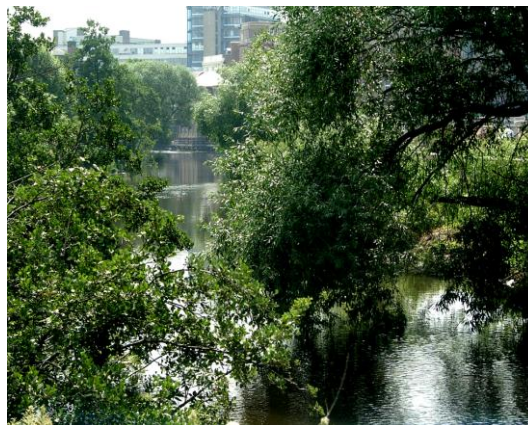


November 2013

Sheffield Lower Don Valley Flood Defence Project

Business Improvement District (BID) Business Plan



Sheffield Chamber
of Commerce and Industry



working together with

and



supported by
Environment
Agency

Sheffield Lower Don Valley Flood Defence Project



Foreword

When the floods occurred in the Lower Don Valley (LDV) in June 2007, the Chamber of Commerce on Savile Street was among hundreds of organisations in the city to be affected. For a significant number of those businesses the results were disastrous and they closed. For many the business interruption was extremely significant and, whilst insurance covered many direct costs, the effect on customer confidence has taken many years to recover.

The LDV is a vital economic area for Sheffield. A critical component of future security for most organisations in it is protecting against flood risk. With changes in the insurance industry raising question marks against the availability of future cover, and inevitable increases in the cost of it, the need has never been greater for businesses to be protected.

Since 2007 a great deal of work has been carried out by the Environment Agency and Sheffield City Council (the Council) to develop a scheme that can protect businesses in the LDV from flood risk. As a Chamber, which aims to represent the interests of the business community, it was important to get involved to ensure that the scheme was appropriate and affordable and we have worked hard to ensure, in our opinion, best value for the private sector.

The Council is applying for significant public sector funding towards the scheme costs, but this is dependent on also securing a modest private sector contribution. The Chamber has set up a dedicated Steering Group consisting of private sector representatives from within the affected areas, and we believe that the optimum way to generate the private sector investment is by setting up a Business Improvement District (BID). The framework is backed by legislation; it is fair and proportionate; it is transparent; and importantly it is democratic – affected businesses will decide by voting in a ballot.

Without a majority vote, the BID will not go ahead. Without the BID the flood project as a whole will not go ahead. The LDV will remain unprotected against extreme flood risk.

The Chamber, the Steering Group, the Council and the Environment Agency all firmly believe this scheme is required, that it is proportionate, that it is excellent value for money, and that it will give you much better long-term protection than you have now. The opportunity for such a significant contribution from the public sector is a one off and will not be available for long. As such we will be strongly recommending approval of the BID in order to take advantage of this invaluable support.

However, the final decision will be yours. The ballot gives you a choice – do you want to be defended from a real flood risk, or not? Please take this opportunity to vote, and we urge you to vote in favour; for your own benefit, for the benefit of your neighbours, and for the benefit of Sheffield's economy.

Richard Wright, Executive Director, Sheffield Chamber of Commerce and Industry on behalf of the BID Steering Group

Sheffield Lower Don Valley Flood Defence Project

Project Overview

This document outlines the project to install flood defences in Sheffield's LDV in 2014 and maintaining the river channel for five years. The LDV is a strategically important area for the city at the centre of its industrial heartland. Severe flooding in 2007 caused many businesses significant disruption and some ceased trading because of it. If it should happen again more would fail. The threat of flooding is a serious impediment to investment in the valley by both existing businesses and new inward investors.

Since 2007 the Environment Agency have led a piece of work to map the whole Don Valley catchment area and river basin in detail. The model allows vulnerable points in defences to be identified in different scenarios as well as the actual areas and organisations that would be affected for different heights of flooding.

Building on this, and after detailed discussion, plans have been developed to put in place a flood defence scheme along the LDV with a target of flood protection up to and including a 1 in 100 year event (i.e. an estimated 1% chance of this level of flood in any year), with an additional 40cm freeboard which aims to provide further security (see Section 2.3 for further explanation). This target exceeds the insurance industry's stipulation of flood protection up to and including a 1 in 75 year event (i.e. a greater likelihood of 1.33% of this level of flood occurring in any year), as well as representing an affordable option at the same time.

As the accountable body for funding for this scheme, the Council has approved a budget of £8.1m which allows for the capital installation, the maintenance of the river channel for 5 years, and the management costs of the project. A public grant of £5.5m has been secured and a further £1.2m has been applied for against the capital costs of the project which would give a total public contribution of £6.7m (equivalent to 83% of the total project cost), with the rest including the ongoing maintenance needing to be raised from the businesses and organisations in the affected area of the LDV. It is proposed to raise the private sector contribution, amounting to £1.4m and 17% of total funding, using the mechanism of a Business Improvement District (BID). The public sector contribution is dependent on the private sector approval of the BID. The public sector contribution is only available for a limited time period and must be secured in 2013 for installation in 2014-15.

What is a Business Improvement District?

A Business Improvement District (BID) is a not for profit arrangement whereby businesses agree to fund specific activities chosen to strengthen the success and sustainability of those operating in a defined area.

A BID is a legal framework which can only come into being following a successful ballot in which all eligible businesses have a vote on whether proposals, such as those contained in this document, should go ahead.

For a BID ballot to be successful, it must be approved on two counts:

1. By a straight majority of the number of businesses voting; AND
2. By a majority by rateable value of those voting

There are over 120 BIDs in operation in the UK, including other core cities such as Birmingham, Bristol, Nottingham and Manchester. Benefits of the BID framework include it being:

- Business focused – It responds to, and is led by, businesses
- Democratic – It will only come into effect if approved by a ballot
- Transparent – This document tells you how your financial contribution will be calculated and what this will fund

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- Enforceable – The framework is underpinned by the Local Government Act 2003 and Business Improvement District Regulations 2004
- Accountable – A body comprising mainly private sector members will oversee the implementation of the BID to ensure it is successfully and responsibly completed.

BIDs work by applying a small levy on non domestic rate payers in the defined area in order to provide additional services and investment over and above the baseline provided by statutory bodies. The businesses who pay are the ones who benefit from the new activities. Traditionally BIDs have focused on improving services in city centre locations, for example street cleaning, security or marketing and promotion.

An Innovative Approach

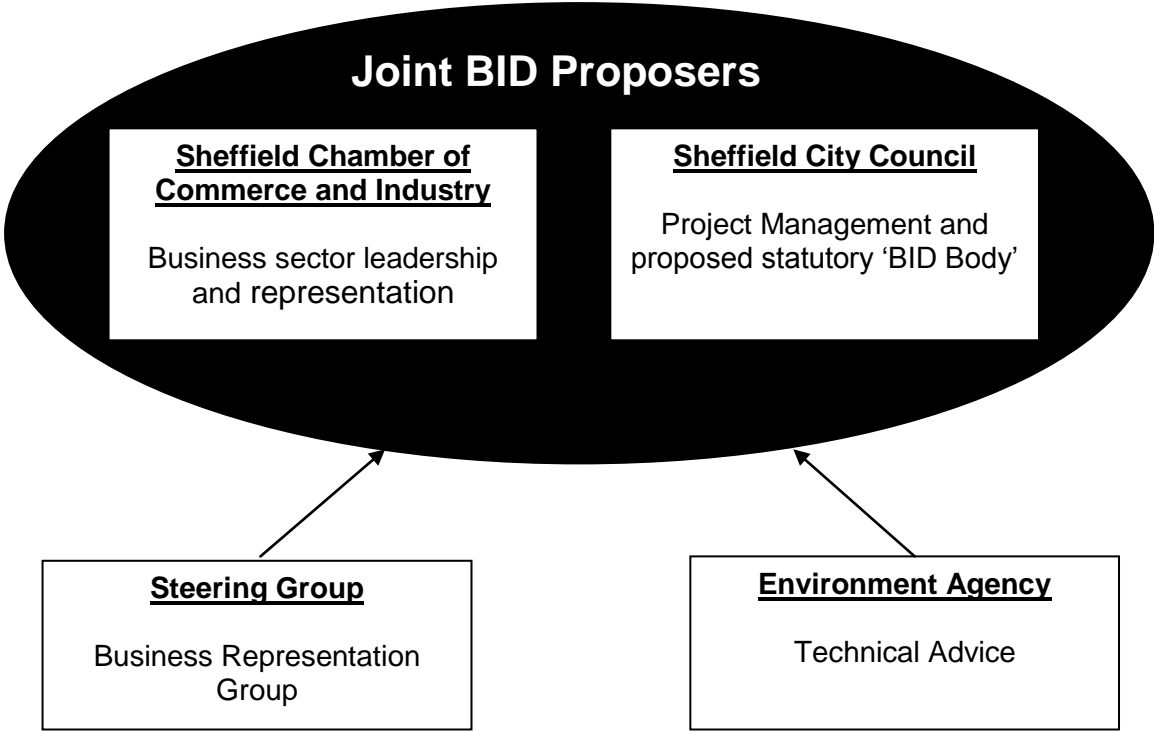
The proposal set out in this document, which uses a BID levy to finance physical infrastructure works and maintenance of the river channel, is a new and innovative use of the legislation. If approved, Sheffield's BID for LDV flood defences will be a pioneering approach which is likely to be replicated in other cities and towns across the country for similar construction projects.

The levy will take the form of an additional annual payment equal to a small percentage of the businesses' normal rateable value over a five year period. In many cases this may be mitigated by an improved ability to secure insurance cover for flood risk and at cost effective rates.

The BID is a vital part of the funding strategy for this project, and without it, the flood defences will not be installed. As illustrated in the following diagram, Sheffield Chamber of Commerce and Industry (the Chamber) is taking a leading role in the BID proposals, working closely with the Council, the Environment Agency and a Steering Group representing the businesses in the BID area which comprises the following parties:

- Sheffield Chamber of Commerce and Industry
- Sheffield City Council
- Environment Agency
- Sheffield Forgemasters International
- Gripple
- Wardell Armstrong
- J F Finnegan
- Wilbourn Associates
- Howco Group
- Royal Mail
- Firth Rixson
- Halal Fried Chicken

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1.0 Introduction

1.1 The Business Problem

Over the past three years businesses in the LDV have stressed that flood risk is a major concern for their current operations and their future investment plans.

Through participation in a range of forums including stakeholder events, focus and steering groups businesses of all sizes in the LDV have clearly identified addressing this issue as a priority for the area.

Specific feedback has highlighted the following concerns:

- Damage to properties and stock
- Operational down time
- Risk of not getting insurance and rising premiums
- Personal danger to staff
- Risk of failure of power and communications infrastructure
- Lack of coordinated response to river channel maintenance
- Need to improve quality of the natural environment and access to the river
- Customer confidence

These sentiments are reinforced by the Sheffield City Region Local Enterprise Partnership (LEP) Environment Forum who state in the LEP strategy that resolving the threat of flooding will improve the sustainability of existing businesses and support efforts to attract new investment into the City Region. The value of a quality river environment is also recognised as having benefits as an amenity for employees and residents moving into the area. This comes at a time when Sheffield's LDV has been identified as one of three priority Enterprise Zone locations in South Yorkshire.

