

THE PROJECT.

The current flood defences in the Lower Don Valley (LDV) are estimated to provide a baseline standard of protection against as little as a 1 in 25 year event in some places. This can also be expressed as a 4% likelihood of flooding occurring in any year.

The project will see the installation of flood defences along 8km of the LDV with a target of improving flood protection up to and including a higher 1 in 100 year event standard (i.e. an estimated 1% annual likelihood). An additional 40cm freeboard is intended to offer extra security.

The map at the centre of this document shows the area affected by the project. This has been determined from a sophisticated computer model, developed during the past 2 years. This has helped design the planned defences and where to place them.

Furthermore, as an integral element, the project proposes a programme of channel

THE COST AND FUNDING.

The total cost of the project is currently estimated at £8.1 million for implementation works including design, construction, fees and contingency, as well as maintenance and BID running costs.

Major flood defences across the country are normally financed by defra (Department for Environment, Food and Rural Affairs) through the Environment Agency. However, this is usually focused on protecting residential areas, not businesses.

Grant rules state that defra should not wholly finance a project and that funding has to be sought from additional sources. Based on current information, the project can apply for £6.7m public funding which equates to 83% of total project costs, of which £5.5m has already been approved for spend by March 2015. Public funds are however dependent on the other 17% being raised from private contributions.

Without the Business Improvement District (BID), the Environment Agency grant alone will be insufficient and the defences will not be built. The public sector funding is only available for a limited period or it will be re-allocated. Therefore the private sector contribution must be identified immediately.

Sheffield Chamber of Commerce (the Chamber), in conjunction with a steering group drawn from businesses in the LDV, have decided that the best and fairest way of raising the private sector funding would be via a BID. This would apply a levy on businesses' rateable value. However, in many cases, this may be mitigated

management to reduce the build up of vegetation and debris which cause river blockages in flood events.

The planned scheme would not on its own protect against extreme flooding of the kind experienced in 2007 which was considered to be much greater than a 1 in 100 year event. To do this would be unaffordable and undeliverable at this time. Furthermore, climate change is expected to raise river levels over time, eroding standards of protection that are already established.

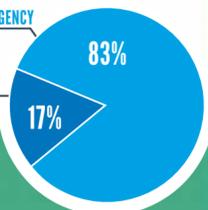
Nevertheless, the project does clearly aim to improve current standards and exceed the insurance industry's minimum requirements of 1 in 75 year event (1.33% annual likelihood). The Council is also investigating other complementary initiatives that are outside the scope of the BID and proposed project which, if adopted, would help mitigate the impact of climate change.

by an improved ability to secure insurance cover for flood risk and at cost effective rates. The costs incurred by Sheffield City Council (the Council) to develop the feasibility of the BID would not be recovered through the BID. The Council would project manage the implementation of the works. They have also agreed to cash flow part of the private sector contribution at the beginning of the project when delivery costs are highest. This is conditional on businesses approving the BID at ballot. The BID would operate for 5 years from 2014.

The figures presented in this document are based on the most current and comprehensive 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. Equally, opportunities will be sought where possible to increase the funding secured for the project in order to maximise the contingency allowance available. Regardless of these potential fluctuations, the amount that businesses are required to pay will not change unless this is permitted by the terms of the BID as described in this document and the associated BID Business Plan.

83% FROM PUBLIC GRANT:
DEFRA & ENVIRONMENT AGENCY

17% FROM PRIVATE
INVESTMENT: BUSINESS
IMPROVEMENT DISTRICT



To reduce the risk of flooding in the LDV, the BID must be approved

THE PROJECT AIMS TO: REDUCE THE RISK OF FLOODING FOR BUSINESSES IN THE AFFECTED AREA. SAFEGUARD EXISTING JOBS AND PREVENT BUSINESSES LEAVING THE AREA. REASSURE POTENTIAL INVESTORS. MAKE THE RIVER A SAFER PLACE. RAISE AWARENESS OF RIVER MAINTENANCE AND RIPARIAN RESPONSIBILITY.

THE WORKS.

The project focuses on an 8km stretch of the River Don between Nursery Street and Blackburn Brook at Meadowhall Road. The precise scope and brief of flood defence and river management works will be defined once funding has been confirmed.

Existing river bank defence structures were formed over decades of industrial development, however gaps remain where water can get out of the channel. This project will deliver new and upgraded structures to fill those gaps, and may include, but not be limited to, flood walls, gates and bridge reinforcements.

