PPC/S7/26/3/9

Public Petitions Committee
Thursday 24 September 2026
3rd Meeting, 2026 (Session 7)

PE2226: Require Business Improvement District levies to be limited to a single percentage of rateable value

Introduction

Petitioner	Daphne Hamilton on behalf of Unfair Nae Mair - 4% MAX
Petition Summary	Calling on the Scottish Parliament to urge the Scottish Government to change the regulations for Business Improvement Districts (BIDs) in Scotland so that BID levies are required to range from 1-2% of the relevant non-domestic rate with a maximum levy of 4%. In addition, the agreed percentage levy should be applied equally to all liable properties. This would help ensure that BID levies are not arbitrary but proportionate and consistent and would prevent smaller businesses from being unfairly burdened by flat rate, capped or banded levy systems (90% are banded in Scotland).
Website	https://petitions.parliament.scot/petitions/PE2226

1. This is a new petition that was published on 16 July 2026.

2. A full summary of this petition and its aims can be found at **Annexe A**.

3. Every petition collects signatures while it remains under consideration. At the time of writing, 147 signatures have been received on this petition.

4. A SPICe briefing has been prepared to inform the Committee’s consideration of the petition and can be found at **Annexe B**.

5. The Committee seeks views from the Scottish Government on all new petitions before they are formally considered.

6. The Committee has received submissions from the Scottish Government and the Petitioner which are set out in **Annexe C** of this paper.

Action

7. The Committee is invited to consider what action it wishes to take.

Clerks to the Committee
September 2026

Annexe A: Summary of petition

PE2226: Require Business Improvement District levies to be limited to a single percentage of rateable value

Petitioner:

Daphne Hamilton on behalf of Unfair Nae Mair - 4% MAX

Date published:

16 July 2026

Petition summary:

Calling on the Scottish Parliament to urge the Scottish Government to change the regulations for Business Improvement Districts (BIDs) in Scotland so that BID levies are required to range from 1-2% of the relevant non-domestic rate with a maximum levy of 4%. In addition, the agreed percentage levy should be applied equally to all liable properties.

This would help ensure that BID levies are not arbitrary but proportionate and consistent and would prevent smaller businesses from being unfairly burdened by flat rate, capped or banded levy systems (90% are banded in Scotland).

Background information:

Current BID rules and guidelines leave BIDs to decide how to levy businesses based on rateable value.

The Scottish BID regulations SSI 2007/261 Executive Note stated: ‘The BID levy will most commonly be a percentage related to the Rateable Value of the properties in the BID area.’

In England and Wales, 89% of BID levies are based on a percentage of non-domestic rates, and Government endorsed guidelines resulted in a levy norm of 1.55% in 2025.

A single percentage levy based on rateable value means all liable businesses pay the same proportionate percentage rate (This would create a fairer, more consistent approach to BIDs across Scotland).

This petition seeks 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%.

Annexe B: SPICe Briefing

Scottish Parliament Information Centre
Ionad Fiosrachaidh Pàrlamaid na h-Alba

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

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Annexe C: Written Submissions

PE2226/A: Require Business Improvement District levies to be limited to a single percentage of rateable value

Scottish Government written submission, 26 August 2026

Does the Scottish Government consider the specific ask[s] of the petition to be practical or achievable? If not, please explain why.

The request would not be achievable in the medium term as it would require amendments to existing legislation – further advice would be required from Scottish Government Legal Department (SGLD) on the proposed changes in the event they were to be considered. Without legal advice it is not clear how quickly relevant changes could be made to existing legislation/regulations.

There are no immediate plans to amend existing BIDs legislation. The potential cost and resource implications of such work have not been considered or factored into existing work programmes or budgets.

What, if any, action is the Scottish Government currently taking to address the issues raised by this petition, and is any further action being considered that will achieve the ask[s] of this petition?

A Strategic Group on BID Operational Effectiveness was convened by Scotland's Towns Partnership in early 2026. This group focuses, among other priorities, on how BIDs can enhance their operational effectiveness in responding to the evolving needs of businesses, communities, and local and national government, and on identifying areas where regulatory change may be necessary or beneficial.

The Group will submit a report to Scottish Government/Scottish Ministers in late summer/early autumn with their recommendations.

The issues raised by this petition are relevant to the ongoing review of the BID model. Whilst there are currently no plans to amend the Business Improvement District legislation, the matters raised by the petitioner fall within the remit of the Strategic Group on BID Operational Effectiveness.

The Strategic Group has been tasked with considering a range of issues relating to the future sustainability and effectiveness of the BID model, including levy structures, fiscal sustainability, governance and operational consistency. As part of this work, the Group will consider whether there is evidence to support legislative change, national guidance or the continuation of existing local flexibility.