James Newman, Chairman of the Sheffield City Region LEP added:

“The Lower Don Valley is a significantly important part of the Sheffield City Region's £25 billion economy. It is home to hundreds of very successful businesses and creates thousands of highly skilled jobs. I support the Sheffield Chamber of Commerce and Sheffield City Council's project, which responds to calls from business leaders to protect this important area against flooding in the future. By voting to create this Business Improvement District, local business leaders will be able to collectively take control of this problem - reducing the threat of flooding, improving the sustainability of their business community and attracting new investment to the Sheffield City Region.”

1.2 Standards of Flood Protection

When describing standards of flood protection it is common to refer to defences giving protection against a flood event estimated to be likely to occur on average once in a stated number of years. For example, the current flood defences in the LDV are estimated to provide a baseline standard of protection against a 1 in 25 year event in some places, i.e. a level of flooding considered likely to occur once every twenty five years. Another way of expressing this is to say that the current defences are thought to protect against a 4% likelihood of flooding occurring in any year.

The smaller the annual percentage likelihood, the more severe the estimated flooding. The proposed LDV flood protection scheme aims to give protection against a 1 in 100 year flood event, in other words a 1% per annum likelihood of flooding at this level. In analysing and developing proposals for a scheme to achieve this, the best information currently available has been used. This includes the results of a recent review of all river systems in Sheffield and a range of land and building surveys conducted at various sites in the LDV specifically for this project.

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It is important to understand, however, that flood level prediction is not a precise science and no guarantee can ever be given that any particular standard of protection will be achieved. Additionally, this task is being made even more difficult as climate change continuously threatens to erode established flood defence standards. Importantly, it should also be noted that the proposed defences are not designed on their own to protect against the extreme flooding experienced in 2007 which was considered to be more severe than a 1 in 100 year event, i.e. lower than 1% annual likelihood. Therefore, while the proposed flood defences are designed to offer a considerably enhanced standard of flood protection over present arrangements, they will definitely not be a substitute for appropriate insurance. Neither the Council, the Chamber, nor the Environment Agency accept any liability for flooding, and therefore those parties located in the area are strongly advised to obtain appropriate insurance, which should be easier to do if the scheme is implemented.

1.3 The Growing Threat of Floods

There is a long history of flooding in Sheffield, with recorded events dating back to 1767. However a number of severe events since the turn of the century emphasise the increasing danger posed by climate change.

Major flooding on the Don in the year 2000 was classified as a 1 in 40 year event (2.5% annual likelihood).

In 2007, a storm on 15th June saturated land and was followed by more heavy rain and a further storm on 25th June. The second downfall caused flooding of greater than 1 in 100 year levels (lower than 1% annual likelihood) and estimated by some to be as high as 1 in 200 years (0.5% annual likelihood), the worst flood event since the Great Flood of 1864, with as many as 2,300 properties flooded across Sheffield. In the LDV the results were particularly bad because it is the lowest and flattest area in Sheffield and has a strong concentration of business stock. Furthermore, the poor condition of the river meant that large numbers of overgrown trees and vegetation as well as other debris quickly blocked bridges and seriously exacerbated flood levels in the Don. Since 2007, extensive works by the Environment Agency and the Council have restored the channel capacity to a very good condition which can now be maintained more effectively.

Most recently, in July 2012, during the wettest UK summer since 1912, the city watched in trepidation as, once again, water levels rose dangerously high in the Don. Classified as just a 1 in 10 year event (10% annual likelihood), this did not result in any flooding in the LDV, but it highlighted the vulnerability of the area, and the increasing frequency that businesses and the wider public are put at risk due to heavy rain fall. This point is reinforced by national guidance which advises how climate change is expected to raise river levels over time, eroding standards of protection that are already established.

Based on the best and most current data and river modelling, a 1 in 100 year flood event (1% annual likelihood) would affect approximately 250 businesses and 5,000 employees, and would cause potential damage to premises, plant, stock and public infrastructure estimated to be in the region of £95million. The potential effect on customer confidence with subsequent longer term falls in orders is difficult to quantify but particularly worrying.

A new Flood Risk Management Strategy for Sheffield is set to be considered by the Council at the end of 2013, building on relevant local strategies and policies that have been developed in the past 10 years. With respect to main rivers in the Sheffield area, including the Don, the proposed strategy promotes a partnership approach with the Environment Agency with the aim of mitigating the risk of river flooding through a combination of risk management measures. These include selective flood defences where appropriate; regular and ongoing channel maintenance; up-stream management of river flows including potential for storage capacity; sustainable and appropriate development; and improved public awareness of flood resilience measures and emergency planning.

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1.4 Key Aims and Objectives

Building on this consultation feedback:

“Our aim is to improve flood protection in Sheffield’s Lower Don Valley up to and including a target standard of 1 in 100 year event (1% annual likelihood) between Nursery Street and the Blackburn Brook.”

In line with this, the drivers behind the project are to deliver the following objectives:

- To reduce the risk of flooding for hundreds of existing businesses, giving them the security to invest and grow
- To reassure potential new investors that flood risk is being addressed through the LDV, giving them confidence that new development near the river is viable
- To safeguard existing jobs, support the creation of new jobs, and prevent the loss of jobs through businesses moving to other areas
- To improve public safety related to flood risk to highways, footpaths and local visitor attractions
- To improve access to the river as a public amenity wherever possible
- To identify a long term maintenance and management arrangement to ensure sustained high standards of water quality and natural environment
- To engage businesses in an ongoing dialogue regarding flood risk management and riparian land owner responsibilities to maintain a high quality free-flowing river

Sheffield Lower Don Valley Flood Defence Project

2.0 The Flood Defence Project

2.1 How Flooding Works in the Lower Don Valley

The dynamics of fluvial flooding (i.e. from the river) in the LDV are very complex. The most current survey data and most comprehensive modelling have been used to understand the current risks in the area, and to produce the plans in Figures 1 and 2. The key points are:

- The LDV is the lowest and flattest part of Sheffield
- The project boundary spans 8km of river from Nursery Street in the city centre to Blackburn Brook at the M1.
- This area operates as one flood cell – this means that there are no knock on effects as a result of this project, either up-stream in Kelham Island or downstream towards Rotherham
- All tributaries from the highlands in the Peak join the River Don before it reaches the LDV, meaning that the greatest amount of water is gathered at this point. These tributaries include the Loxley, Rivelin, Porter and Sheaf, as well as the Don itself.
- The Blackburn Brook joins the Don at the end of the flood cell near Meadowhall Centre
- The river mainly floods on the left bank, i.e. Savile Street and Brightside Lane side as you come down stream from the Upper Don Valley towards Rotherham (see the blue area in Figure 1 – 1 in 100 year flood event (1% annual likelihood))
- The river floods at a number of specific locations. From these, it flows through buildings, across car parks and footpaths onto the road network and from there through much of the valley
- Poorly maintained river beds, and the accumulation of trees, vegetation and other debris in the channel cause water levels to rise and blockages at bridges, effectively creating a dam effect which pushes the water over defences that are in place. Figure 1 shows those areas, in orange and blue, that are predicted to flood in a 1 in 100 year event if no ongoing channel management arrangement is in place
- In these types of events, the normal road drain networks are not able to cope with taking away the huge volumes of surface water that floods from the river
- It is not possible to resolve flooding in the LDV by protecting only the areas where water breaks the banks in isolation. A holistic approach is needed to tackle all of them together.

2.2 Who is Affected

By reducing the risk of flooding onto highways networks and related damage to power and telecommunications infrastructure, the proposed flood defences and river channel maintenance arrangement have the potential to provide benefit to all parties located in the LDV by keeping the area 'open for business'.

However, the most current modelling and survey work undertaken through this project identifies four categories of business who gain direct benefit from the project proposal. Figure 2 shows the four categories as colour coded areas for easy identification:

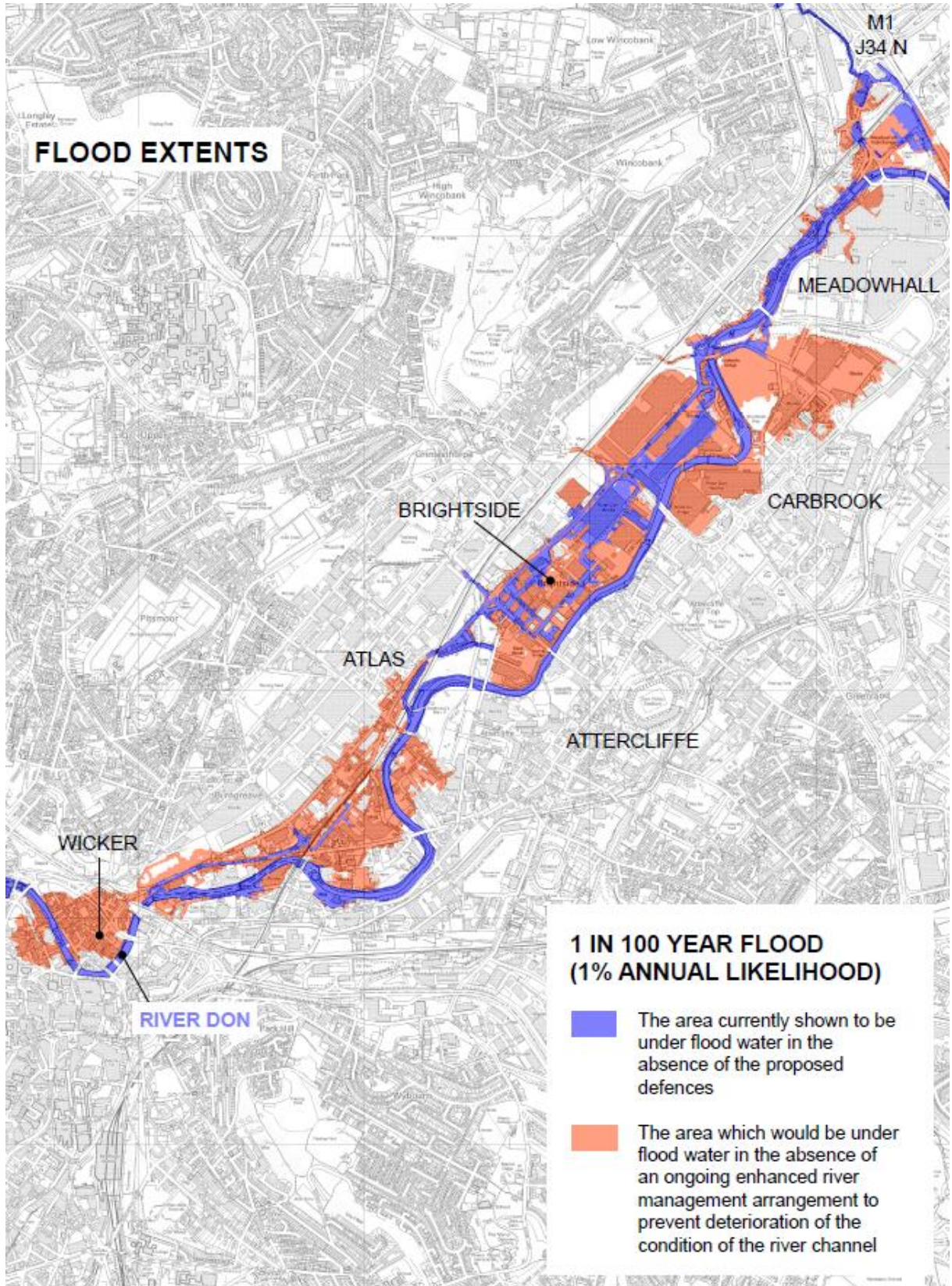
- **Blue** – those businesses which would be flooded by river water in a 1 in 100 year flood event (1% annual likelihood) unless flood defences were installed and an appropriate ongoing river management arrangement were implemented
- **Green** – those businesses on the edge of the 1 in 100 year flood area which would not themselves be flooded by such a flood but would have access and escape routes cut off, and would therefore suffer disruption to operations
- **Orange** – those businesses not falling within the blue category which would be flooded by river water in a 1 in 100 year flood event (1% annual likelihood) unless an appropriate ongoing river management arrangement were implemented

