



City of Richmond

Report to Committee

To: Community Safety Committee **Date:** July 19, 2019
From: Cecilia Achiam **File:** 12-8375-03/2019-Vol 01
General Manager, Community Safety
Re: **Business Licences Quarterly Report - Second Quarter 2019**

Staff Recommendation

That the staff report titled “Business Licences Quarterly Report – Second Quarter 2019”, dated July 19, 2019, from the General Manager Community Safety be received for information.

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

REPORT CONCURRENCE	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: CA
APPROVED BY CAO /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.

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 is up just over three percent over the same time period in 2018 (revenue after the second quarter of 2019 was \$2,928,118) which is in excess of the inflationary adjustment in fees. This indicates a growth in sales of licences that is likely a result of economic growth and increased enforcement of unlicensed businesses.

The second quarter of 2019 also saw an increase to the number of new businesses. After a slow start to the first quarter of 2019, the number of new businesses is on track to exceed 2018.

Table 1: Business Licence Revenue for 2015-2019

	2016	2017	2018	2019 YTD
New Businesses	1704	1801	1745	1070
Revenue (from Licences)	\$ 3,716,597	\$ 3,884,271	\$ 4,082,745	\$ 3,028,006

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. Table 2 shows the measures that staff use to assess the current process and compare progress against three measures of performance. These statistics 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
Valid Licences	13,940	14,368	14,285	14,267	14,276	14,737
Expired Licences	887	646	688	723	847	637
Suspended and Pending Applications	282	279	286	274	334	397
Total	15,109	15,293	15,259	15,264	15,457	15,771

After a drop in overall performance in the first quarter of 2019, there has been steady improvement in two of the major categories used to measure performance of the business licence application and renewal process. The number of valid licences is the highest ever recorded at one time and the number of expired licences is the lowest ever to be measured. Vacancies in the work group in late 2018 and early 2019 have now been filled and staff are keeping up with demand and following up with businesses that have not renewed their licences. Staff expect this progress to continue throughout 2019.

Business Licence Enforcement

The revenue collected from bylaw fines and tickets related to licencing is continuing to increase. Tickets issued in the last quarter are mostly related to businesses operating without licences. Businesses operating without valid licences, or contrary to their approvals, are given a warning and time to comply before tickets are issued. Table 3 provides the revenue collected to date in 2019, compared to totals from previous years.

Table 3: Revenue from Tickets

	2016	2017	2018	2019 YTD
Revenue from Tickets	\$ 1,700	\$ 16,350	\$ 37,250	\$ 31,250

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, it will be proposed to convert the funding for auxiliary staff into funding for a regular full-time position. This will be submitted in the 2020 Budget process and outlined in the report to Council related to Proactive Bylaw Enforcement.

Illegal Taxi Enforcement

Business Licencing staff, along with staff from the Passenger Transportation Board (“PTB”) and RCMP, undertook a targeted enforcement operation on Thursday, May 9, 2019. Enforcement staff worked through the afternoon and evening, stopping a total of 11 drivers. Each driver received three tickets from the City of Richmond.

In addition to the tickets issued from the City (three tickets to each of the 11 drivers), the PTB also issued 11 tickets, one to each driver. Tickets issued by the PTB are usually issued in the amount of \$1,150 however two of the drivers were repeat offenders from other municipalities and received double the fine (\$2,300). The RCMP also issued tickets to two of the drivers for violations under the Motor Vehicle Act.

Moving forward, staff will continue targeted enforcement campaigns against illegal taxis.

Enforcement of Construction Trades

On May 8, 2019, inspectors from Richmond, Delta and Surrey were deployed in each municipality to check the licenses of as many trades contractors and mobile businesses as possible. Working

together, on the same day, limits businesses from moving around to avoid enforcement. Using 10 inspectors from Community Bylaws and Licencing for proactive enforcement, staff visited 63 sites, checked licences of 112 businesses and issued 56 tickets. This is a compliance rate of 50%.

A compliance rate of 50% is much lower than expected and an indication that more enforcement is needed in this area. Ensuring that businesses engaged in the construction trades have licences not only ensures that all health and safety regulations are being met but also provides a level playing field for Richmond businesses that purchase licences and comply with Richmond bylaws. Staff will look for ways to improve compliance and encourage more of our neighbouring municipalities to join these types of enforcement campaigns.

Financial Impact

None.

Conclusion

This report provides an update on 2019 second quarter statistics to the Community Safety Committee from the Business Licences department. The statistics and commentary provided in this report will inform discussions related to policy, staffing and resources for licences and permits related to businesses.



Carli Williams, P.Eng.
Manager, Community Bylaws and Licencing
(604-276-4136)