

Notice of Non-Key Executive Decision

This Executive Decision Report is part exempt and Appendix A is not available for public inspection as it contains or relates to exempt information within the meaning of paragraph 3 of schedule 12A to the Local Government Act 1972. It is exempt because it refers to commercially sensitive information so therefore the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Subject Heading:	Approval of the Hornchurch Business Improvement District Proposal for 2026 to 2031
Decision Maker:	Neil Stubbings – Strategic Director of Place.
Cabinet Member:	Councillor Graham Williamson Cabinet Member for Development & Regeneration.
ELT Lead:	Neil Stubbings – Strategic Director of Place.
Report Author and contact details:	Perry Brooker Town Centres Manager Perry.brooker@havering.gov.uk 01708 432577
Policy context:	Havering Corporate Plan: <u>A great place to live, work and enjoy.</u> Aim: To attract and deliver investment and regeneration opportunities, whilst protecting the character of the borough.
Financial summary:	If the Hornchurch Business Improvement District BID ballot is successful, the Council will be liable for payment of an annual levy of

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	additional business rates currently estimated at £7,975 per annum for a 5-year term. The Council has no control over the levy funds aside from collection.
Relevant Overview & Scrutiny Sub Committee:	Places Overview & Scrutiny Sub Committee.
Is this decision exempt from being called-in?	The decision will be exempt from call in as it is a Non-Key Decision.

The subject matter of this report deals with the following Council Objectives

People - Supporting our residents to stay safe and well

Place - A great place to live, work and enjoy x

Resources - Enabling a resident-focused and resilient Council

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

The Council has received a Business Improvement District (BID) Proposal for Hornchurch town centre in accordance with schedule 1 of the Business Improvement Districts (England) Regulations 2004 see Exempt Appendix A.

Under the BID Regulations 2004 the Council is obliged to support the establishment of a BID once a formal BID proposal is received. However, the Council can refuse to hold a ballot for the establishment of a BID if a BID proposal does not meet the requirements of the BID Regulations 2004.

Having considered the Proposal (Exempt Appendix A) and in line with the BID Regulations 2004, the Strategic Director of Place in consultation with the Lead Member and the s151 Officer is asked to agree to:

1. Accept the BID Proposal which will include entering into an Operating Agreement and a Baseline Statement if the outcome of the Ballot is in favour of establishing a Hornchurch BID.
2. Commence the BID ballot procedure within the proposed BID area in February - March 2026, in accordance with the BID Regulations 2004 section 5.
3. Cast the Council's vote to support the establishment of the Hornchurch BID in relation to all Council properties within the proposed BID area.
4. The payment of the BID levy on its properties within the proposed BID area for the duration of the BID if the outcome of the BID ballot is successful at a cost of approx. £7,975 per annum.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 of the Council's Constitution

Scheme 3.3.3 - Powers common to all Strategic Directors

1.General

1.1 To take any steps, and take any decisions, necessary for the proper management and administration of their allocated directorate.

STATEMENT OF THE REASONS FOR THE DECISION

Business Improvement Districts (BIDs)

A BID is a defined geographical area in which business occupiers (and/or property owners if in Central London or in possession of a property) fund a range of improvements through a levy. They emerged first in Canada in the early 1970s and have since transferred to other nationalities; the UK government introduced legislation in 2004 to permit their creation in England. Today, the UK has over 330 BIDs, the majority of which are in English town and city centres.

Whilst each BID is different, both in terms of identity and output, they share the following aspects:

- They provide significant additional funding to improve the places in which they operate.
- Outside Central London, each BID is funded by business ratepayers as occupiers (as opposed to property owners).
- Created first through a ballot, the maximum term for any BID is 5-years, after which they may seek the agreement of businesses to renew for a further term via a new ballot.
- BIDs can create strengthened and enduring partnerships between private occupiers, property owners and the public sector.

BIDs are established by satisfying two thresholds within the ballot - the first being a majority of votes in favour by number, the second being a majority by Rateable Value.

Background

The Council working in partnership with the Hornchurch business community via the Hornchurch town team commissioned a company called 'Locus Management Solution' to carry out a Business Improvement District (BID) feasibility study for Hornchurch town centre last year to establish whether a BID could be a viable option. The study

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aimed to ascertain if there was the business will / interest in pursuing a BID and to explore the potential BID boundary, levy and threshold options.