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- Pink – those businesses not falling within the above categories but which are adjacent to the river bank where there is a legal responsibility to maintain their section of the river channel (riparian responsibility)

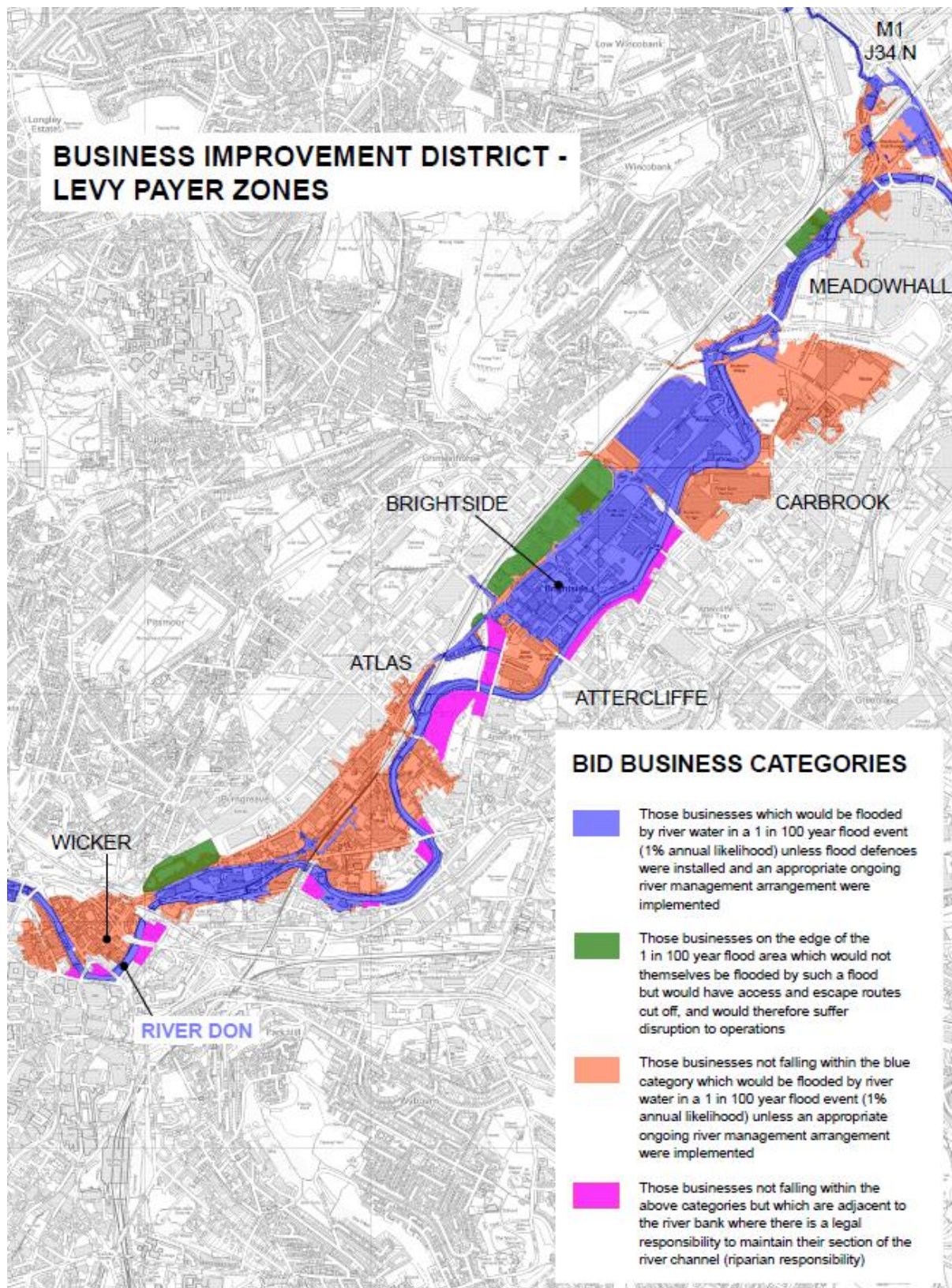
The principles on which the BID area has been defined are explained in further detail in section 4.2.

FIGURE 1 – Flood Extents



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FIGURE 2 – Business Improvement District Area



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2.3 The Solution

The solution comprises four complementary activities to address flooding from the River Don:

1. **New flood defences**
2. **Ongoing maintenance of the river channel**
3. **Additional measures to mitigate climate change**
4. **Ongoing education and engagement with businesses (particularly around riparian responsibility)**

None of these will give the target protection standard in isolation. The first two are necessary to deliver the flood protection objectives and are therefore within the scope of this project and the BID. The last two are being progressed separately as complementary initiatives outside the BID and would help mitigate the impact of climate change.

1. New Flood defences

In order to achieve a consistent level of protection on both left and right river banks for the full 8km stretch of river, new defences will be installed at specific locations in order to plug the gaps where the water is known to come over the top of existing structures.

They will build on recent improvements at Nursery Street and the Wicker where a new flood defence wall has been built with the aim of providing a minimum of 1 in 100 year event (1% annual likelihood) standard of protection; a new riverside park provides public access to the river as well as a deliberate flood storage area; and the new development in the area has been constructed with the aim of providing greater than 1 in 100 year defence standards.

This is in line with Environment Agency guidance and exceeds the minimum 1 in 75 year event standard (1.33% annual likelihood) which the insurance industry stipulates. It is important to acknowledge that these defences are not designed to protect businesses against a higher order event such as the one experienced in 2007. It will never be possible to guard against all eventualities, and at this stage and in these economic conditions, it is necessary to balance what is desirable with what is affordable and deliverable now. Nevertheless, the proposed flood defences should considerably enhance the standard of protection in the LDV, which at present is unlikely to be able to withstand anything more than a 1 in 25 year event (4% annual likelihood) in certain places.

Going beyond the simple design of new flood defence structures, the project has given thorough consideration to various technical dimensions:

- The effect of keeping more water in the river channel as a result of the new defences, and any impact which this may have upon existing structures along the river including bridges and buildings on the river bank.
- Identification of bridges that may be more likely to block up with debris and vegetation.
- The planned construction of an additional 40cm buffer on top of the flood defences (known as 'freeboard') throughout the 8km length of the river within the scheme, with the aim of providing additional security against overtopping, particularly given the choppy nature of fast flowing rivers.

As shown in Figures 3 and 4, defence structures will take a variety of forms. Intrusive ground investigations and detailed design work will progress once funding has been confirmed. As such, the specific nature of the interventions may change if this is considered necessary in pursuit of the target standard of protection. Nevertheless, the current scheme design includes the following features:

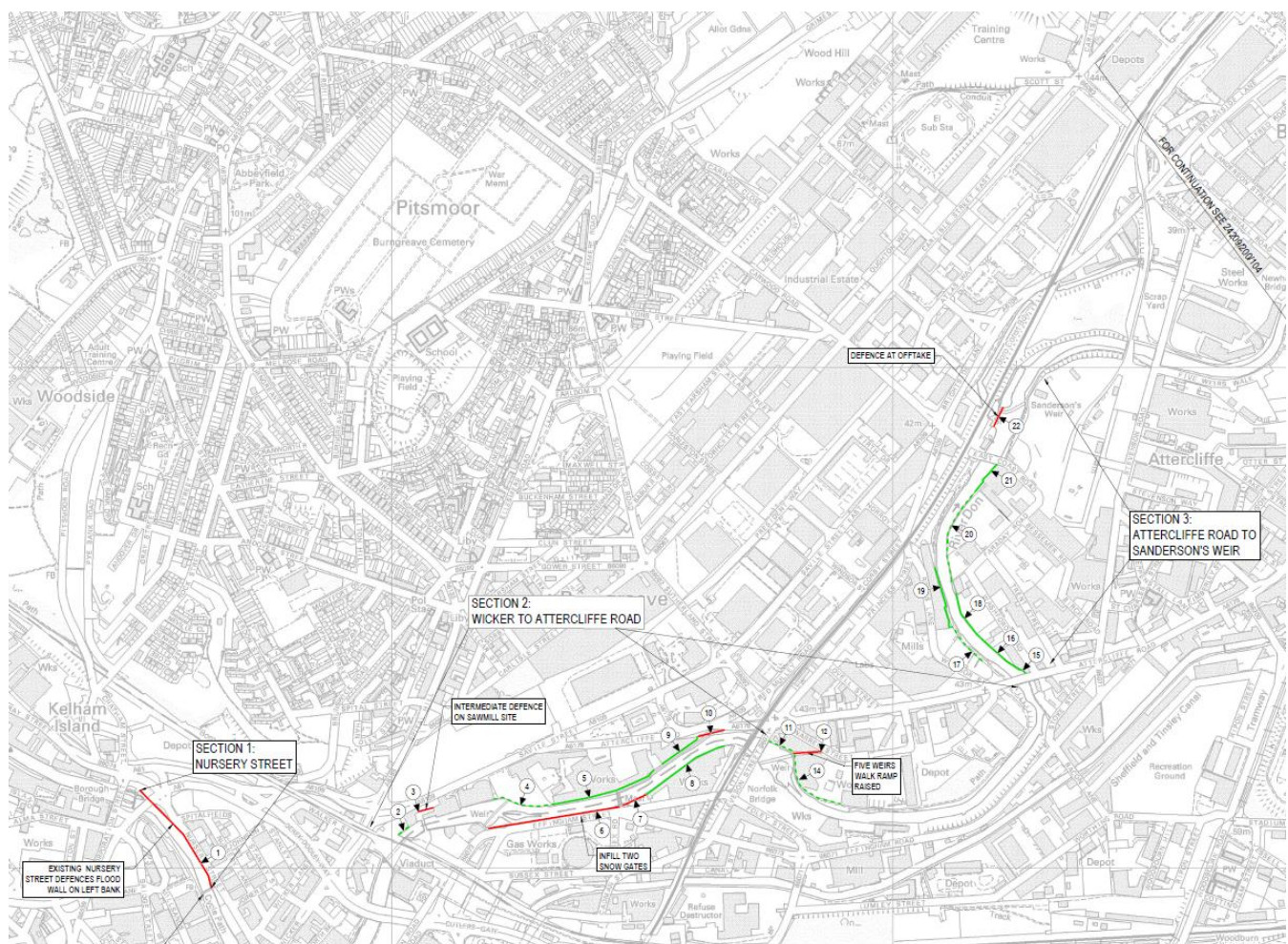
- New flood defence structures such as walls, replaced or repaired structures, raised structures, and reinforced structures
- New manually operated flood gates

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- Bridge parapet reinforcements
- Environmental mitigation and enhancement works to offset the impacts on habitats from the proposed construction works

Steve Riley, Associate Director Wardell Armstrong LLP and Steering Group Member - “As a firm of Sheffield based consulting engineers and a member of the Steering Group, Wardell Armstrong supports the Lower Don Valley Flood Defence Project. Our considerable experience of flood risk engineering has convinced us that there is no substitute for robust physical defences such as those which will be constructed under the Project. Once the river walls have been raised and strengthened, vital industry in the Valley will be better protected from severe fluvial flood events.”

