the third quarter of 2021. Staff answer and investigate approximately four to eight calls per week. Many pandemic related calls involved out of date or missing Worksafe Safety plans and more recently Vaccine Passport Compliance. As a result, Licence Inspectors work with the RCMP and other agencies on targeted enforcement of sector specific violations.

Financial Impact

None.

Conclusion

This report provides an update to the Community Safety Committee on third quarter results for 2021 in the Business Licences department. So far in 2021, revenue is in line with pre-pandemic expectations with the number of total licences remains lower than in previous years. Staff resources dedicated to enforcement of actions in contravention of COVID-19 Health Orders have been adjusted to reflect current needs, enabling officer to address more of their regular duties.



Mark Corrado
Manager, Community Safety Policy and Programs
(604-204-8673)