



City of Richmond

Report to Committee

To: Community Safety Committee **Date:** April 19, 2024
From: Mark Corrado **File:** 12-8375-02/2024-Vol
 Director, Community Bylaws & Licencing 01
Re: **Business Licence Activity Report – First Quarter 2024**

Staff Recommendation

That the staff report titled “Business Licence Activity Report – First Quarter 2024”, dated April 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 the first quarter of 2024.

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 the first quarter of 2024 was \$2,280,672 which represented a 16.5% percent increase when compared to the same quarter revenue in 2023. 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 2021 to 2024.

Table 1: Business Licence Revenue for the First Quarter 2021 to 2024

	2021	2022	2023	2024
Revenue	\$ 1,785,852	\$ 1,809,955	\$ 1,956,915	\$ 2,280,672

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 from 2023 and 2024. 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 2023 and 2024

	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Valid Licences	13,164	13,212	13,607	14,245	13,982
Expired Licences	2,340	2,687	2,590	1,966	2,137
Pending/Change Applications	1,040	950	882	816	803
Total Licences	16,544	16,849	17,079	17,027	16,922

In the first quarter of 2024, total licences increased by two percent (378) when contrasted with the same quarter last year. In the same period, there was a six percent (818) increase in valid licences and a nine and a half percent decrease (203) in expired licences.

Staff have strategically shifted to targeting the expired licence category to maximize revenue collection and ensure data accuracy while balancing the administrative intake of new pending/change applications. There is a strong correlation between enforcement of expired licences and growth in the total number of valid licences. 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. Steady progress has been made in reducing this figure and re-categorizing licences to their appropriate status.

Table 3: New Business Licences Issued in the First Quarters 2021 to 2024

	2021	2022	2023	2024
Total Issued	352	335	423	441

There was a four percent increase in the number of new business licences issued in the first quarter of 2024 compared with the same period last year. This is a positive indicator of economic health, especially as businesses continue to face inflationary pressures and other economic challenges. This increase contributes to the total number of licences referenced in Table 2.

Inactive licences encompass various conditions, including businesses in invoiced status that, upon verification, have ceased operations. This category also includes home occupation businesses that may have stopped operating or have 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 2024 decreased significantly by 885 (92%) from last year. While fluctuations in the total number of inactive licences can be caused by a variety of factors, the substantial change can be attributed to the increased resource that was dedicated to reconciling inactive licences with the

addition of a temporary full-time licence inspector role in May 2023 to follow up with outstanding accounts.

Table 4: Inactive Licences for 2020 to 2023

	2021	2022	2023	2024
Inactive Licences	1787	1715	952*	67

Tow Permit Applications

Starting in 2024, the Tow Permit program is administered within the Business Licencing Department. A total of 74 tow permit applications have been received in the first quarter of 2024. Tow permits are valid for two years as per the Vehicle for Hire Bylaw No. 6900.

Business Licence Enforcement

Staff issued a total of 442 tickets to date in 2024. These tickets include offences relating to the Sign Regulation Bylaw 9700 and violation notices for operating contrary to licence conditions. In general, 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 licence.

Table 5: Business Licence Enforcement Revenue First Quarter 2021 to 2024

	2021	2022	2023	2024
Revenue from Tickets	\$ 3,600	\$ 8,550	\$ 22,450	\$ 24,950

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 in the first quarter of 2024. Revenues this quarter have shown a positive trend compared the same time frame last year. 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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