FIGURE 3 – Flood interventions, section 1 Nursery Street to Brightside Lane

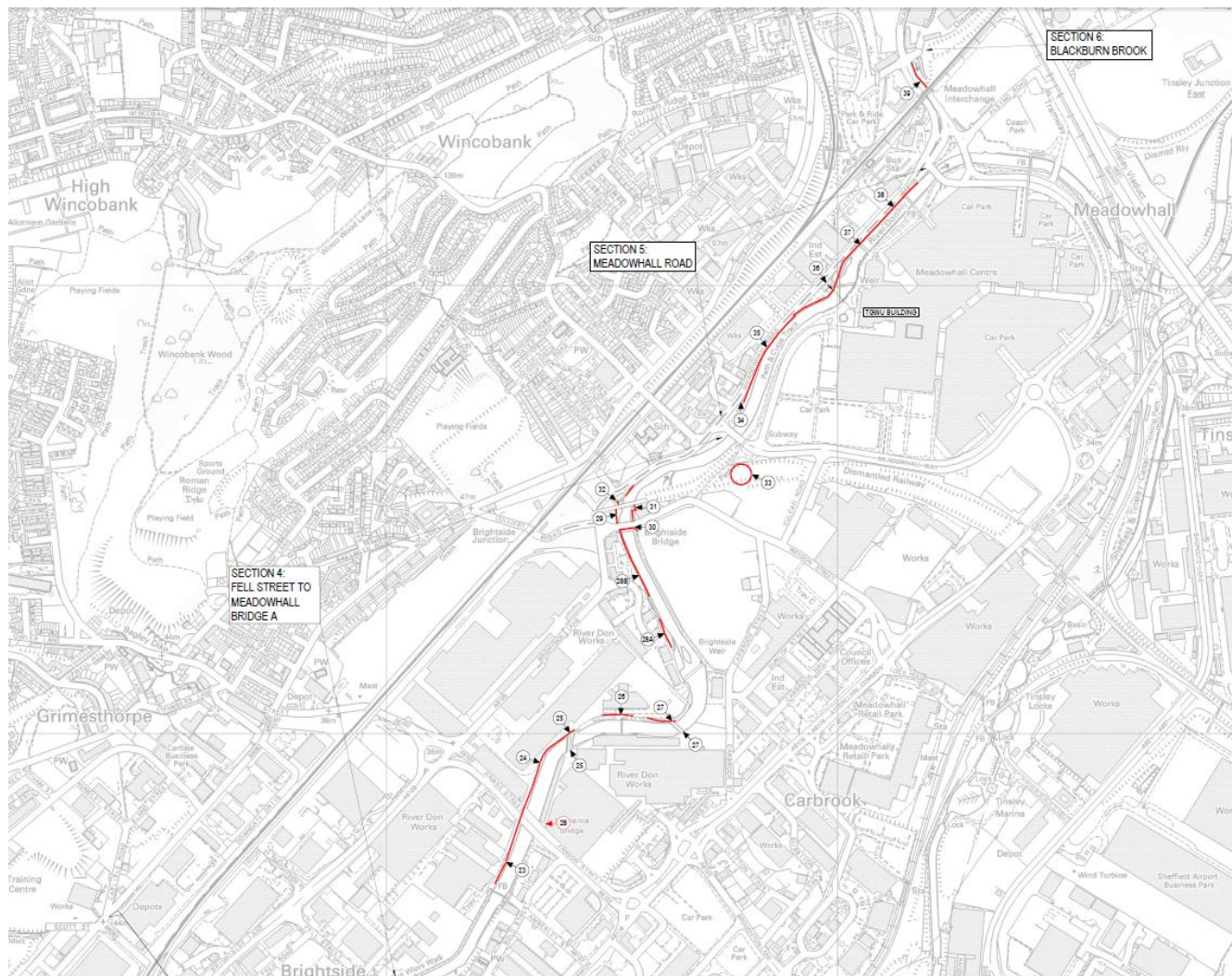


Ref	Location	Works proposed
1	Nursery Street	Raise blockwork wall upstream of footbridge to complete improved freeboard
2, 4, 5, 9	Downstream of Wicker/Savile Street	Reinforce, reconstruct and repair existing stone and brickwork, reinforce doorways, fill holes in walls
3	Savile Street	Install intermediate bund in Sawmill yard
6	Effingham Street	Close existing snow gate gaps

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7, 8	Tempered Spring Company, Effingham Street	Raise existing river wall, fill small openings in wall and waterproofing
10	Rear of Attercliffe Road	Install dwarf wall at rear of Five Weir's Walk
11, 12	Warren Street	Five Weir's Walk - raise up and over ramp, reinforce adjacent buildings and doorways
14	Viridor, Warren Street	Reinforce existing doorways, fill holes in external yard wall, assess water tightness of joints
15, 16	Doors and Floors	Floodproof building to design level plus freeboard
17, 19	Thessco, Attercliffe Road	Rebuild and repair wall, re-pointing, replace stone and brick work, fill window
18	Washford Road	General repair to wall, re-pointing, replace stone and brick work
20-21	Special Steel Group	Floodproof building, rebuild boundary wall
22	Sanderson's Weir Goit	Install bund to replace sluice gates

FIGURE 4 – Flood interventions, section 2 Brightside Lane to Blackburn Brook



Ref	Location	Works proposed
23-28	Sheffield Forgemasters/River Don Works	Install new defences, raise existing river walls, install new flood gates, revamp cooling water inlet
28A, 28B	Jessop Riverside	Raise existing defences

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29-31, 33	Brightside Bridge/Weedon Street	Raise upstream parapet kicker plate, create 'up and over ramp' to Five Weir's Walk, raise downstream defences, raise existing spillway crest
32	Riley's Tools	Install flood defences including flap valve on Bagley Dyke
34-38	Meadowhall Road	Install new defence wall, raise and reinforce existing defences, install flood gate to Hadfields Bridge and upstream access road
39	Meadowhall Road (Blackburn Brook)	Reinforce existing highway wall, install flood gate for access

2. Ongoing maintenance of the river channel

Between 2007 and 2013, an intensive programme of channel clearance in the River Don has been implemented by the Environment Agency, the Council and some land owners adjacent to the river. The latest modelling demonstrates that the effectiveness of the new defences would be very significantly reduced if the river channel were not maintained to a high standard. Otherwise debris collects on the river bed, trees and vegetation grow very quickly and other obstacles such as shopping trolleys and car tyres accumulate. In the event of heavy rainfall such debris causes the river levels to rise, and vegetation is washed down stream blocking bridges and effectively creating a dam which causes the water levels to rise and flood.



In addition, river management has the ability to safeguard a high quality natural environment for species including fish, otters, birds and bats, all of which enhance the River Don as a business location and as an attraction for walkers, runners, cyclists and anglers.

In order to preserve the proposed high standard of flood protection and ecological habitat throughout the LDV, it is therefore vital that regular monitoring, inspection and clearance work are undertaken every year to avoid the potential for these kinds of scenarios. A maintenance regime is proposed which will be implemented for the five year term of the Business Improvement District. The brief for these works will be finalised once funding is confirmed, and will include activities such as, but not necessarily limited to:

- Regular inspection of flood defence structures, flood gates and flap valves
- Regular inspection, monitoring and clearance of invasive species (e.g. Japanese Knotweed), trees, and other vegetation

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- Regular monitoring for, and clearance of other debris (e.g. shopping trolleys) and litter

Maintenance and repair of the physical flood defence structures does not form part of this proposal. In many cases, existing structures which act as informal flood defences form part of land owners' current buildings or site boundary, and as such are within their existing responsibility with regard to maintenance. For new structures, once installed the asset would be the property and responsibility of the owner of the land on which the structure is located. Land owners will be prohibited from damaging, demolishing or altering in any way any structure which acts as a flood defence, unless consent has been obtained in advance.

Operational arrangements will have to be agreed with affected landowners where defences may require manual operation or installation in the event of a flood, for example flood gates or demountable barriers. Owners of land on the river bank are known as riparian owners, and associated responsibilities are set out in Environment Agency guidance provided under point 4 below.

As part of the BID arrangements, a feasibility study will be carried out to explore long term options for delivering river channel maintenance. The costs associated with any ongoing management regime would be expected to be much lower than project costs referred to in this document due to the capital build and up-front clearance works having been completed already.

3. Additional measures to mitigate climate change

In line with flood risk management strategy and policy relevant to the Don Catchment and Sheffield in particular, other measures are being pursued to offset the impacts of climate change.

A feasibility study on up-stream reservoir storage has been initiated by the Environment Agency, the Council and Yorkshire Water. It will explore the viability of maintaining water levels in reservoirs at a lower level than normal in order to create storage capacity to accept excess water from the rivers in heavy rain events. This would reduce the amount of water arriving in the LDV during a storm, meaning that river levels start at a lower point before they can flood over the top of new raised defence structures. Effectively this would help to mitigate the effects of climate change and sustain the scheme's standard of flood protection into the future. This forms part of Sheffield's proposed Flood Risk Management Strategy which, if approved by the Council, will be pursued vigorously and separately from the BID arrangements.

In addition, where new flood defence structures are to be constructed as part of the proposed project as set out in this document, opportunities will be sought to increase the extent of the foundations in order to allow wall heights to be raised further in the future if this is considered to be necessary to sustain or enhance the standard of protection in the Lower Don Valley.

4. Ongoing education and engagement with businesses (particularly around riparian responsibility)

Current discussions with businesses in relation to the flood defences in the LDV are creating the platform for more regular and structured communication with the business community in the future. The Chamber, the Council and other relevant organisations will use these new networks to engage businesses further on flood defence matters including property specific flood defence measures and participation in ongoing strategy development in relation to flood protection.