The BID feasibility report found engagement amongst businesses was positive with many indicating a willingness to discuss and participate in future improvements within the town centre such as safety, marketing, events and promotion and business engagement. The findings also highlighted a willingness within the business community (64% of the businesses consulted) to explore the BID model. Therefore, further consultation was undertaken with 102 businesses during the spring / summer of 2025. Findings highlighted that 80% of these businesses rated crime / anti-social behaviour as a priority, with 61% of these businesses being supportive of a proposed BID for Hornchurch town centre.

In November 2025, further business engagement was carried out via business workshops to ascertain business priorities for Hornchurch town centre over a 5-year term.

BID Proposal

The Council received a formal BID proposal for Hornchurch town centre from the BID proposer on 13th January 2026 (attached Exempt appendix A). Under the BID Regulations 2004 the Council is obliged to support the establishment of a BID once a formal proposal is received. The Council can refuse to hold a ballot for a proposal to establish a BID if it does not adhere to the BID Regulations 2004 Schedule 1 regulation 4 'Content of BID Proposals'.

The Council can exercise to veto a BID proposal if it is of the opinion the BID arrangements are likely to:

- (a) conflict to a material extent with any policy formally adopted by and contained in a document published by the Authority (whether or not the Authority is under a statutory duty to prepare such document); or
- (b) be a significantly disproportionate financial burden on any person or class of persons (as compared to the other non-domestic ratepayers in the geographical area of the BID) and—
 - (i) that burden is caused by the manipulation of the geographical area of the BID or by the structure of the BID levy; and
 - (ii) that burden is inequitable.

The BID proposal includes a business plan for a 5-year term that details several priorities that if the Hornchurch BID is established will focus on, these are:

1) Safety & Security – improving the feel of Hornchurch town centre by creating a welcoming, well-managed environment where residents, visitors, and businesses feel comfortable and confident.

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2) Activity & Collaboration – more things to do that encourage people to spend time in Hornchurch, support local businesses, and bring the community together through events and experiences.

3) Promotions – Promoting Hornchurch businesses through local marketing, partnerships, offers, and campaigns that increase visibility, footfall, and customer engagement.

Proposed BID boundary

A detailed map of the proposed Hornchurch BID boundary is included within the BID proposal that incorporates 244 hereditaments within Hornchurch town centre.

Operating Agreement

A draft Operating Agreement is included within the BID proposal whereby the Council is required to provide the relevant rateable value data to the BID Proposer / Company, together with establishing the necessary systems (including software changes) to enable collection and enforcement of the BID levy if a BID is established.

Baseline Statement

A Baseline Statement is included within the BID proposal detailing an overview of the statutory services delivered by the Council within the proposed BID boundary.

BID Ballot Holder

The Council is required to set up and manage the BID ballot on behalf of the BID company or instruct an external ballot provider.

BID levy rate

The BID proposal details the levy rate of 2.0% to be applied to businesses within the defined BID boundary. Only properties or hereditaments with a rateable value of £10,000 or more will be eligible for payment of the Levy. The maximum annual amount due in BID levy by any one hereditament will not exceed £15,000. The BID levy is estimated to generate £182,989 in year one with a predicted estimated total over the full 5-year term of £971,513 allowing for 3% fixed inflation per year, and is calculated on an estimated collection levy rate of 95%.

Council Hereditaments

The Council currently holds 7 hereditaments within the proposed BID boundary, therefore, will receive 7 ballot papers, one vote in respect of each property occupied or (if unoccupied) owned within the geographical area of the BID. If the Hornchurch BID ballot is successful, the Council will be liable for payment of an annual levy currently estimated at £7,975 per annum for a 5-year term.

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OTHER OPTIONS CONSIDERED AND REJECTED

Local Authorities are encouraged to support the establishment of a BID when receiving a BID Proposal that complies with the BID Regulations 2004. Having considered the BID proposal officers consider there are no grounds on which the Council would veto the BID proposal for Hornchurch town centre. Should the proposed BID not proceed the funding / levy will not be available to support additional services and improvements to Hornchurch town centre for the benefit of residents and businesses within Hornchurch.

