



City of Richmond

Report to Committee

To: Community Safety Committee **Date:** January 19, 2024
From: Mark Corrado **File:** 12-8060-01/2024-Vol
Director, Community Bylaws & Licencing 01
Re: **Business Licence Activity Report – 2023 Year in Review**

Staff Recommendation

That the staff report titled “Business Licence Activity Report – 2023 Year in Review”, dated January 19, 2024, from the Director, Community Bylaws & Licencing, be received for information.

Mark Corrado
Director, Community Bylaws & Licencing
(604-204-8673)

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Economic Development Finance Department	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

This report provides an update of business licence activity in 2023 along with a fourth quarter update of activities in the City of Richmond.

This report supports Council's Strategic Plan 2022-2026 Focus Area #2 Strategic and Sustainable Community Growth:

2.5 Work collaboratively and proactively to attract and retain businesses to support a diversified economic base.

This report supports Council's Strategic Plan 2022-2026 Focus Area #4 Responsible Financial Management and Governance:

4.2 Seek improvements and efficiencies in all aspects of City business.

Analysis

Business Licence Revenue

The total revenue collected in 2023 was \$4,488,836 which represented an eight percent increase when compared to total revenue in 2022. Total revenue increased due to an increase in business licence revenue as well as enforcement related revenue. Business licence revenue is one of multiple indicators of economic health in Richmond. Table 1 shows total business licence revenue from 2020 to 2023.

Table 1: Total Business Licence Revenue for the 2020 to 2023

	2020	2021	2022	2023*
Revenue	\$ 4,161,591	\$ 4,162,514	\$ 4,162,709	\$ 4,488,836

*Information may change subject to year-end adjustments and audit.

Application Processing

The licencing application process is a crucial step since it confirms whether the businesses have the required approvals from agencies that regulate health, safety and other municipal, provincial or federal requirements. Staff oversee this process with thoroughness and efficiency. Staff use the following measures of performance:

- **“Valid Licences”** are the number of businesses with valid licences.
- **“Expired Licences”** are the number of businesses that have not paid to renew their licence within 60 days of being sent an invoice. Staff follow up with these businesses regarding the outstanding licencing fees and confirm whether they are permanently closed.
- **“Pending/Change Applications”** are businesses that have applied for a new licence or a change request of an existing licence, but are waiting for their applications to be processed. Staff work to keep this number low by prioritizing these applications.

- **“Total Licences”** are the total number of business licences that are valid, expired (and being checked) and under application review.

Table 2 shows the total number of business licences and their status for 2022 and 2023. These statistics are measured quarterly, as opposed to annually, as the numbers fluctuate throughout the year due to a variety of factors, including shifting numbers of daily application submissions, premise alteration requisitions, change requests or businesses permanently closing. The figures listed in Table 2 do not include licences deemed inactive.

Table 2: Number and Status of Business Licences in 2022 and 2023

	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Valid Licences	13,662	13,848	13,340	13,574	13,164	13,212	13,607	14,245
Expired Licences	1,034	1,313	2,281	2,139	2,340	2,687	2,590	1,965
Pending/Change Applications	741	685	771	575	1,040	950	882	816
Total Licences	15,437	15,846	16,392	16,288	16,544	16,849	17,079	17,027

In Q4 of 2023, total licenses increased by four and a half percent (739) when contrasted with Q4 2022. In the same period, there was an eight percent decrease (174) in expired licenses.

In May 2023, a temporary full-time license inspector role was introduced to investigate unpaid business licenses. From May to the end of December 2023, this role investigated 480 businesses, determining 269 were in operation but in arrears and 211 had closed down. Payment for the 269 business in arrears was collected and approximately 100 bylaw violation notices were issued for operating without a valid business license.

The expired licence category remains a key focus area for staff while balancing the administrative intake of new pending/change applications. Staff continue to work diligently to address pending/change applications on an on-going basis when they are received by the City in-person or via the MyBusiness portal. Progress has been made in reducing this figure and re-categorizing licences to their appropriate status.

Table 3: New Business Licences from 2020 to 2023

	2020	2021	2022	2023
Total Issued	1271	1467	1660	1971

The number of new business licences issued in 2023 saw a 19 percent (311) increase when contrasted with 2022. This is a positive indicator of economic health, especially as businesses continue to face inflationary pressures and other economic challenges and contributes to the increase of total licensees referenced in Table 2.

Inactive licenses encompass various conditions, including businesses in invoiced status that, upon verification, have ceased operations. This also includes home occupation businesses that

may have stopped operating or moved out of Richmond. Inactive licences are not included in any of the licences categories listed in Table 2. The total number of inactive licences in 2023 decreased by 763 (44%) from 2022. While fluctuations in the total number of inactive licences can be caused by a variety of factors a substantial decrease is indicative of economic health.

Table 4: Inactive licences for 2020 to 2023

	2020	2021	2022	2023
Inactive Licences	2104	1787	1715	952*

*Information may change subject to quarterly review of licences status

Business Licence Enforcement

In 2023, a total of 442 tickets were issued by staff. Offences relating to the Sign Regulation Bylaw 9700 are also included in the ticket figure noted above, as were violation notices issued for operating contrary to a license conditions. Businesses operating without a valid licence are initially given a warning and provided with steps to achieve compliance. If a follow-up inspection reveals continued non-compliance, a bylaw violation notice is issued.

The increase in fine revenue is the result of staff investigating businesses that continue to operate while non-compliant, or licence holders operating contrary to their license, including boarding and lodging licenses.

Table 5: Total Business Licence Enforcement Revenue 2021 to 2023

	2021	2022	2023
Revenue from Tickets	\$ 16,575	\$ 15,700	\$ 100,175

2023 Highlights

The City pivoted to proactive and targeted management of expired licences by hiring temporary staff, which resulted in increased revenue, reduced non-compliance and a more accurate record of businesses in Richmond. Staff will be reviewing the efficacy and business case for this approach in 2024.

The City's MyBusiness portal, which went live in July 2022, enabled business license applicants/holders to renew, submit, or modify existing licenses in an efficient and effective manner. Through 2023, the MyBusiness portal was instrumental in providing a higher service level to the public who now have the ability to access this system remotely and on a 24/7 basis.

Financial Impact

None.

Conclusion

This report provides an update to the Community Safety Committee on the number of business licences and revenue collected by the Business Licencing Department for 2023. Revenues overall in 2023 have increased compared to 2022. The increased number of valid licences in the fourth quarter of 2023 is a positive indicator of overall economic health given the challenging business climate, as well as staff efforts to follow up on outstanding businesses. A primary focus of staff for 2024 is to concentrate on processing applications and investigating expired licences to determine their appropriate status.



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