Whilst accepting that it is impossible to stop flooding completely, the Environment Agency are eager to help those parties at risk to prepare for it at an individual level as well. The Environment Agency offer a free flood warning service to homes and businesses in the Sheffield area and 6 in 10 of those at risk have already registered to this service. If businesses have not yet registered and wish to do so, please call Floodline on 0845 988 1188 or visit the Environment Agency's website. A template is available to create a business flood plan outlining what actions should be taken before and during a flood. To find out more about being prepared, visit www.environment-agency.gov.uk/ynefloodaction

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Furthermore, evidence indicates that many businesses and organisations located directly on the river banks do not understand their riparian responsibilities. This involves maintaining the river banks and channel to a high standard to allow water to flow freely at all times. This project creates a framework to continue to develop a sustainable approach to channel management in order to achieve the long term objectives set out in point 2 above. More information on riparian responsibilities can be found in the Environment Agency's guidance document, 'Living On The Edge' using the following link:

<http://www.environment-agency.gov.uk/homeandleisure/floods/31626.aspx>

The climate change mitigation measures and ongoing engagement activities set out in points 3 and 4 above do not form part of the BID arrangements.

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3.0 Financial Information

The figures presented in this section are based on the best and most current information available and are correct at the time of publication. As the scheme is developed in greater detail, some of the numbers such as total project cost may alter. However, the amount that businesses are required to pay will not change except as permitted by the terms of the BID as described in this document.

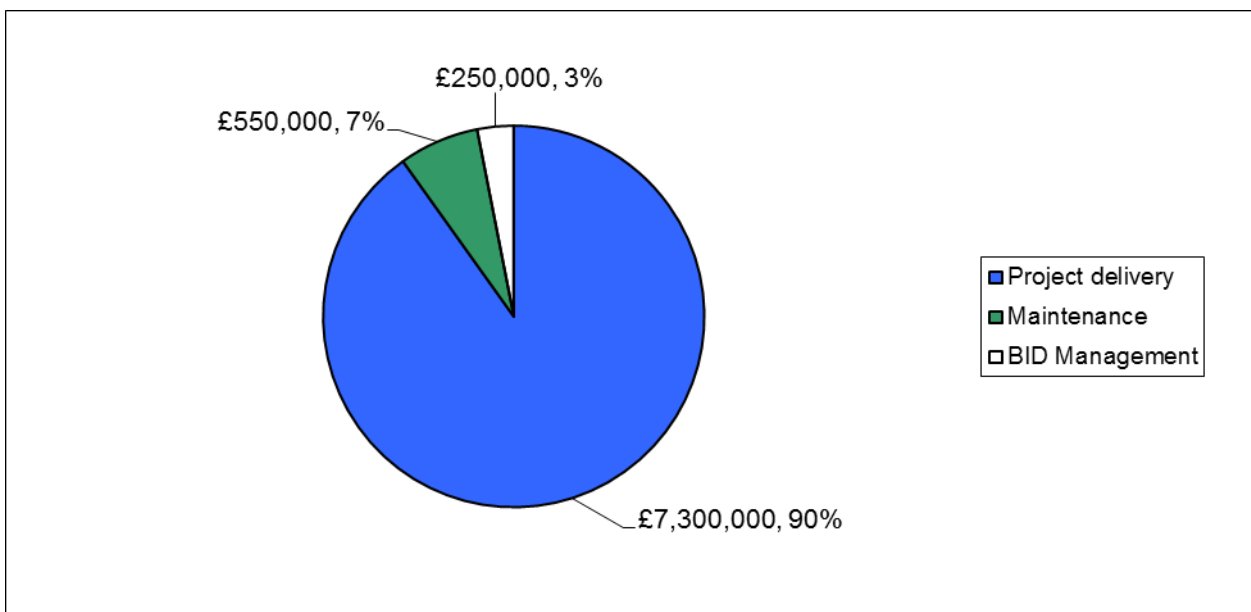
3.1 Project Costs

As BID Body and the accountable body for external funding, the Council has approved a scheme budget of £8.1m. The Council has also given authority to apply for additional funds which, if secured, would provide an increased contingency to mitigate risks associated with delivering a large scale, complex scheme of this nature. The final cost of the scheme is subject to detailed design, procurement of contractor and management of issues which arise onsite during the implementation phase. As stated above, any change in the final scheme costs will have no effect on the sum to be generated through the BID, or on the BID levy that individual businesses will pay. The £8.1m figure comprises three main elements:

- Project delivery – Detailed design, construction, fees including project management and project contingency equating to 14% of total costs to mitigate project risk
- Channel maintenance – Works and contract management for an initial period of five years, as well as feasibility assessment for a long term solution to channel maintenance
- Business Improvement District running costs – Management and administration for five years

The graph below shows the expected division of costs between these elements, however movement may occur between these with the agreement of the BID Body in consultation with the BID Steering Group, and within the total project budget, in order to help deliver the desired project outcomes.

Breakdown of Project Costs



Sheffield Lower Don Valley Flood Defence Project

The flood defences are planned to be built over a period of 15 months beginning in January 2014. The majority of the costs relate to the delivery phase and will be incurred towards the beginning of the project, as demonstrated in the indicative spend profile below.

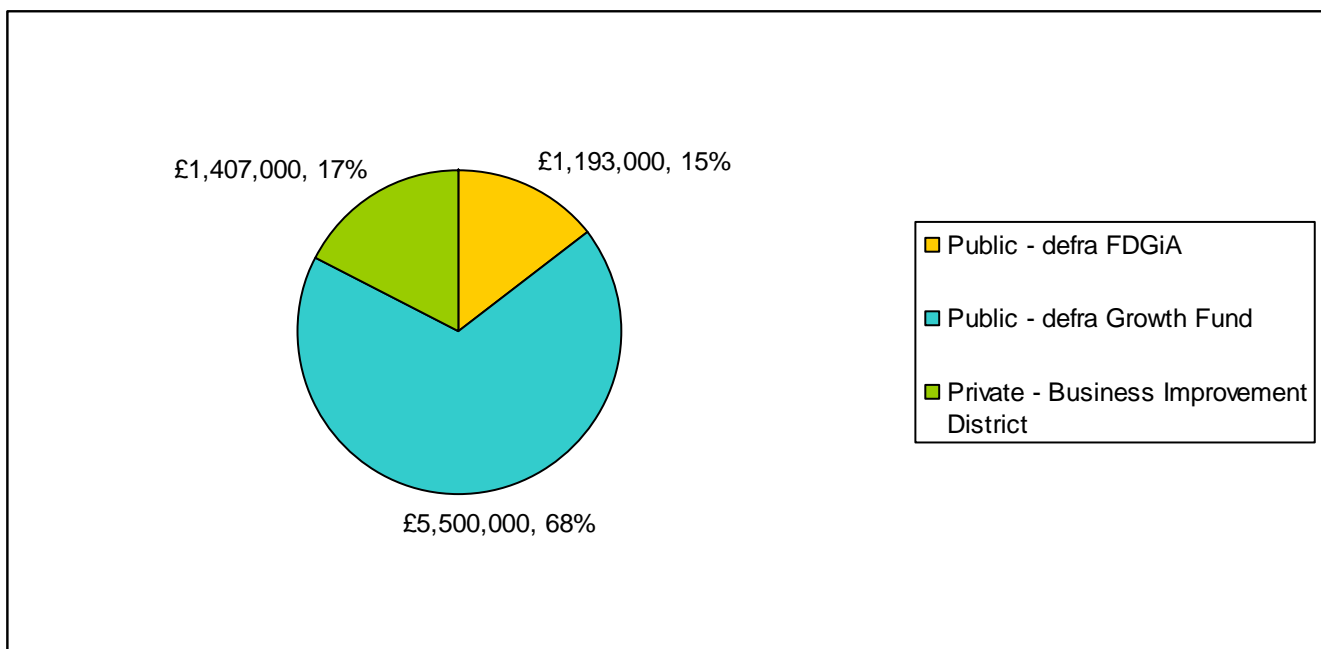
The maintenance contract will also begin in early 2014 and will run for a period of five years to 2019.

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Project delivery	750	6,150	400	0	0	0	7,300
Maintenance	0	140	140	90	90	90	550
BID Management	40	42	42	42	42	42	250
Total	790	6,332	582	132	132	132	8,100

3.2 Project Funding

Major flood defence projects across the country are normally financed to a large degree by funding made available by defra (Department for Environment, Food and Rural Affairs) through the Environment Agency. Councils use their role as lead local flood authority to coordinate participating organisations, apply for funding, and develop project proposals. However grant rules state that defra should not wholly finance a project, and investment from other sources should be secured to complete the funding package.

Breakdown of Funding Contributions



Within the funding strategy for this project, securing both public and private funding is vital to enable the project to proceed. Without the Business Improvement District, the Environment Agency grant will not be approved, and equally, without the public funding, the Business Improvement District will not come into effect.

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3.3 The Public Sector Contribution

In February 2013 defra announced that the Sheffield LDV Flood Defence Project had been successful in being allocated £5.5m from a new capital Growth Fund, to be administered by the Environment Agency. This must be fully spent by March 2015. As a new one-off grant for projects delivering business and economic benefits, the Growth Fund is a time-limited opportunity to secure a significant proportion of the project costs from the public sector.

Based on the current calculation of total scheme cost of £8.1m, a full technical funding application was also submitted to the Environment Agency in July 2013 for Flood Defence Grant in Aid (FDGiA), subject to the Business Improvement District (BID) approval, with a decision due by January 2014. Together, these two public grants would equate to 83% of the total budget and represent a vital resource for the project, without which the scheme would not be able to be delivered. Furthermore, in line with the Council's approvals as accountable body, wherever possible opportunities will be sought to increase the funding secured for the project in order to maximise the contingency allowance available.

The Environment Agency have had an integral role in developing the project to this stage, and therefore the current application presents a strong case for the FDGiA funding to be approved.

3.4 The Private Sector Contribution

In order for the 83% public sector funding to be approved it is necessary to secure the remainder of the required funds from other sources in order to demonstrate a complete funding strategy.

Various options have been explored, including other public funding grants; private sector sources such as Section 106 planning gain; and new financial mechanisms like Tax Incremental Finance (TIF). However, for reasons of eligibility, availability, and fit with the timescales of the delivery programme and deadlines within the defra funding timetable, none of these sources can be used. As a result, the contribution is being sought from the beneficiary organisations operating in the LDV.

Through consultation with businesses in the LDV, and working closely with members of a dedicated business steering group, the Business Improvement District (BID) framework has been selected as the fairest and most transparent model to secure proportionate contributions.

The BID framework is based on the principle that those who directly benefit make a contribution to the solution. For this project, approximately 250 organisations will benefit from the flood defences and/or channel maintenance regime. Protection would be provided against £95m worth of potential damage. Based on the rateable value listing in September 2013, the BID will generate a total of £1.4m, equating to 17% of the total project cost.

