



City of Richmond

Report to Committee

To: Community Safety Committee **Date:** July 11, 2023
From: Mark Corrado **File:** 12-8375-01/2023-Vol
 Director, Community Bylaws & Licencing 01
Re: **Business Licence Activity Report – Second Quarter 2023**

Staff Recommendation

That the staff report titled “Business Licence Activity Report – Second Quarter 2023”, dated July 11, 2023, 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 for the second quarter of 2023.

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 second quarter of 2023 was \$1,190,664 which represents a seven per cent increase when compared with the same quarter in 2022. Business Licence revenue is one of multiple indicators of overall economic health in Richmond. Table 1 shows the Business Licence for Revenue for the second quarters of 2020 to 2023.

Table 1: Business Licence Revenue for the Second Quarters of 2020 to 2023

	2020	2021	2022	2023
Revenue	\$1,403,197	\$1,143,737	\$1,107,373	1,190,664

Application Processing

The licensing 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 oversees this process for 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 from a previous year. 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 the second quarter of 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 and businesses permanently closing.

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

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

In the second quarter of 2023, total licences demonstrate a positive growth. There is a slight increase in the total number of valid licences compared to the first quarter of 2023. The decrease in pending/change applications can be attributed to various factors such as changes in a business footprint and staffing size or incomplete contact information. Staff continue to work diligently to address the pending/change applications on an on-going basis when they are received by the City in-person or via MyBusiness portal. Progress has been made in reducing this figure and re-categorizing licences to their appropriate status.

Expired licences remain a key focus area for staff. In the second quarter of 2023 a temporary dedicated staff member was recruited to specifically follow-up with businesses regarding their expired licences and to determine appropriate status for these licences. Table 3 shows the number of new business licences issued in the second quarters of 2020 to 2023.

Table 3: New Business Licences Issued in the Second Quarters of 2020 to 2023

	2020	2021	2022	2023
Total Issued	246	304	471	489

The number of new business licences issued in the second quarter of 2023 has increased slightly by four per cent (18 new licences) when compared to the same quarter in 2022. This is one positive indicator of economic health, especially as businesses continue to face inflationary pressures and other economic challenges.

Business Licence Enforcement

In the second quarter of 2023, a total of 112 tickets were issued by staff. 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. Also include in the ticket figure noted above are offences relating to the Sign Regulation Bylaw 9700.

The increase in fine revenue is the result of staff following up with businesses that continue to operate while being non-compliant, along with any offences in contravention of Sign Bylaw 9700. Table 4 shows the second quarter revenue collected from bylaw violation notices.

Table 4: Business Licence Enforcement Revenue for the Second Quarter of 2021 to 2023

	2021	2022	2023
Revenue from Tickets	\$ 12,975	\$ 8,550	\$ 19,450

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 the second quarter of 2023. Revenues in this quarter have increased, when compared to the same quarter in 2022, but are not yet indicative of a trend in 2023. The increased number of new licences in the second quarter of 2023 is a positive indicator of overall economic health, given the challenging business climate. A primary focus of staff for 2023 is to concentrate on processing applications and overseeing the expired licences to determine their appropriate status.



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