The current Scottish BID model deliberately provides flexibility for levy structures to reflect local circumstances. However, the Strategic Group recognises that questions around proportionality and consistency have been raised by parts of the sector and considers these to be legitimate issues for evidence-based review. Any recommendations for change will be informed by consultation with the BID network and submitted to Scottish Ministers later this year.

Is there any further information the Scottish Government wish to bring to the Committee's attention, which would assist it in considering this petition?

Local Flexibility

Current BID legislation — Part 9 of the Planning etc. (Scotland) Act 2006 and the Business Improvement Districts (Scotland) Regulations 2007 (SSI 2007/202) — already provides a clear framework for establishing levy rates.

Each BID proposal and business plan, which must be approved through a ballot of eligible ratepayers, sets out:

- which properties are liable for the levy,
- how the levy is calculated (banding, percentage, flat rate etc.), and
- any exemptions, discounts, or reliefs that will be applied

The legislation allows BIDs to adopt either percentage-based or banded levy models. A percentage-based BID levy sets the annual charge as a fixed percentage of a property's rateable value. This approach is widely used because it is simple, transparent and proportional, with businesses that occupy higher-value properties contributing more than those in lower-value premises. The banded approach referenced by the petitioner is compliant with existing legislation and is commonly used to help ensure levies remain proportionate and affordable for different types of businesses.

A key feature of the Scottish BID model is local decision-making. Levy structures are developed locally and approved through a ballot process, enabling businesses within each BID area to determine arrangements that reflect local circumstances, economic conditions and priorities. The legislation does not specify national minimum or maximum levy rates, providing flexibility for different BID areas to adopt approaches appropriate to their local context.

In addition, the current framework allows BIDs to apply exemptions, thresholds, caps, bandings and other differentiated arrangements to reflect variations in ability to pay, levels of benefit received or the composition of the local business base. Scotland's Improvement Districts (SIDs) also provides guidance and support to developing BIDs on levy structures and governance arrangements prior to ballots.

Democratic Process

The establishment and continuation of a BID is determined through a democratic ballot. The statutory voting requirements provide a robust mechanism to ensure that proposals have sufficient support from both businesses and rateable value interests.

For a BID proposal to be approved, four conditions must be met:

1. A minimum turnout of 25% of eligible persons (the headcount), regardless of whether they voted for or against the proposal.

2. A minimum turnout of 25% by aggregate rateable value (RV), regardless of whether they voted for or against the proposal.

3. A majority of those eligible persons who voted must vote in favour.

4. A majority by RV of those eligible persons who voted must vote in favour.

These requirements ensure that both smaller and larger levy payers have an opportunity to influence the outcome and that BID proposals can proceed only where there is broad support across the BID area.

Evidence of Need for Regulatory Change

Any proposal to amend the national legislative framework should be supported by evidence that the current arrangements are not delivering fair or effective outcomes.

While concerns have been raised regarding levy structures in individual BID areas, it would be important to establish whether these concerns reflect a wider systemic issue before considering legislative change. Existing legislation already permits a range of levy models and mechanisms designed to recognise differing business circumstances.

As previously noted, Scotland's Towns Partnership (STP) has convened a Strategic Group to consider how the BID model can be strengthened and to identify opportunities to enhance operational effectiveness. The Group is expected to report its recommendations to the Scottish Government in the autumn, providing an appropriate forum for considering any evidence-based proposals for change.

Scotland's improvement Districts (SIDs)

The Scottish Government supports Scotland's Improvement Districts (SIDs), the national body providing advice, guidance and governance support to BIDs across Scotland. This work is delivered by Scotland's Towns Partnership through its annual grant funding arrangement.

Through its support and oversight role, SIDs helps ensure that robust processes and governance arrangements are in place across the Scottish BID network. It also works closely with existing and developing BIDs to promote good practice and support sustainable levy arrangements.

As part of this work, SIDs engages regularly with BID companies, staff and boards and gathers intelligence on emerging issues and opportunities. The impact of levy rates on businesses, particularly small and independent businesses facing increasing operating costs, is an area of ongoing engagement and support.

SIDs also undertakes annual surveys and maintains regular dialogue with BID practitioners, providing valuable insight into the operation of the BID model. The Scottish Government engages regularly with SIDs to monitor developments and identify any issues requiring further consideration.

Scotland’s BIDs Network

There are currently 36 operational BIDs across Scotland, representing over 12,000 businesses and generating an estimated annual levy income of over £11m, contributing to local economic development, place management and regeneration activity. Recent successful ballots in Glasgow and Dundee, alongside proposals being developed in several other locations, demonstrate continuing interest in the BID model.

