



City of Richmond

Report to Committee

To: Community Safety Committee **Date:** February 9, 2021
From: Cecilia Achiam **File:** 12-8375-03/2021-Vol 01
 General Manager, Community Safety
Re: **Business Licences Quarterly Report - 2020 Year in Review**

Staff Recommendation

That the staff report titled “Business Licences Quarterly Report – 2020 Year in Review”, dated February 9, 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 an annual 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 #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). Even with the decrease in growth, the revenue collected met the budgeted target.

Going forward, staff will monitor results in 2021 to determine if the trend of decreased growth continues. Licence revenue is credited to the month and year that the licence is valid. Much of the revenue credited in 2020 was collected in 2019, and early in 2020, before the pandemic. Likewise, 2021 revenue will be impacted by conditions in 2020 and 2021.

Another impact of the pandemic was the drop in new businesses starting up in Richmond. A large reason for the drop was the cancellation of the Richmond Night Market (up to 300 licences). Tracking the number of new businesses will provide an indicator as to the health of businesses in Richmond.

Table 1: Revenue from Business Licences

	2016	2017	2018	2019	2020
New Businesses	1,704	1,801	1,745	1,851	1,270
Licence Revenue	\$ 3,716,597	\$ 3,884,271	\$ 4,087,165	\$ 4,171,813	\$4,161,591

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/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 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 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4
Valid Licences	14,276	14,737	14,802	14,487	14,039	13,670	13,586	13,481
Expired Licences	847	637	641	661	1,385	1,567	1,640	1,585
Suspended/Pending Applications	334	397	349	381	367	384	415	436
Total Licences	15,457	15,771	15,792	15,529	15,791	15,621	15,641	15,502

The statistics in the table above show that the number of businesses with valid licences has decreased throughout 2020. There are a number of reasons for this. As stated above, there has been a decrease in new businesses starting up. There has also been an increase in businesses closing and other businesses that are continuing to operate but have not paid for, or renewed their licence.

Another trend seen in 2020 was an increase in applications to move locations or change the conditions for existing businesses. This is indicated by the growth in pending and suspended licences (in this context, suspended means that the business has requested a change). Staff work to keep this number as low as possible in order to support existing businesses.

COVID-19 Support for Existing and New Businesses

In April 2020 the City launched the virtual COVID-19 Business Support Center to provide a centralized source of accurate and timely information and resources for local businesses who are being impacted by the current pandemic. Through this center businesses are notified of support programs available from all levels of government and other agencies. Information is also shared regarding City initiatives such as the Temporary Outdoor Patio Program and the Richmond Business Resilience Program.

This resource has been shared broadly and is included in the renewal notice sent to existing businesses. New businesses receive a welcome letter which includes information regarding the City services available to them, and contact details for the Economic Development Office.

Business Licence Enforcement

Throughout 2020, and especially since the start of the Pandemic, there has been an increase in unpaid licence fees (expired licences). Considering that a number of business sectors were ordered closed in the second quarter of 2020, enforcement staff focussed on enforcing COVID-19 health orders rather than on the enforcement of unpaid licence fees. The impact in this change of priorities can be seen in Table 3 which summarized 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 focussing 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

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

Licensing Program for Short-Term Boarding and Lodging

Council approved a licencing program for boarding and lodging in November 2019 and the new licencing regulations received final bylaw adoption in the first quarter of 2020. While staff are continuing to promote the licencing of boarding and lodging operations, the number of short-term rental operations has decreased dramatically due to travel restrictions in place. For this reason, the pilot project and temporary positions created to support the licencing and enforcement program have been put on hold. This has helped the department meet overall budget targets but will be re-visited once travel restrictions are lifted.

Education and Enforcement Support for COVID-19 Health Orders

During March, April and May of 2020, all enforcement staff in Business Licences and in Property Use were dedicated to enforcing the health orders put in place to prevent the spread of COVID-19. At that time, staff were receiving up to 400 calls per week. Many of the early calls were related to clarification of health orders and enforcement jurisdictions. Enforcement call numbers have now dropped to an average of 10 to 30 calls per week. As most of the calls are related to businesses, these calls are now handled exclusively by enforcement staff in Business Licences.

Community Ambassador Program

Running from April to October, the Community Ambassador Program redeployed staff from other departments in the City to patrol parks, public spaces and business to educate the public on physical distancing and the health orders in place to prevent the spread of COVID-19. At the

peak of the program over 100 staff participated as Community Ambassadors. The staff in the program were recognizable to the public by their red vests and hats and were generally well received throughout the community.

Early on in the program, the focus of the team was on parks, walking trails and busy neighbourhoods such as Steveson. As the weather changed and the focus shifted, staff provided support to businesses by visiting thousands of businesses to check that they had a COVID safety plan in place to keep staff, customers and the community safe. Throughout the program, the focus was on education and any problems that required enforcement were forwarded to bylaw enforcement staff or the RCMP.

Financial Impact

None.

Conclusion

This report provides an update to the Community Safety Committee on annual results for 2020 in the Business Licences department. Overall in 2020, there was a decrease in growth of new businesses and business licence revenue even though annual budget targets were met. Going into 2021, staff will be working to reduce the number of businesses with unpaid, expired licences while also continuing support for enforcement of health orders related to COVID-19.



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