



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

Staff Recommendation

That the staff report titled “Business Licences Quarterly Report – First Quarter 2021”, dated April 12, 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). However, in the beginning of 2021 revenue has increased when compared with the same time period in 2020. The total 2021 revenue collected to date is \$1,785,852 compared to the same time period where the 2020 revenue collected was \$1,520,096. This is a positive sign but should be watched closely as the year progresses as the pandemic continues.

Another impact of the pandemic was the drop in new businesses starting up in Richmond. Looking at first quarter results, this trend appears to be continuing. Tracking the number of new businesses provides an indicator as to the health of businesses in Richmond.

The combination of increased revenue along with a decrease in new businesses and a decrease in overall number of licenced businesses (Table 2) is likely a sign that revenue is being driven by larger businesses (who pay more in licence fees) while we see a decrease in the number of smaller businesses.

Table 1: Revenue from Business Licences

	2017	2018	2019	2020	2021 YTD
New Businesses	1,801	1,745	1,851	1,270	352
Licence Revenue	\$ 3,884,271	\$ 4,087,165	\$ 4,171,813	\$4,161,591	\$1,785,852

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

While the statistics in the table above show that while the number of licenced businesses is still lower than seen in previous years, there has been progress made reducing the number of expired licences. 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 renewal) may be another reason for a positive result in overall revenue.

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 focused on enforcing COVID-19 health orders rather than on the enforcement of unpaid licence fees. The impact of this change in 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 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

	2016	2017	2018	2019	2020	2021 YTD
Revenue from Tickets	\$ 1,700	\$ 16,350	\$ 37,250	\$ 60,100	\$ 17,250	\$ 3,600

Education and Enforcement Support for COVID-19 Health Orders

The number of calls to investigate, educate and enforce COVID-19 Health Orders has stayed low in the first quarter of 2021 (approximately 10-15 per week). This has allowed Licence Inspectors to work with the RCMP on targeted enforcement of illegal parties occurring in contravention of health orders but also in contravention of liquor, business licence and land use bylaws and regulations.

Working with the RCMP, staff identified several locations within commercial and industrial properties where these parties were occurring. While the RCMP issued tickets under the health orders, bylaw enforcement staff contacted the property owners and notified them of the intent to undertake bylaw enforcement under several City bylaws. In all cases, the property owners complied and immediately evicted the tenants undertaking the illegal activity. Staff have confirmed with the RCMP that parties in these locations are no longer occurring but there are still outstanding bylaw violations (related to illegal construction to enable the parties) that staff will work to resolve or prosecute as necessary.

Financial Impact

None.

Conclusion

This report provides an update to the Community Safety Committee on first quarter results for 2021 in the Business Licences department. So far in 2021, revenue is higher than expected but the number of licences remains lower than previous years. Related to enforcement, staff have been targeting enforcement of illegal parties in contravention of COVID-19 Health Orders.



Carli Williams, P.Eng.
 Manager, Business Licence and Bylaws
 (604-276-4136)