Adrian Gill, Area Flood Risk Manager, Environment Agency, and Steering Group Member - *"The Environment Agency are excited to work alongside Sheffield City Council and the business sector regarding the Lower Don Valley Flood Defence Project. The scheme is one of just nine in the country which has been selected to receive Environment Agency Growth Funds for flood protection to areas of economic importance. The Business Improvement District creates a fantastic opportunity for businesses and other stakeholders to work closely together to reduce the flood risk to the area".*

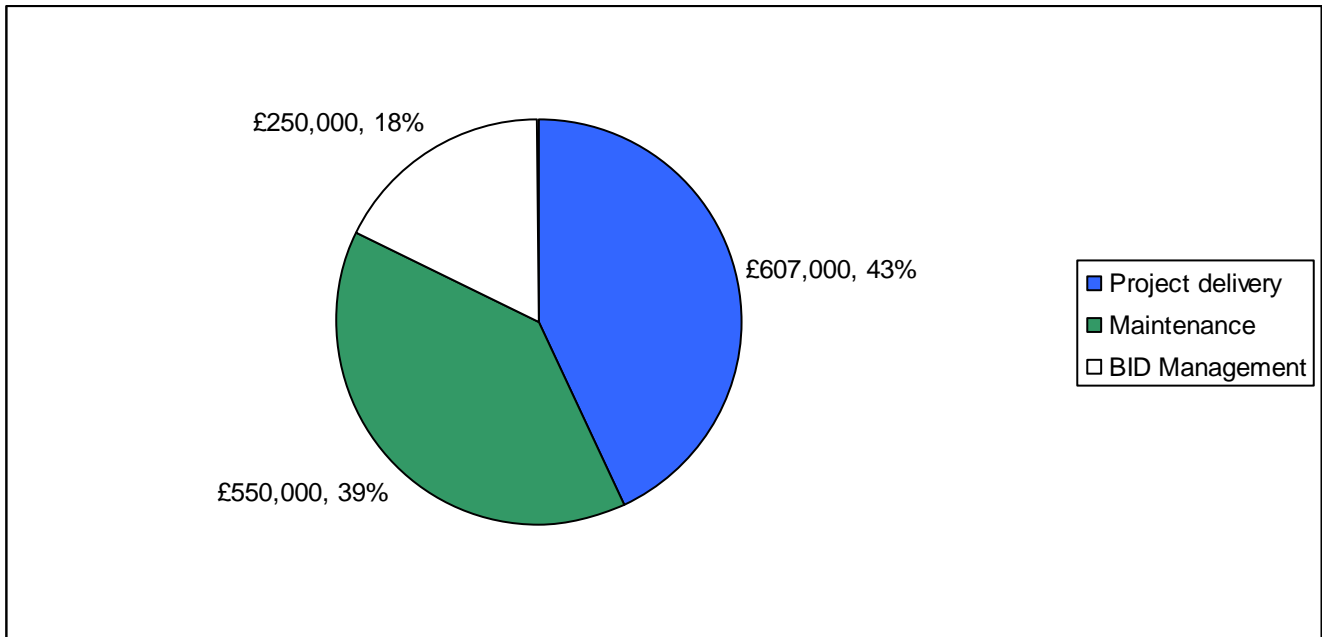
Sheffield Lower Don Valley Flood Defence Project

The key financial implications of the BID are set out below:

- **Project Costs Financed by the BID Levy**

The BID levy payments will complete the funding package required to afford the full cost of the implementation works, including design, construction, associated fees and contingency. They will fully finance the cost of delivering and managing the maintenance regime including feasibility work related to a long term channel management solution, as well as covering the overheads associated with setting up and running the BID.

Breakdown of Project Costs to be Financed by the BID Levy



- **Two BID Levy Rates**

This BID proposal applies an annual levy based on businesses' rateable value. Two levy rates apply – a higher rate of 2.25% per annum for those businesses which would receive enhanced protection against being flooded from both the new defences and the channel maintenance regime and which would therefore gain the greatest benefit from the scheme (blue); and a lower rate of 0.75% per annum for those businesses which would also benefit significantly from the scheme but not to the same extent (green, orange and pink). These categories are explained in more detail in section 4.2. Using the plan in Figure 2, businesses can determine into which category they fall, and therefore which levy rate they would pay.

- **Indicative Business Contributions**

The following tables show indicative contributions for individual businesses at a number of rateable values. They enable a business to understand how much it is likely to pay each year, and in total over the five year BID period. For example, a business with a rateable value of £50,000 which is due to pay the higher rate would pay £1,125 per annum and £5,625 over five years. If a business with the same rateable value were due to pay the lower rate, they would pay £375 per annum and £1,875 in total.

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Indicative contributions:

Indicative Rateable Value	At 2.25% levy rate (higher) – annual sum	Total payable over 5 years BID life
£12k	£270	£1,350
£25k	£563	£2,815
£50k	£1,125	£5,625
£100k	£2,250	£11,250
£250k	£5,625	£28,125
£500k	£11,250	£56,250
£1m	£22,500	£112,500
£2m	£45,000	£225,000

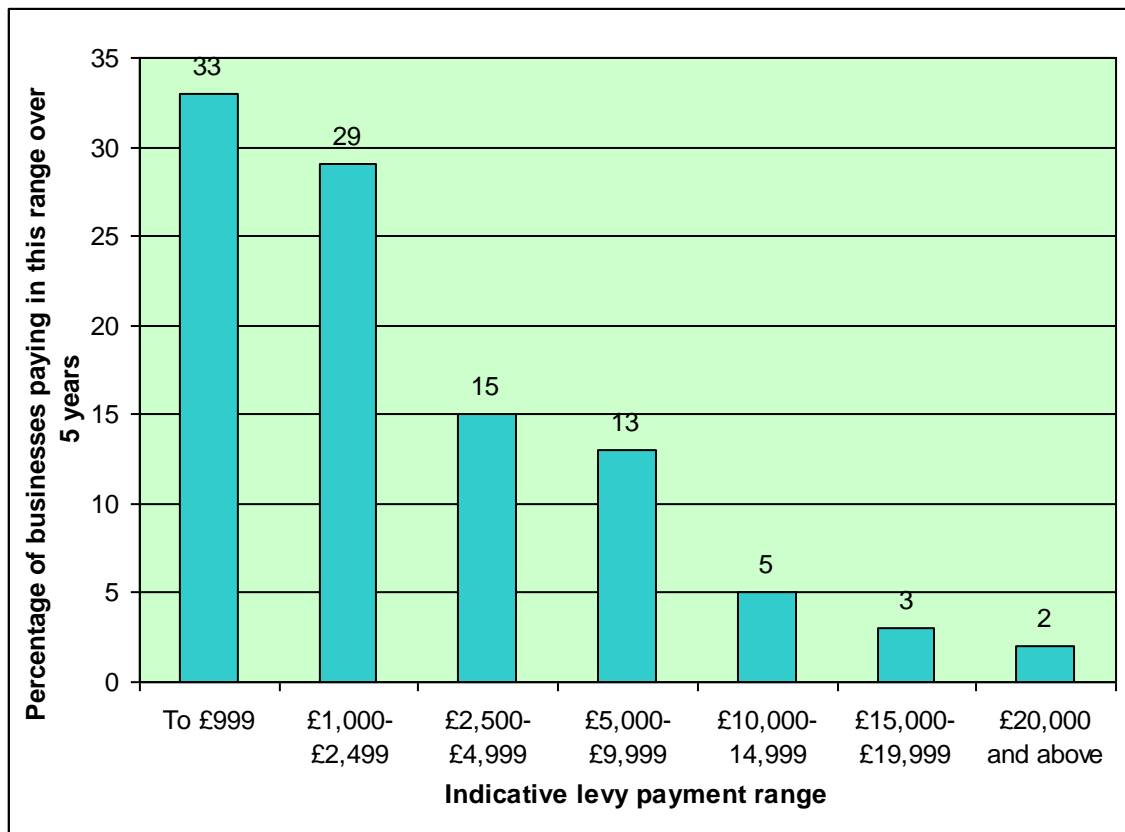
Indicative contributions:

Indicative Rateable Value	At 0.75% levy rate (lower) – annual sum	Total payable over 5 years BID life
£12k	£90	£450
£25k	£188	£940
£50k	£375	£1,875
£100k	£750	£3,750
£250k	£1,875	£9,375
£500k	£3,750	£18,750
£1m	£7,500	£37,500
£2m	£15,000	£75,000

It is recommended that businesses take individual advice on any tax relief that may be available on BID payments, as well as arranging their own insurance covering flood risk which, it is hoped, would be easier to secure as a result of this scheme being delivered.

- Spread of BID Levy Payment Ranges**

The graph below shows the percentage of levy payers who fall into each range of levy payment values. From this, we can see that a third of businesses would pay less than £1,000 in total over the five year BID period; over half (62%) would pay less than £2,500 over the life of the BID; and 90% would pay less than £10,000 in total.



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Vicky Hinchcliffe, Group Environment Director, Sheffield Forgemasters and Steering Group Member – *“Flooding continues to pose a risk to businesses and infrastructure throughout the Lower Don Valley and is an obstacle in the way of the area meeting its full development potential. The LDV flood defence project is a fantastic opportunity to deliver robust, valley wide protection against the majority of significant flooding events. With the support of Sheffield Chamber of Commerce, Sheffield City Council, and the Environment Agency, we recognise that this is a one-off possibility to deliver this scheme in a way that significantly minimises the financial and resource impacts on businesses and that costs are allocated in a fair way.”*

3.5 The Local Authority Contribution

As Lead Local Flood Authority (LLFA), Sheffield City Council is responsible for the management of flood risk from local sources and has a role in coordinating the work of other flood risk management authorities in its area, including the Environment Agency (EA), which is the regulatory authority for the City's main rivers.

The Council does not have a statutory duty to defend individual properties. However, it builds commitment from stakeholders, raises funds and manages project delivery in order to facilitate solutions to flood risk. This has been done with great effect already as evidenced through improvements at the Wicker, Nursery Street and Kelham Island, funded by a mix of public and private contributions.

On the LDV Flood Defence Project, the Council has already invested over £30,000 in staff time to develop the scheme to this advanced stage where planning applications have been submitted for construction works and funding arrangements are being finalised. None of these costs will be recovered through the BID levy.

Over the five year period of the proposed BID to 2019, the Council would continue to contribute in a number of ways:

- Making levy payments for Council buildings in the BID area
- Providing ongoing staff time for project management and business engagement
- Cashflowing high construction costs at the beginning of the project to reduce the up-front financial burden on businesses, conditional on approval of the BID through the ballot
- Delivering an established regime of inspection and blockage clearance at highway bridges and culverts which will complement the specification of the proposed valley wide maintenance regime

It is worth noting that both the Environment Agency and the Council have already invested significant time and resources in developing the Don Valley Catchment Area model, the cost of which is not counted in the figures above and will not be recouped through the BID.