River management is the responsibility of every land owner on the immediate river bank, known as riparian owners. However,

BID MANAGEMENT.

Sheffield Chamber of Commerce and Industry and Sheffield City Council are the joint BID Proposers. The Council, as the local authority, will be the BID Body which will deliver the implementation of the flood defence works, drawing on specific technical expertise, for example from the Environment Agency, and other consultants to carry out and manage the scheme. The Council will work closely with the Chamber, who will manage the BID in relation to business consultation, representation

LEGAL INFORMATION.

The following is only a brief summary of some key legal issues. You can find further details and are strongly advised to read these in the full BID Business Plan available on the Chamber's website, or by post if required.

This Prospectus and accompanying Business Plan contain the BID proposals and their contents will together constitute the BID arrangements if approved in the BID ballot. Sheffield City Council ('the Council') will be the 'BID body' responsible for implementing the BID arrangements and will work in conjunction with the BID Steering Group. A majority 'Yes' vote in the BID ballot is necessary for the project to take place. However, the project is also dependent on other factors: e.g. receipt of funding from the Environment Agency, and acquisition by the Council of the necessary statutory powers to carry out the project.

Therefore, the Council will have the right to alter the BID arrangements (including scaling back or cancelling the project) without a further ballot if:

- Sufficient funding is not secured;
- It decides not to proceed with the project for some other reason (or indeed decides that it cannot do so);

enforcement of these responsibilities has been a problem across the country, and therefore in most cases the duties are not fulfilled. This project will put in place a channel maintenance programme for the five-year BID period which may include, but not be limited to, inspection and clearance of the river channel, removal of potential obstacles, management of vegetation growth and collection of litter and other tipping. Land owners would assume ownership of new structures installed by the scheme on their land, and would be prohibited from altering them without prior consent. A feasibility study to explore a long term solution for river maintenance may also be carried out as part of the BID.

and reporting. An existing steering group comprising primarily private sector members, will continue as the BID Steering Group which will be chaired by the Chamber. Decisions will be made by the Council, as BID Body, in consultation with the Chamber and BID Steering Group. Other business representatives will be given the chance to join the Steering Group during the 5 year period. BID administration costs are included within the project total.

- It believes that this would enable the desired project outcomes to be achieved more economically, efficiently or effectively;

It will not be possible for the Council, by altering the BID arrangements, to alter the geographical area of the BID, make any person liable to pay the BID levy who wasn't previously, or increase the BID levy for any person, unless permitted by the terms of the BID as described in the Prospectus and Business Plan or otherwise in accordance with the statutory rules for BIDs.

The Council would not alter the BID arrangements without first consulting with the Chamber and the BID Steering Group. 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.

No flood defence scheme can guarantee against future flood damage. 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.

THE BID BALLOT CLOSES ON 13th DECEMBER 2013

YOU CAN GET FULL DETAILS OF THE BID IN THE BUSINESS PLAN AT
WWW.SCCI.ORG.UK/HOME/PROJECTS

LOOK FOR: BUSINESS IMPROVEMENT DISTRICT: SHEFFIELD LOWER DON VALLEY FLOOD DEFENCE PROJECT

If you would prefer to receive a hard copy of the business plan you are entitled to do so in line with BID regulations. Please contact either of the joint BID proposers at the addresses below.

CONTACT.

RICHARD WRIGHT
Executive Director
richard.wright@scci.org.uk

Sheffield Chamber of Commerce, Albion House, Savile Street, Sheffield, S4 7UD

STEVE BIRCH
Principal Development Officer
steve.birch@sheffield.gov.uk
Sheffield City Council, Howden House, 1 Union Street, Sheffield, S1 2SH



WHAT IS A BID.

1 A STRAIGHT MAJORITY OF THE NUMBER OF BUSINESSES VOTING.

2 A MAJORITY BY RATEABLE VALUE OF THE BUSINESSES VOTING.

3 TO MAINTAIN THIS SECTION OF RIVER CHANNEL FOR 5 YEARS.

4 TO INSTALL FLOOD DEFENCES TO UP TO AND INCLUDING A TARGET 1 IN 100 YEAR STANDARD (1% ANNUAL LIKELIHOOD), PLUS A 40CM FREEBOARD.

5 TO PROTECT THE LDV BETWEEN NURSERY STREET AND BLACKBURN BROOK

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2012: UK's wettest summer since 1912. Water levels in the River Don rose dangerously high.

2007: Extreme flooding affected over 2,000 properties in Sheffield.

