

Scottish Parliamentary Corporate Body Thursday 10 September 2026 (Session 7)

Edinburgh Old Town Business Improvement District (BID)

Executive summary

1. The City of Edinburgh Council and the Edinburgh Business Improvement District (BID) team have approached the Parliament to gauge the SPCB's views on potential participation within the Edinburgh Old Town BID which is currently at consultation/drafting stage.
2. This paper provides an opportunity for SPCB members to:
 - a. Note the background to the proposed Edinburgh Old Town BID and options for SPCB participation.
 - b. Consider the legal basis for participation in the BID.
 - c. Consider the recommendation that while the SPCB thanks the Steering Group for their engagement, we would request exclusion from the BID boundary.

Issues and options

Background – Business Improvement Districts

3. Business Improvement Districts (BIDs) were established under Scottish legislation (Part 9 of the Planning etc. (Scotland) Act 2006) and allow organisations within a defined geographical area to invest collectively in agreed improvements and services. Funding is normally raised through a levy on participating properties and is supplemented where possible through sponsorship, grants and partnerships.
4. BIDs are normally governed by independent boards drawn from levy-paying members. Members influence priorities, approve business plans and oversee expenditure. BIDs can provide the following:
 - Coordinated business advocacy
 - Enhanced marketing activity.
 - Public realm improvements.
 - Additional cleaning and security initiatives.
 - Collective representation with public bodies and local authorities.

Edinburgh Old Town BID

5. A group of businesses operating within Edinburgh's Old Town have established a Steering Group to explore creation of a new Business Improvement District covering the Royal Mile and surrounding areas. The proposal is being led by local businesses following concerns about the management, cleanliness, safety, attractiveness and economic performance of the Old Town. The Steering Group includes representatives from major tourism, hospitality, retail and visitor economy organisations and is currently undertaking consultation and business engagement ahead of development of a formal BID business plan and ballot.
6. The current programme envisages development of a formal business plan during late 2026, with a ballot of eligible organisations potentially taking place during 2027. A successful ballot would establish a statutory BID funded primarily through a levy applied to organisations occupying properties within the agreed boundary. An initial consultation in May 2026 of 460 businesses received a 25% return, of which 50% were in favour of the proposals being developed.
7. Many of the issues identified by the Steering Group, including public safety, visitor management, environmental quality, public realm maintenance and the attractiveness of the surrounding area, have the potential to affect Parliament's operations, security environment, visitor experience and reputation.
8. The Parliament therefore has an interest in the success of the Old Town irrespective of whether it becomes a formal member of the BID.

Options for SPCB Participation in the BID

9. There are three main options for the SPCB regarding participation in the BID:
 - a. The Parliament sits outside the formal BID boundary so has no formal role/obligations including payment of the levy. The Parliament would still receive passive area-wide benefits but receive no voting rights or say in operations.
 - b. The Parliament sits inside the boundary and is regarded as a full participant and required to pay its share of the levy (currently £25k annually as the cap based on its rateable amount) if the BID vote is successful.
 - c. The Parliament sits inside the boundary but is afforded an exemption and/or a negotiated partnership arrangement linked to its unique status as the national legislature. This would mean that the Parliament would receive passive area-wide benefits but receive no voting rights or say in operations.

Legal and reputational considerations

10. There are significant concerns regarding the SPCB's ability to participate in a BID under the Scotland Act 1998, noting that the SPCB's powers are limited to doing anything which appears necessary or expedient in connection with the discharge

REFERENCE: SPCB (2026) - Paper 59

of its statutory functions. These functions principally relate to providing the Parliament with the property, staff and services required for parliamentary purposes.

11. There is a significant question as to whether payment of a levy intended to fund wider local environmental improvements, place promotion, events or business-led initiatives is sufficiently connected – if at all – to the SPCB's statutory functions. It is therefore considered likely that participation could be beyond the SPCB's powers under the Scotland Act.
12. It is also notable that BIDs frequently undertake lobbying, advocacy and representative activity on behalf of local business interests. Participation by the Parliament as a member of such an organisation could give rise to legitimate questions regarding parliamentary impartiality and create potential tension with the Parliament's constitutional role.
13. This could be especially problematic given that if a BID vote is successful (gaining over 50%), there could still be a significant number of local businesses and stakeholders who are not supportive. Use of Parliamentary funds in this manner could be perceived as failing to offer value for money and proper use of taxpayer's money – bearing in mind in particular that Parliament's central mission to make a positive difference to the lives of the people of Scotland as a whole.
14. Although the legislation governing BIDs appears broad enough that the Parliament could potentially fall within the definition of an eligible participant, it is noted that the policy intent behind BIDs was primarily to enable businesses to invest collectively in town centre improvements. There is, therefore, a question as to whether Parliamentary premises were ever intended to fall within the scope of such arrangements and a purposive interpretation of the legislation would suggest that it was not

Governance

15. It is for the SPCB to determine whether it wants to request the Old Town BID Steering Group to exclude the Parliament from the BID boundary. Steering Group members have indicated that they would act on any such request given the Parliament's unique status. If a decision were taken to include the Parliament within the BID boundary, the SPCB would then be entitled to a vote if the BID were to proceed to the next stage.

Resource implications

16. If the Parliament is excluded from the BID boundary there are no resource implications. If the Parliament is included and the BID goes ahead, there would be an annual levy payment capped at £25,000.

Publication Scheme

17. This paper can be published in line with the SPCB's publishing policy after the SPCB's decision has been communicated to the BID Steering Group.

Next steps

18. Once the SPCB decides on which option to pursue, this will be communicated to the BID Steering Group. If the Parliament is to be excluded from the boundary there is no further immediate action. If the Parliament is included as a full member, the next step will be to participate in voting and/or any further consultation if appropriate.

Decision

19. The Parliament has an interest in the future success, reputation and management of Edinburgh's Old Town. The objectives being explored by the proposed BID appear broadly aligned with the SPCB's interests in promoting a safe, attractive and well-managed environment around the Parliamentary estate.
20. However, full BID membership would expose the SPCB to financial, governance and reputational risks that are materially different from those faced by commercial organisations. In particular, the SPCB would need to consider the appropriateness of committing public funds to a business-led organisation whose priorities may evolve over time.
21. On this basis, we would recommend that the officials respond to the Old Town Steering Group on behalf of the SPCB, thanking them for their work on the BID, noting its importance to the area but asking that the Parliament be removed from the boundary given the SPCB's duties around spending from public funds and the need to maintain impartiality.
- 22. The SPCB is invited to consider and agree that parliamentary officials respond to the Old Town BID Steering Group asking that the Parliament be excluded from the BID boundary.**

Kerry Twyman

Directorate of Finance and Resilience

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