PRE-DECISION CONSULTATION

As detailed within this report a feasibility study and consultation with businesses have taken place. The BID proposer has detailed all business consultation taken place within the BID Proposal.

Cabinet Member for Development & Regeneration and Ward Councillors have been consulted.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Perry Brooker

Designation: Town Centres Manager

Signature: *P. Brooker*

Date: 20/01/26

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. The BID Regulations 2004 regulate the creation, amendment and renewal of BIDs and all BID proposals must comply with the provisions of the BID Regulations.
2. The Council is required by the BID Regulations 2004 to provide support to a BID proposer by providing relevant information in the initial stages of preparing the proposal, run the ballot where it has been confirmed that the proposal does not conflict with any of the Council's policies, provide services as agreed, collect the supplementary levy on the BID's behalf and recover its administrative costs.
3. If the requirements of schedule 1 paragraph 2 of the BID Regulations are complied with, by approving the proposed recommendations, the Council will comply with its statutory obligation to support and commence the BID ballot.
4. Therefore, the Council can commence the ballot procedure and, subject to a positive result in the ballot, enter into the relevant baseline agreement and operating agreement.

FINANCIAL IMPLICATIONS AND RISKS

Below are the financial implications to the Council:

If the Hornchurch Business Improvement District (BID) ballot is successful, the Council will be liable to pay an annual levy of additional business rates on the 7 Council owned properties within the proposed boundary currently estimated at £7,975 per annum for a 5-year term. This is naturally subject to change with potential acquisitions and or disposals. Inflation would also apply per annum.

Election Services is to be instructed to hold a ballot of eligible businesses within the BID area during February and March 2026, in accordance with the rules for ballots set out in the BID Regulations 2004. The estimated cost to hold the ballot is £3,440. This cost will be funded via Havering's UK Shared Prosperity Fund Revenue allocation for 2025/26 under the supporting local business sub theme within the Grant Agreement. Therefore, the commission of the ballot will be at no financial cost to the Council.

Should the Hornchurch BID be successful in the ballot, it would become the third such BID area within Havering. The authority would have a duty to administer and collect the levy alongside its existing duties around business rates and the two existing areas. There may be enforcement requirements as well where non-payment may occur. However, it is expected that there would be synergies given commercial properties also are required to pay business rates as well as the levy should they reside within the BID area and meet the requirements as set out under the Bid Levy Rate in this report. The OneSource Business Rates team would collect the Levy and the cost of this, estimated

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at approximately £15,000 per annum, would be borne by the newly formed BID. It is expected that VAT will be applicable.

It is predicted that there will be no other Council staff resources required to support the BID outside of the above mentioned. However, this will be clarified and agreed in the Baseline Agreements.

Below are the financial implications to the BID:

It is anticipated that a BID would result in securing levy funding into the Town Centre of up to £0.183m for a full year based on the current hereditaments. Therefore, allowing for inflation, an estimate over the 5-year term would be £0.972m. These figures are based on a 2% levy applied to businesses within the BID area who have a rateable value of £10,000 or more. For those businesses that the levy applies, the maximum annual value of the levy is set at £15,000. A fixed rate of inflation is applied per annum under the Operating Agreement.

A further ballot would be required to extend the BID beyond the initial 5-year term. The BID itself would be a Limited company, Hornchurch Business Improvement District Limited. The Council is collecting rates on behalf of the BID and has no control over the levy funds.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

The recommendations made in this report do not appear to give rise to any identifiable HR risks or implications that would impact on either the Council or its workforce.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the

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Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An EqHIA (Equality and Health Impact Assessment) is usually carried out when a proposed or planned activity is likely to affect staff, service users, or other residents.

The Council seeks to ensure equality, inclusion, and dignity for all in every situation.

There are no equalities and social inclusion implications and risks associated with this decision.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

There are no direct implications relating to the environment or climate change.

BACKGROUND PAPERS

None.

APPENDICES

Appendix A – BID Proposal Exempt

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Part C – Record of decision


I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Details of decision maker

Signed



Neil Stubbings
Strategic Director of Place

Date: 21st January 2026

Lodging this notice

The signed decision notice must be delivered to Committee Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____