Cllr Leigh Bramall, Cabinet Member for Business, Skills and Development, Sheffield City Council – *“The proposed Business Improvement District would be the first in Sheffield, and the first in the UK for a capital build project. Businesses in the Lower Don Valley form a vital component of Sheffield's economy, so it's essential that the heightened flood risk in this area is addressed. The Council has invested in work to establish the feasibility of flood defence proposals, and we're looking forward to continuing work with Sheffield Chamber of Commerce and the Environment Agency to make these plans a reality. This would be a hugely positive step forward for the City.”*

Sheffield Lower Don Valley Flood Defence Project

4.0 How the Business Improvement District Works

4.1 The First of Its Kind

In other cities such as Bristol, Birmingham and Nottingham, BIDs have traditionally been used for town centre service sector programmes, raising the baseline level of provision currently in place at that location. They might deliver enhanced maintenance of the public realm, greater CCTV and security coverage, the introduction of town centre ambassadors, or new and targeted marketing and promotion campaigns to promote local businesses.

The LDV Flood Defence Project is the first in the UK to take a new and innovative approach to the BID legislation, using the framework to generate investment for a capital build project which aims to deliver long term physical infrastructure improvements in the area.

Progress to date has already attracted considerable positive attention from Government departments, local authorities and national advisory bodies. If successful at ballot, the Sheffield LDV Flood Defence Project will receive considerable positive attention as a national exemplar, setting a template for others to follow across the country in the future.

4.2 BID Area

For BIDs in their traditional form, the BID boundary would be defined by drawing a line, normally along highway routes, to represent the perimeter of the area to be covered by the BID. All businesses inside that boundary would pay the levy.

In the case of the LDV Flood Defence Project, the boundary cannot be drawn in this simplistic way. Instead, it must be defined by the flood extents through the modelling – it is a product of the relationship between land levels and river levels in flood conditions at every point through the LDV. The modelling shows where flooding would occur, allowing the beneficiaries of the scheme to be identified, and as such the boundary line follows the outer extremities of the flood area.

Because the BID boundary cannot be simply drawn as in traditional forms, a number of underlying principles are required to ensure that the boundary is clear and understandable, both for those who pay and for those who administer the BID. The BID area has been defined using the most current and accurate information available at the time of publication, and the principles on which it is based are set out below:

1. There are four categories of business included in the BID, shown on the plan in Figure 2 using the following key:
 - Blue – those businesses which would be flooded by river water in a 1 in 100 year flood event (1% annual likelihood) unless defences were installed and an appropriate ongoing river management arrangement were implemented
 - Green – those businesses on the edge of the 1 in 100 year flood area which would not themselves be flooded by such a flood but would have access and escape routes cut off, and would therefore suffer disruption to operations
 - Orange – those businesses not falling within the blue category which would be flooded by river water in a 1 in 100 year flood event (1% annual likelihood) unless an appropriate ongoing river management arrangement were implemented
 - Pink – those businesses not falling within the above categories but which are adjacent to the river bank where there is a legal responsibility to maintain their section of the river channel (riparian responsibility)

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2. If the BID area, determined using the principles as set out below, extends across only part of a hereditament (rateable property), the whole of that hereditament is considered to be within the BID and is therefore liable for the levy at the relevant rate.
3. Where businesses on the edge of the 1 in 100 year flood area (1% annual likelihood) do not flood and they do still have access and escape routes, for example many on President Way who can use Carlisle Street, then they are not affected by flooding, they do not benefit from the scheme, and as such are not included in the BID
4. Where businesses on the edge of the 1 in 100 year flood area do not flood but would have access and escape routes cut off, for example some on business estates on Meadowhall Road opposite the shopping centre, then the continuation of their operations is disrupted by flooding, and as such they benefit from the scheme and are included in the BID.
5. Where the model effectively creates islands of dry land surrounded by water, and therefore presents severe hazard to business and staff, for example Don Road in Brightside, they are classed as being flooded in addition to those premises which suffer a direct ingress of flood water, and references to flooding in this document are to be interpreted in this way.
6. Where a multi-storey office block is affected by floods, all businesses in the building are classed as flooding, not just those on the ground floor, since all have access and escape routes cut off and are subject to severe hazard.
7. The Meadowhall Centre is excluded from the BID. This is because, having already installed defences and initiated a channel management regime of their own, businesses located within the centre would be unlikely to benefit from the BID, and given the number of businesses based there and their significant collective rateable value, the Centre would have a disproportionate influence over the ballot outcome, regardless of the wishes of all other businesses in the BID area.
8. BIDs are calculated based on non-domestic rateable values. For this reason, land where no rateable value can be assigned, is not subject to the BID levy. This includes public highway, housing and vacant development sites, though the latter would become liable if new development took place within the five year BID period.
9. Riparian owners are those who own land directly adjacent to the river, and as a result have a duty to manage the river bank and channel to the middle of the river for the length of their boundary (further information available using the link provided in section 2.3). To address the issue of these responsibilities not being fulfilled throughout the LDV, business rate payers in the pink zones are included at the lower rate to establish a contribution towards maintenance activity which will be carried out by means of a holistic management regime that will be established as part of the Flood Defence Project.

4.3 BID Rules

The formation of a BID is enabled by Government legislation and regulations. This section, which should be read in conjunction with Section 6 (Important Legal Information), defines the BID rules, as required by statute.

- The specific details of the flood defence works and ongoing maintenance regime will be confirmed once a full funding package has been confirmed and detailed scoping and design has been completed. Any changes from the examples stated in this document or the associated Prospectus will be finalised in consultation with the BID Steering Group, and will not require a further ballot to approve them.
- Only business rate payers in the BID area shown in Figure 2 can vote. Those who do not pay non-domestic rates will be exempt.
- A minimum rateable value threshold applies: only businesses whose premises have a rateable value of £12,000 and above are potentially liable to pay the BID levy and therefore entitled to vote in the BID ballot.
- If a business has more than one rateable property, it will receive a ballot paper for each property. Each ballot paper counts towards the vote. It is important that every ballot paper received is completed and returned.

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- For the BID to proceed, it must be approved by a majority vote calculated by **both** of the following methods:
 - The total number of businesses which vote
 - The total rateable value of the premises in the BID area of those businesses which vote
- If approved at the ballot on both these calculation methods, the BID levy becomes mandatory for all those non-domestic rate payers in the BID area eligible to vote in the ballot, including those who voted against or did not vote at all.
- The ballot will be conducted by Sheffield City Council who will be the BID Body as defined in the relevant Business Improvement Districts regulations.
- In accordance with the regulations, the BID levy will be collected by Sheffield City Council as the 'relevant billing authority' which will use the same enforcement legislation that is in place for the collection of National Non-Domestic Rates (NNDR, i.e. business rates)."
- There are two levy rates, both calculated annually as a percentage of the rateable value of each hereditament (rateable commercial unit): a higher rate of 2.25% per annum for those businesses which would receive enhanced protection against being flooded from both the new defences and the channel maintenance regime and which would therefore gain the greatest benefit from the scheme (blue); and a lower rate of 0.75% per annum for those businesses which would also benefit significantly from the scheme but not to the same extent (green, orange and pink). These categories are explained in more detail in section 4.2. Using the plan in Figure 2, businesses can determine into which category they fall, and therefore which levy rate they would pay.
- The BID term will be for five years, starting on 1st July 2014 and ending on 30th June 2019. The start date is 197 days after the publication of the ballot result, and is within the 365 day maximum limit stipulated in the statutory requirements.
- The owners of empty properties will be liable for the BID levy.
- There will be no VAT charged on the BID levy.
- The levy will be billed annually in advance and will be due for payment in full, with the exception of businesses who are due to pay £10,000 or more in any one year who will have the option to pay in two instalments. Payment will be due in July and, where second instalments are permitted, these will be in January.
- The levy will be calculated for each property on an annual basis and billed in time for the start of each year of the BID. It will be based on the ratings list records for each hereditament in the BID area as defined in the first quarter of each financial year, i.e. April-June falling immediately prior to July in each year of the BID. This will ensure the completeness and accuracy of the rateable value listing used for generating bills each year.
- In line with regulations, the annual adjustments will be made without the need for an alteration ballot. Such changes will be carried out as part of established operational procedures, and will be reported to the BID Steering Group. Changes may happen for a number of reasons including, but not limited to, the following:
 - Businesses may become liable to pay the levy where they were not previously, for example where a property in the BID area that was absent from the ratings list is subsequently added; where new development means that a new property enters the ratings list; where a business moves into the BID area; or where a new rates valuation or an adjustment to an existing valuation causes a property in the boundary area to move above the lower threshold of £12,000. In such cases, the rate payer for that property will become liable for the levy from the next billing run for the next year of the BID.
 - Conversely, if a business leaves the BID area in the BID period, they will be removed from the list at the next billing run, and the BID levy will then be collected from the owner or any new occupier at that point. Similarly, if an adjustment in the rateable value of a property causes it to fall below the £12,000 lower threshold, it will be removed from the list and no bill will be issued for the next year of the BID.
- There will be no other adjustments during the year, and no refunds will be paid for businesses which are removed from the ratings list in the middle of a financial year.
- The BID Levy contribution will not be reassessed if the rateable value is amended after the end of the BID.
- A contingency equating to 14% of project costs (based on current information as set out in section 3.0-3.1) will be available to call upon if the base budget including the BID levy is not sufficient.

