



City of Richmond




Report to Committee

To: Community Safety Committee **Date:** August 22, 2024
From: Mark Corrado **File:** 12-8375-02/2024-Vol
 Director, Community Bylaws & Licencing 01
Re: **Business Licence Activity Report – Second Quarter 2024**

Staff Recommendation

That the staff report titled “Business Licence Activity Report – Second Quarter 2024”, dated August 22, 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 second 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 earned in the first and second quarters of 2024 was \$3,498,828 which represented an 11 percent increase when compared to the same quarters in 2023. Total revenue increased due to an increase in business licence issuances 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 Q1 and Q2 for 2021 to 2024

	2021	2022	2023	2024
Revenue	\$ 2,929,589	\$ 2,917,328	\$ 3,147,579	\$ 3,498,828

Business Licence Enforcement

Staff issued a total of 248 tickets in Q2 of 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 2: Business Licence Enforcement Revenue Second Quarter 2022 to 2024

	2022	2023	2024
Revenue from Tickets	\$ 8,550	\$ 19,450	\$ 26,750

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 3 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 3 do not include licences deemed inactive.

Table 3: Number and Status of Business Licences in 2023 and 2024

	2023 Q1	2023 Q2	2024 Q1	2024 Q2
Valid Licences	13,164	13,212	13,982	14,007
Expired Licences	2,340	2,687	2,137	2,708
Pending/Change Applications	1,040	950	803	765
Total Licences	16,544	16,849	16,922	17,480

In the second quarter of 2024, total licences increased by four percent (631) when contrasted with the same quarter last year. In the same period, there was a six percent (795) increase in valid licences and a 19 percent decrease (185) in pending/change applications licences.

Table 4 highlights the number of new business licences issued in Q2 of each respective year. There was a 28 percent increase in the number of new business licences issued in the second quarter of 2024 compared to the same period last year. This increase is a positive indicator of economic health, especially as businesses continue to face inflationary pressures and other challenges.

Table 4: New Business Licences Issued in the Second Quarters 2022 to 2024

	2022	2023	2024
Total Issued	471	489	630

Staff continue to work diligently to address pending and change applications as they are received by the City, either in-person or via the MyBusiness portal. Steady progress has been made in reducing these numbers and re-categorizing licences to their appropriate status. A continued focus for the remaining quarters of 2024 will be addressing the number of expired licences that require follow-up on their operating status.

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 3. The total number of inactive licences in Q2 of 2024 increased slightly by 5 from the same quarter last year.

While fluctuations in the total number of inactive licences can be caused by a variety of factors, the change can be attributed to the increased resource that was dedicated to reconciling inactive licences. It should be noted that this licences status represents less than one percent of total licences.

Table 5: Inactive Licences in the Second Quarters for 2022 to 2024

	2022	2023	2024
Inactive Licences	2	12	17

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 second 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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