

Sheffield Lower Don Valley Flood Defence Project and Business Improvement District

Frequently Asked Questions (FAQs) – June 2014

The answers to many common questions, including a full list of the BID Rules, can be found in the BID prospectus summary document and the accompanying detailed BID Business Plan. Both are available on the Council and Chamber of Commerce's website. However, a number of FAQ's are clarified below:

Flood protection

1. Why do we need new flood defences?

At present, flooding begins in the Lower Don Valley (LDV) at a 1 in 25 year event in some places, i.e. a level of flooding considered likely to occur once every twenty five years (or alternatively expressed as a 4% likelihood of flooding occurring in any year). This is a very low level of protection, and leaves the area at risk of regular flooding. The proposed flood defences aim to increase defences to a 1 in 100 year event standard (1% annual likelihood), plus an allowance to mitigate the effects of climate change and an additional 40cm freeboard to offer extra security.

2. Will the project prevent a reoccurrence of the flooding experienced in 2007?

No – that was estimated to be as much as a 1 in 200 year event (i.e. 0.5% annual likelihood). Nevertheless, this project's target 1 in 100 year event standard (1% annual likelihood) does represent a significant improvement to the level of protection in the LDV, and also raises the standard above the insurance industry's minimum requirements of 1 in 75 year event (1.33% annual likelihood) to help businesses get competitive insurance cover.

3. Why don't the Council, or the Environment Agency (EA), maintain the river?

Since 2007, in particular, the Council and the EA have carried out extensive works to improve flood protection in Sheffield, including significant clearance of overgrown vegetation and built up silt in the river channel. However, by law, land owners along the river have a riparian responsibility to maintain to the middle of the channel for the length of the boundary. Though enforcement is a nationwide issue for the EA, the Sheffield LDV scheme creates an innovative model of engagement and involvement to address the need for continued maintenance, which may be replicated by other authorities and agencies across the country in the future.

Business Improvement District (BID)

4. What is a BID?

A BID is a not for profit arrangement whereby businesses agree through a ballot to fund specific activities chosen to strengthen the success and sustainability of those

operating in a defined area. 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.

5. Why do I have to pay?

BIDs may be proposed and 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). Once approved at the ballot, the BID levy becomes mandatory for all those non-domestic rate payers in the BID area who meet the criteria identified in the BID Rules.

6. Do all businesses in the BID area pay the levy?

No – as set out in the BID Rules, 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.

7. Why isn't the Council paying for the flood defences?

The Council does not have a statutory duty to defend individual properties, however it builds commitment from stakeholders, raises funds and manages project delivery, as can be seen from previous schemes at Nursery Street and Kelham Island. 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. None of these costs will be recovered through the BID levy. Over the five year period of the proposed BID to 2019, the Council will continue to contribute in a number of ways including making levy payments for Council buildings in the BID area, cashflowing high construction costs at the beginning of the project and delivering an established regime of inspection and blockage clearance at highway bridges and culverts.

8. Why does there have to be a BID for the LDV flood defence project?

Traditionally BIDs have focused on improving services in city centre locations, for example street cleaning, security or marketing and promotion. There are over 120 BIDs in operation in the UK, including other core cities such as Birmingham, Bristol, Nottingham and Manchester. However, this is the first BID to be set up in Sheffield, and the first in the country where a BID is being used to finance physical infrastructure works and maintenance of a river channel. As such, Sheffield's BID for LDV flood defences demonstrates a new and innovative use of the legislation which is likely to be replicated in other cities and towns across the country for similar construction projects.

9. How much will I have to pay?

There are two levy rates – 2.25% and 0.75% – both calculated annually as a percentage of the rateable value of each hereditament. Which rate you pay depends on the way in which you would be affected by flooding in the LDV, or whether you have an existing riparian responsibility to maintain a section of the river channel. The map shown in the BID Prospectus is colour coded to help you understand, and can be interpreted in conjunction with the tables provided in the

same document which give an indication of how much you might expect to pay. Extra detail is also available in the BID Business Plan. If however you would like to speak to somebody for further clarification, or for a more specific BID levy cost to your organisation, please use the contact details available on the Council or Chamber of Commerce websites.

10. How long does the BID last?

The BID comes into effect on the 1st July 2014, and will last for five years, ending on the 30th June 2019. There will be no further payments as part of this BID after that date.

11. What happens after the BID finishes?

The construction element of the flood defence project will be completed during this initial five year BID term. However, the need to maintain the condition of the river channel to a high standard will remain as a long term requirement beyond the life of the BID. Indeed, riparian responsibility associated with those businesses located adjacent to the river bank will be ongoing. To this end, options will be considered for ways in which the channel maintenance regime can be extended into the future. This may involve a new BID, however a preferred option will be selected nearer the time and of course, any BID renewal would be subject to gaining a majority vote in favour through a new ballot of affected organisations.

12. Who can I contact if I want to speak to somebody?

Contact details are available on both the City Council and Sheffield Chamber web sites.

13. Is there anything else I should do as a result of the new flood defences and the BID?

Construction of the flood defences is due to complete in 2016, and at that point your standard of flood protection should be significantly enhanced. During the BID term, we will also look to engage levy payers to make them aware of further opportunities to protect themselves and their property, for example by registering to receive Environment Agency flood warnings. All of this should help you secure flood insurance at a competitive rate. You should speak to your insurance broker to try to negotiate an improvement.

Billing and Payment

14. What happens if I don't pay the levy when I receive an invoice?

The process for recovering the BID levy is exactly the same as for business rates i.e. the National Non-Domestic Rates (NNDR) process which involves reminders and may ultimately result in bailiff and court action if necessary. This is to try to ensure that everybody pays together and that the project receives the full budget required to deliver the construction and ongoing maintenance works.

15. How often will I have to pay?

The billing year for the BID is July to June. The majority of businesses will pay in one single instalment each year. Bills will be issued in June with payment required

in July. In a small number of cases, where an organisation is due to pay more than £10,000 in any year, there is an option to pay in two instalments per year, the first being July and the second being January.

16. How do I pay?

You can choose to pay by any of the following options:

- Post office
- Pay Point
- Telephone
- Internet
- Bacs

Further details are available on the back of your bill. If you need a duplicate bill please email the BID Collection Team at [BIDCollection@sheffield.gov.uk](mailto: BIDCollection@sheffield.gov.uk).

Please note any payments made by credit card are subject to a surcharge of 1.5%.

17. I have now left the property can I get a refund?

The rules for the Lower Don Valley BID, as set out in the BID Business Plan and Prospectus, govern who is deemed liable for each charge. These rules state that the BID levy will be calculated for each property on an annual basis between April and June to ensure the greatest degree of completeness and accuracy to allow for bills being generated in time for the start of each BID year in July. For the period 1st July 2014 to 30th June 2015, the liable parties and BID levy rates were set on 16th June 2014 in line with business rate information as at that date. If you leave after this date you are still liable for the BID Levy in this year of the BID. However any amendments will be taken into account when the next year's billing run is prepared between April and June the following year when you should be removed from the list.

18. My rateable value has reduced. Does this mean I pay less?

The levy charge for the first year of the BID is calculated based upon rateable value as at the 16th June 2014. As stated in the BID Rules available in the BID Business Plan and Prospectus, the levy is not recalculated if the RV increases or decreases throughout the year, but it would be taken into account when the next year's billing run is prepared between April and June the following year. Your levy payment for the second year should therefore increase or decrease at that time in line with amendments to your rateable value in the past year.

19. I receive Business Rates Relief. Can I claim relief from the BID Levy?

The BID Levy is calculated according to the BID Levy rules and is not subject to relief.