THE OBJECTIVE: 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).

SHEFFIELD LOWER DON VALLEY FLOOD DEFENCE PROJECT BUSINESS IMPROVEMENT DISTRICT (BID) PROSPECTUS - NOVEMBER 2013



IMPROVE FLOOD DEFENCE PROTECTION FOR BUSINESSES IN THE LOWER DON VALLEY

proposal

A FLOOD DEFENCE SCHEME FOR THE LOWER DON VALLEY SHEFFIELD; MADE POSSIBLE BY A BUSINESS IMPROVEMENT DISTRICT APPROVED BY YOU.

WHY VOTE YES!

The ballot period will be open between 15th November and 13th December 2013, and we urge you to vote 'yes' because:

- Flood defences protect your businesses and your employees.
- Climate change is occurring and floods are more likely going forwards.
- We must capture the opportunity to apply for public funding amounting to 83% of the total project costs. These national funds would heavily subsidise a very local scheme, with specific benefits to rate payers in the LDV.
- The BID is, in the opinion of Sheffield Chamber and the Steering Group, a fair way of collecting the necessary private sector contribution and spreading it over 5 years.
- Flood insurance is likely to get more expensive, if available at all. This project targets an enhanced standard above the insurance industry requirement and therefore is likely to help businesses mitigate against future cost increases.



BUSINESS IMPROVEMENT DISTRICT LEVY PAYER ZONES WHO IS AFFECTED.

The principles on which the BID area has been defined are explained in detail in Section 4.2 of the BID Business Plan

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

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

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

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)

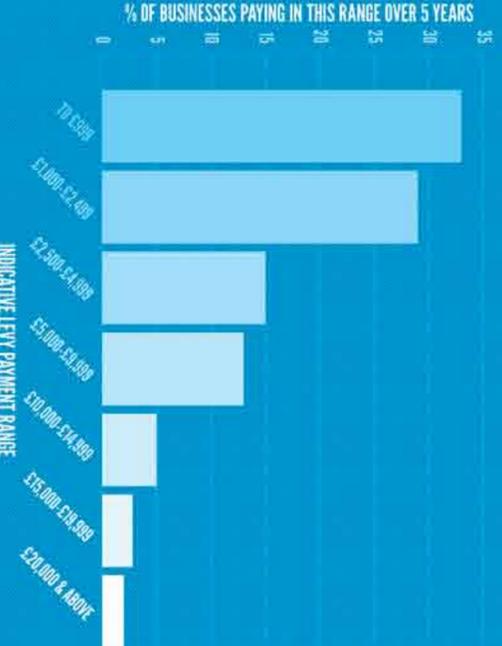


“ THE LOWER DON VALLEY IS A VITAL ECONOMIC AREA FOR SHEFFIELD. THE NEED HAS NEVER BEEN GREATER FOR BUSINESSES TO BE PROTECTED AGAINST FLOOD RISK. THE OPPORTUNITY FOR A SIGNIFICANT CONTRIBUTION FROM THE PUBLIC SECTOR WILL NOT LAST FOR LONG. AS SUCH SHEFFIELD CHAMBER WILL BE STRONGLY RECOMMENDING APPROVAL OF THE BID.”

RICHARD WIGHT
EXECUTIVE DIRECTOR, SHEFFIELD CHAMBER

SPREAD OF LEVY PAYMENT RANGES.

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



WHAT YOU WOULD PAY.

INDICATIVE RATEABLE VALUE	AT 2.25% LEVY RATE	TOTAL OVER 5 YEARS BID LIFE
£12K	£270	£1,360
£25K	£563	£2,815
£50K	£1,125	£5,625
£100K	£2,250	£11,250
£250K	£5,625	£28,125
£500K	£11,250	£56,250
£1 MILLION	£22,500	£112,500
£2 MILLION	£45,000	£225,000

INDICATIVE RATEABLE VALUE	AT 0.75% LEVY RATE	TOTAL 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
£1 MILLION	£7,500	£37,500
£2 MILLION	£15,000	£75,000

THE BID RULES.

(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 Business Plan 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 above 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.
- 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 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 it is in place for the collection of National Non-Domestic Rates (NDR, 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). Using the plan on this page, businesses can determine into which category they fall, and therefore which levy rate they would pay. These categories are explained in more detail in section 4.2 of the BID Business Plan.
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- 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 £50,000 or more in any one year who will have the option to pay in two instalments. Payments will be due in July and, where second instalments are permitted, these will be in January.

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