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Briefing for the Public Petitions Committee on petition PE2226: Require Business Improvement District levies to be limited to a single percentage of rateable value, lodged by Daphne Hamilton on behalf of Unfair Nae Mair

Brief overview of issues raised by the petition

Businesses in a BID area are required to pay a levy which meets the costs of delivering BID services. It is up to the BID to decide how much businesses will pay, with details set out in the proposed business plan which is voted on before a BID is fully established.

The petitioner, on behalf of the Unfair Nae Mair campaign group, would like to see "a national change to the regulations to meet the original legislation's intention, so that BID levy guidelines recommend a single percentage of rateable value of between 1 and 2% with a statutory upper limit of 4%".

It is the Scottish Government's view that a change in legislation would be required to ensure all BIDs use levies based on a percentage of rateable values rather than banded flat rates.

According to the Alloa Advertiser, the Unfair Nae Mair group was formed to campaign for an alteration ballot, "which would see a new business plan drafted and presented for shop owners to vote on". According to the newspaper, the Alloa First Board rejected this call.

Background information

A Business Improvement District (BID) is a formal partnership of businesses (and other organisations) which works together to improve a defined area, often a town centre or a shopping area within a city (for example Shawlands in Glasgow). BID activities can include working to improve the physical appearance of an area or delivering events aimed at increasing footfall and spend.

There are around 35 BIDs operating across Scotland.

The main legislation governing the creation, funding and operation of BIDs is the Planning etc. (Scotland) Act 2006 and the subsequent Business Improvement Districts (Scotland) Regulations 2007.

Establishing a BID

A recent House of Commons Library briefing sets out the process required before a BID can be established:

> “The procedure for establishing BIDs is almost identical in the different parts of the UK. A ‘proposer’ must develop a proposal describing the additional services that will be provided under the BID. The proposal must also set out the proposed levy upon ratepayers, including which ratepayers will be exempt. The proposal must also specify the length of time that the BID will last. The vast majority [of BIDS] are established for the maximum five-year period.”

A vote needs to take place before a BID is formerly established. All businesses and organisations located in the defined area are balloted. A majority of voting businesses, by both number and rateable value, is required to vote in favour of a BID before it can progress. There must be a minimum 25% turnout for the ballot to be legitimate in Scotland.

How are BIDs funded?

BID activities are funded by levies paid by businesses and organisations located in the area. Once a BID has been established, almost all businesses located in the BID area must pay a levy regardless of whether or not they voted in favour of the BID’s establishment. These are collected by local authorities alongside Non-Domestic Rates payments. The total sum collected is provided in its entirety to the BID.

The amount of levy paid by businesses is set by the BID and is commonly organised in bands linked to the rateable value of the property. The rateable value broadly corresponds to the “notional rental value the property could achieve in the open market, if it were vacant and available to let, taking account of the type and nature of the property" (see Scottish Government, 2026). It is set by independent assessors every three years.

As an example of the levies paid by businesses, SPICe has used the bands in the Discover Lanark BID business plan:

Band	Rateable Value	Year 1 Annual Levy	Year 1 Each Week
	£0 - £2,249	**Voluntary**	Voluntary
A	£2,250 - £4,999	**£175.00**	£3.37
B	£5,000 - £9,999	**£290.00**	£5.58
C	£10,000 - £19,999	**£405.00**	£7.79
D	£20,000 - £34,999	**£550.00**	£10.58
E	£35,000 - £49,999	**£700.00**	£13.46
F	£50,000 - £79,999	**£875.00**	£16.83
G	£80,000 - £99,999	**£1050.00**	£20.19
H	£100,000 - £149,999	**£1500.00**	£28.85
I	£150,000 - £299,999	**£2400.00**	£46.15
J	£300,000 - £499,999	**£3350.00**	£64.42
K	£500,000+	**£4250.00**	£81.73

Using this example, a shop with a rateable value of £10,000 will pay a levy of £405 each year. A 2% levy of the rateable value, more in line with what the petitioner is calling for, would work out at £200 each year. If another shop in Lanark has a rateable value of £19,000, it also pays £405 each year. However, a percentage-based levy based on 2% would be £380 per year.

Previous Petitions Committee work on BIDs

There were two petitions on Business Improvement Districts considered by the Session 6 Committee:

- PE2179: Strengthen veto powers when assessing Business Improvement District proposals

- PE2184: Provide BID levy relief to charities and non-profit organisations

Key Organisations and relevant links

- Scottish Government Business Improvement Districts

- Scotland's Towns Partnership

- Scotland's Improvement Districts – the national centre for BIDs

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14 September 2026

The purpose of this briefing is to provide a brief overview of issues raised by the petition. SPICe research specialists are not able to discuss the content of petition briefings with petitioners or other members of the public. However, if you have any comments on any petition briefing you can email us at spice@parliament.scot

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