

Profiling Partnership Funding

September 2014

Summary

Sheffield's Lower Don Valley is a dense employment area and has been identified as a priority in the City's Economic Strategy and the City Centre Master Plan. The area suffered flooding in 2000 and 2007 causing significant disruption to businesses and infrastructure.

The flood alleviation scheme, delivered partly with Defra Growth Funds, is the first such scheme in the country to use contributions from a Business Improvement District (BID).

The BID funding provides both a capital contribution towards the new flood defence and a revenue stream for ongoing channel maintenance. Also uniquely, as far as we know, the channel maintenance is being delivered by a social enterprise, The River Stewardship Company.

The opportunity to reduce flood risk

The proposed flood defence scheme will protect over 300 business properties which provide approximately 5,000 jobs in the area. Without an improved level of flood protection some of these businesses indicated that they would be unlikely to remain in the area.

The current onset of flooding is between a 1 in 25 and 1 in 50 year standard. The new scheme will provide a 1 in 100 year standard of protection with climate change built in to 2039 and a managed adaptive approach proposed to maintain this standard through to 2069.

The new scheme consists of over 50 interventions along an 8km stretch of the River Don between the Wicker and the Blackburn Brook at the M1. Construction starts early 2015 and is programmed for completion by mid 2016.

Partner perspective

Sheffield Forgemasters – "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."



Figure 1: Flooding at Sheffield Forgemasters June 2007

Gripple – "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."

Vital statistics

Scheme costs -	£26.3 m (whole life)
	£18.1 m (PAR)
FCERM economic benefits -	£310.6 m
FCERM GiA -	£12.1 m

Contributions

Defra Growth Fund -	£5.5 m
BID (£500k capital) -	£1.4 m

Key Issues

A Business Improvement District can only be put in place for a maximum of 5 years. This presents a challenge in securing long term maintenance and provides no guarantee of continued finance should a future BID fail. The extensive support for the BID to date hopefully means the risk of failing to gain a future mandate is low. The onus remains though on the promoting authority to demonstrate good

value and clear deliverables from the BID in order to maintain support into the future.

To date procurement of social enterprises by public bodies generally has been challenging due to a preference for the use of established contractor frameworks. Much work has been done in this area but it has still required a bespoke procurement route to be taken in the Lower Don Valley.

Engagement and partnership working

The 2007 flood event caused hundreds of millions of pounds of damage across Sheffield and put the public at significant risk. The commercial and industrial area of the Lower Don Valley was particularly severely affected and it was many months before the area returned to normal.

Many of the local businesses have been active members of key groups throughout the project's development and now form a BID steering group to represent businesses interests and guide the ongoing maintenance of the area.

The project team has consulted widely with local businesses throughout development and the involvement of the Chamber of Commerce as a key partner has been invaluable. The value of upfront liaison and particularly the time put in by Sheffield City Council should not be underestimated in securing a successful BID.

BIDs were enabled by legislation in the Local Government Act 2003. Once secured through a democratic ballot amongst the affected businesses the administration and collection of the levy monies is carried out under similar procedures to those governing business rates. Collection rates are approaching 97%, which compares well to business rate collection.

Extra local outcomes

Flood risk is a major disincentive to investment in this key area. Regeneration proposals to create 2,730 jobs and 42,000m² of new commercial floor space will be enabled by this investment in flood risk reduction.

Delivery of the river maintenance by the River Stewardship Company through the BID brings flexibility and multiple benefits for the area. This funding route allows local choice in areas such as improving access and amenity that would not be possible through pure flood risk funding.



Figure 2: Dual function - park and defences at Nursery Street

The use of a social enterprise in delivering the maintenance work achieves increased local engagement in the river through volunteering and local education links. The combination of these elements gives local businesses a real feeling of ownership of their river environment.

The scheme also includes a multiple species fish pass at Sanderson's Weir. Physical modification is the primary reason on this watercourse for failure to reach Water Framework Directive (WFD) potential, so this fish pass will contribute directly to WFD improvement. The scheme also includes provision for a number of wider environmental improvements including tree planting, bat boxes and sand martin habitat.

People

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