The continued operation, renewal and expansion of BIDs suggests that many businesses continue to see value in the model. While individual concerns regarding levy arrangements may arise, any consideration of changes to the current framework should be informed by evidence gathered through established review mechanisms, including the Strategic Group convened by STP.

Place Based Regeneration Team, Planning Directorate
Scottish Government

PE2226/B: Require Business Improvement District levies to be limited to a single percentage of rateable value

Petitioner submission, 16 September 2026

I welcome the Scottish Government’s acknowledgement that proportionality and consistency are legitimate matters for review. However, its response does not address the central issue: whether a compulsory BID levy should be permitted to impose materially different proportional burdens on businesses because a locally devised banded, capped or flat-rate structure has been approved by ballot.

The petition seeks a preventative national safeguard. Businesses should not have to organise retrospectively, obtain specialist advice and attempt to prove unfairness where the proportional effect of a levy can be calculated before a ballot. This is an urgent matter for BID renewals and new BIDs.

Proportionality is already recognised in legislation

Section 42(4)(c) of the Planning etc. (Scotland) Act 2006 recognises that a BID proposal should not impose a “significantly disproportionate financial burden” on a person or class of persons compared with others. Legal permissibility and local flexibility are therefore not, in themselves, answers to proportionality.

Existing safeguards include an alteration ballot and local authority veto, but these are retrospective or discretionary. In PE2179/C, Unfair Nae Mair raised concerns that no clear criteria or tolerances exist for determining what constitutes a significantly disproportionate burden. When PE2179 was considered on 10 December 2025, the Convener said there was “merit in the petition”, recognised proportionality as an important issue and encouraged its resubmission in the next session. PE2226 provides that opportunity.

Why a single percentage is preferable

The petition does not object to different BIDs raising different sums or providing different services. The issue is whether businesses within the same BID should face substantially different levy rates as a percentage of their rateable value.

Rateable value already differentiates properties according to value. Applying one agreed percentage preserves differences in the cash amount paid while avoiding arbitrary differences in proportional burden. Larger properties would still pay more; what would be removed is the ability to construct systems in which smaller businesses pay a materially greater percentage of rateable value than larger ones.

A ballot determines whether sufficient support exists for a BID. It does not establish that every financial provision within the proposal is fair or proportionate. Majority approval should not remove safeguards governing how compulsory financial burdens are distributed.

Evidence on banded levies

The Scottish Government states that banding is commonly used to help ensure levies are “proportionate and affordable”. Evidence should be provided for that assertion.

Percentage-based Scottish BID levies are generally around 1.25%–2.5% of rateable value, with most at or below 1.5%. By contrast, published banded structures can produce much higher effective percentages for lower-value properties. For example, Discover Lanark’s £175 levy on properties valued at £2,250–£4,999 equates to approximately 4%–8%, while higher-value bands fall towards approximately 1%. In Alloa First, a £312 charge on properties valued between £95 and £6,000 can produce an effective percentage ranging from approximately 5% to over 300% at the very lowest values. These examples demonstrate why proportional impact should be examined before a ballot rather than left to subsequent challenge.

Retrospective challenge is not an adequate safeguard for small businesses. It may require businesses to identify one another, understand unfamiliar legislation, obtain documents and evidence, meet deadlines and potentially obtain legal advice. By contrast, the effective percentage created by a proposed levy formula can be identified in advance by straightforward arithmetic.

Legislative reform

The Government’s observation that legal advice and legislative change may be required describes a process; it does not demonstrate that reform is impractical. The relevant question is what legislative route is required, including whether existing regulation-making powers could implement some or all of the proposed change.

Requested action

I respectfully ask the Committee to keep PE2226 open and ask the Scottish Government to:

1. explain how local levy flexibility is reconciled with section 42(4)(c);

2. provide evidence that banded levies promote proportionality and affordability;

3. clarify whether BID levy rules could be changed by Statutory Instrument and identify the precise legislative route required;

4. explain why percentage levy guidelines, similar to those in England and Wales cannot be introduced immediately;

5. ensure the Strategic Group considers a national single-percentage approach, taking account of the evidence previously submitted in PE2179; and

6. consider, if appropriate, PE2226 and PE2227 together as interrelated issues within the same regulatory framework.

Where Parliament authorises a compulsory charge on businesses, fairness should be designed into the levy before it is imposed, rather than left to individual businesses to prove unfairness afterwards. A transparent percentage-based framework would provide certainty from the outset and reduce the scope for retrospective disputes.