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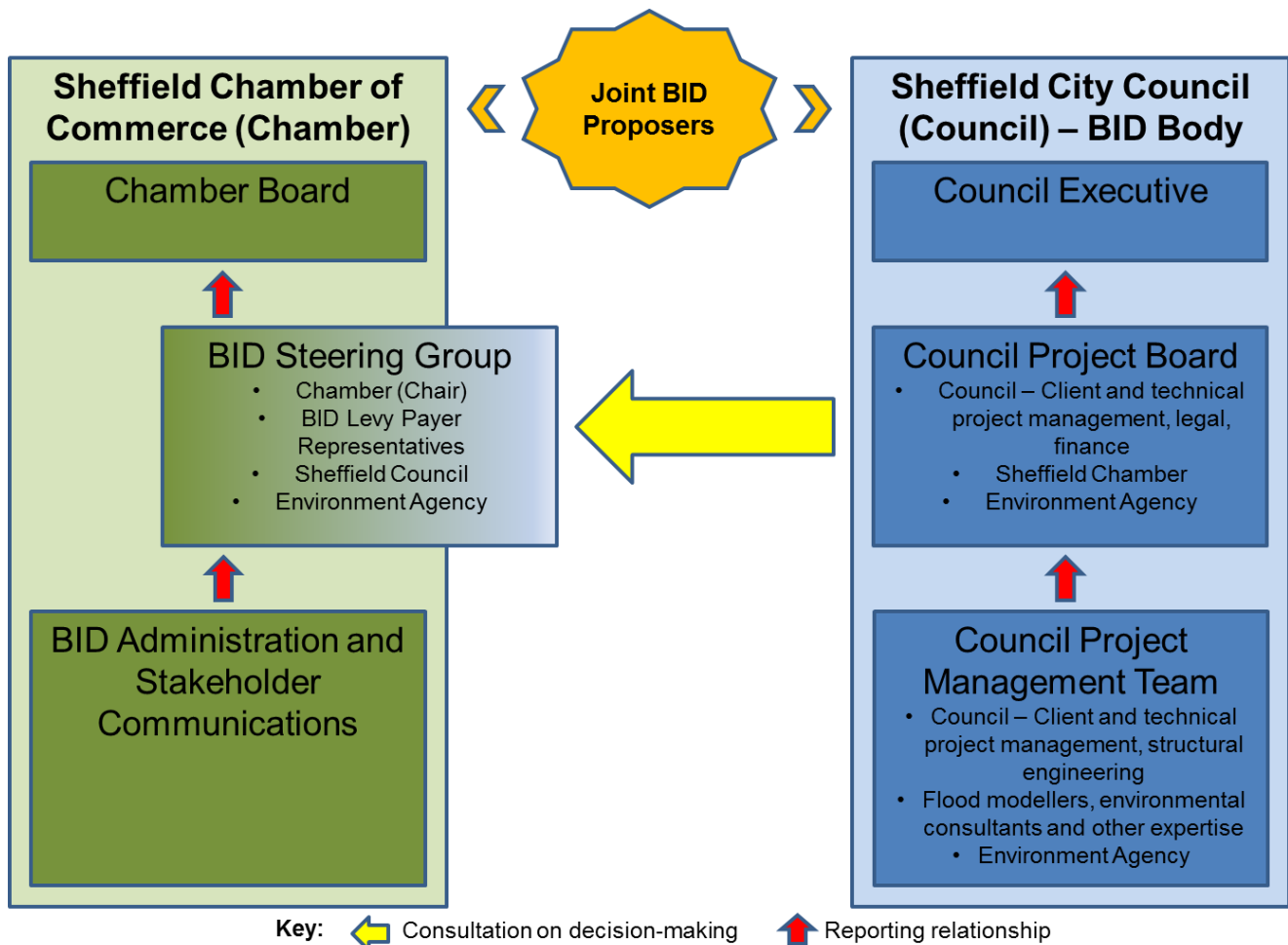
- Movement may occur between cost headings within the total budget, including varying the allocation of the BID levy payments to different project costs and using uncommitted funds for other purposes, but only where consistent with the intention of promoting flood protection in the BID area. Such budget management issues will be implemented with agreement from the BID Body in consultation with the BID Steering Group and without the need for an alteration ballot.
- If at the end of the BID period, when all works to be funded wholly or in part out of the BID levy payments are complete and paid for and any other expenses payable from the BID revenue account have been accounted for, there is a surplus in the BID revenue account, this will be dealt with in accordance with BID legislation which may include making refunds to businesses as appropriate. For the avoidance of doubt, BID levy payers will not be entitled to any payments of unutilised external funding, which will be released to the project as required.

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5.0 Governance

5.1 Governance Structure

The joint BID Proposers are Sheffield Chamber of Commerce and Industry and Sheffield City Council. The project will be delivered with the support and expert input of a range of other parties including the Environment Agency to ensure that all works are delivered efficiently. The governance structure for the project is shown below



In line with regulations and the rules set out in the previous section, as the BID Body the Council, through its Project Board, will liaise and consult regularly with the BID Steering Group to make decisions in order to enable efficient delivery of the project to meet timescales and budget with transparency to levy payers.

5.2 Project Management

Prior to the project starting the Council and the Environment Agency have led on the project feasibility work including design and specification. Fundamentally it is that scheme that the project will implement and the Council has submitted the planning application for the relevant works and obtained costings to properly develop the project. The Council has also led on identifying the public sector contribution and submitted the technical funding application for its approval. The Chamber has led on the BID proposal and the private sector contribution. The Steering Group has acted as an advisory

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body, particularly around the scope of the scheme, the terms of the BID and the activities associated with specifying and carrying out the ballot.

Once planning permission is granted and funding agreed the Council will act as the banker for the BID through the five years of its duration. Through the delivery stage, the project will continue to be overseen by the Project Board which has been established to deliver the existing feasibility, design, planning and fund raising stages. The Project Board will be chaired by the Council as the BID Body and accountable body for the public sector funding.

Reporting to the Project Board will be a project manager appointed from within the Council who will call upon specialist help where needed in order to place and manage contracts and ensure completion of the design and construction on time and on budget.

5.3 BID Management

A Steering Group primarily comprising private sector members is already operational and has fed into the design, planning and fund raising stage of the project including the definition of the BID proposal. It acts as an overview group on behalf of the business community up to the point that the BID is approved and the design and funding is in place.

When the project delivery starts and the BID comes into effect, the Steering Group will continue as the BID Steering Group and will be chaired by the Chamber. Existing members from the business community will continue to hold their position on the BID Steering Group, and other business representatives will be given the opportunity to join the Group during the five year term of the BID. The Council and Environment Agency will have a presence on the Group. Operating in a non-executive capacity, the BID Steering Group will assume a scrutiny role on behalf of the levy payers, overseeing the correct utilisation of the BID monies and the ongoing maintenance arrangements.

To aid their work and to ensure proper reporting and communications around the whole project, a BID Administrator will be appointed by the Chamber. They will support meetings including those of the BID Steering Group, AGMs and other public meetings as appropriate through the life of the project, as well as coordinating regular communications with stakeholders.

5.4 Performance Reporting

Performance Management and Quality Control will be the responsibility of the Project Manager but supported by the BID administrator for reporting purposes.

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6.0 Important Legal Information

1. The BID ballot and any resulting BID will be implemented in accordance with the relevant provisions of the Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004 ('the Regulations') (as amended or substituted from time to time). If approved in the BID ballot the contents of this Business Plan and the associated Prospectus will (unless specifically stated otherwise) constitute the 'BID arrangements'. The 'BID body' with responsibility for implementing the BID arrangements will be Sheffield City Council, which will work in conjunction with the BID Steering Group chaired by Sheffield Chamber of Commerce and Industry.
2. The Council has already given its in principle approval for the Lower Don Valley Flood Defence Project and the proposed BID arrangements. However, as described elsewhere in this Business Plan, delivery of these arrangements is dependent on receipt of sufficient funding from the Environment Agency. This funding has not yet all been secured. If the funding is secured the Council will need to formally approve the project and any associated cashflowing arrangements which may be required. Delivery of the project will also require formal agreement by the Environment Agency to delegate certain statutory powers to the Council, such as the power to carry out works on a 'main river'. It will also be necessary to secure the right to carry out works on private land adjacent to the river. It must be recognised, therefore, that although a successful 'Yes' vote in the BID ballot is a pre-requisite for the project, it will not in itself guarantee that the BID arrangements can or will be implemented. The Council clearly cannot commit itself to carrying out a major capital project of this kind without having satisfactory financial arrangements in place to pay for it, or the necessary authorisations to carry it out.
3. If the Council does not secure all the required funding from the Environment Agency to carry out the project, or if it decides not to proceed with the project for some other reason (or indeed decides that it cannot do so), then as BID Body and billing authority it will have the right to alter the BID arrangements without a further ballot, in accordance with regulation 16 of the Regulations. An alteration may include a scaling back or cancellation of the project. The BID arrangements may also be varied, without a further ballot, where the Council believes that this would enable the desired project outcomes to be achieved more economically, efficiently or effectively. For the avoidance of doubt, the finalisation of the details of the flood defence works and ongoing maintenance arrangements (including for example the selection and appointment of contractors) and any subsequent variations to these, and any virement of available funds between different budget heads within the overall budget for the project, will not require an alteration ballot. Businesses can be reassured that it will not be possible for the Council in this way to alter the geographical area of the BID, cause any person to be liable to pay the BID levy who was not previously liable to pay it, or increase the BID levy for any person, unless permitted by the terms of the BID as described in this Business Plan and in accordance with the statutory rules for BIDs. Please note that, in line with the statutory rules for BIDs, the identity of the BID levy payers and the amounts paid by them may alter over the lifetime of the BID as described in Section 4.3 of this document as a result, for example, of changes in the occupation or rateable value of premises.
4. The procedure for making any alteration to the BID arrangements pursuant to regulation 16 would be as follows. Prior to making any such alteration the Council would consult about the proposed alteration with the Chamber, the BID Steering Group, the Environment Agency where appropriate and with any other representatives of the business community for the geographical area of the BID as the Council considered appropriate in the circumstances. Following this consultation any decision to make an alteration would be taken by the Council in accordance with its decision-making arrangements applicable at that time. If the Council did alter the BID arrangements it would notify in writing each person liable for the BID levy to explain the reasons for and the effect of the alteration.

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5. This ability of the Council to alter the arrangements under regulation 16 is without prejudice to any rights the Council may have to terminate the BID arrangements under regulation 18 or otherwise.
6. For the avoidance of doubt, following the expiry of the Business Improvement District on 30th June 2019, or its earlier termination, the Council will have no responsibility to continue with any of the activities undertaken by it as BID Body or otherwise in connection with the BID.
7. No flood defence scheme can guarantee against future flood damage. The proposed BID arrangements are not a substitute for businesses in the area maintaining their own adequate flood insurance arrangements. Although the Council, the Chamber and the Environment Agency are endeavouring to develop flood defence measures which will achieve the intended level of protection as described in this document, and are basing these on expert advice, no assurance can be given that they will prevent flooding in the future. The Council, the Chamber and the Environment Agency accept no liability in respect of flooding and strongly advise businesses and others in the area to obtain appropriate insurance, which should be easier to obtain as a result of this project.

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7.0 Recommendation and Timescale

The future of this project and the opportunity to address flood risk in the Lower Don Valley rests with the businesses who are affected and who will pay the levy. With the time-limited allocation of 83% public funds, the value for money for affected businesses cannot get any better, but without the Business Improvement District, the Flood Defence Project will not go ahead. So the choice is simple: do you want to be defended from flood risk, or not?

It is effectively unviable for businesses to go it alone; simply barricading individual properties will not solve the problem. The whole valley must be defended, and so all stakeholders must act together. It is the recommendation of the Chamber, the Council and the Steering Group to vote in favour of the Business Improvement District and consequently the flood protection scheme. We believe it represents the best value for money in the circumstances combined with the Council's commitment to cash flow part of early project costs to help reduce the up-front burden on businesses. It is effectively a one off opportunity, but it will not happen without approval of the BID at the ballot.

The vote will be administered as part of a formal postal ballot between the dates of 15/11/2013 and 13/12/2013.

Timetable

- **01/11/2013 – You will be sent a notice of ballot**
- **15/11/2013 – You will be sent your ballot paper**
- **03/12/2013 – Deadline for application for proxy votes by 5pm**
- **13/12/2013 – You need to have cast your vote by 5.00pm**
- **16/12/2013 – The ballot result will be announced**
- **01/07/2014 – The BID commences operation**

All notices and voting papers will be sent to the name/company registered as liable for business rates at the relevant premises. It is important that companies with multiple votes, i.e. those with multiple properties, return a voting paper in respect of each rated property.

Andy Gull, Environment Manager, Gripple and Steering Group Member – *“We are fully behind the scheme as we believe flood defences are very important and in some cases, vital to business in the LDV area. With significant funding available a combined project like this is unlikely to happen again so it is imperative we take this opportunity now.”*

Contacts

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Steering Group

A list of members is available at the start of this document under the heading 'An Innovative Approach'.