

Correspondence from Scottish Land and Estates regarding the Non-Domestic Rates (Levying and Miscellaneous Amendment) (Scotland) Regulations 2026 (SSI 2026/68), 18 February 2026

Dear Convenor,

I am writing on behalf of Scottish Land & Estates to request that the Local Government, Housing and Planning Committee suspend voting on an upcoming SSI on the withdrawal of the Small Business Bonus Scheme (SBBS) relief from most sporting rates liabilities, as announced in the Scottish Budget for 2026–27 to take evidence from rural businesses who would be impacted by these proposals.

Our immediate priority is to ensure that these proposals do not give rise to unintended consequences that run directly counter to the Government's wider objectives for food production, climate delivery, biodiversity restoration and rural economic resilience. We have attempted to engage constructively with the government to this end but have, as yet, not received any response.

Our primary concern is not with the policy itself, but with how it has been developed. There has been no consultation with the rural sector on the withdrawal of SBBS relief for sporting rates.

Recent experience elsewhere demonstrates the risks of proceeding in this way. In 2024, proposals for a family farm tax were brought forward by the UK Treasury without consulting the rural sector or the department responsible for it. Within a year, those proposals were abandoned, but not before causing significant damage to trust and confidence.

The central failure was, as you may know, highlighted by the House of Lords Economic Affairs Finance Bill Sub-Committee which [flagged the key failures](#) around a lack of consultation or understanding of how rural businesses operate in practice, and a failure to engage early with those likely to be affected.

That is why we would urge you, as convenor of the Local Government, Housing and Planning Committee, to ensure that the same mistake is not made here in Scotland by holding an evidence session to assess the impact of the Scottish Government's proposals and hear from rural businesses about the unintended consequences (outlined in Annex 1) of the removal of the Small Business Bonus Scheme relief on Sporting Rates before this proposal is implemented.

Please do let me know by reply if you would be happy to consider our request for an evidence session, supported by a wide group of rural stakeholders including the NFUS, BASC, ADMG and others.

Annexe A

Over the course of the last month SLE has undertaken a survey of over 150 rural businesses across Scotland to assess how the proposed changes to Sporting Rates relief would impact them. The results have highlighted a consistent and troubling pattern of impacts arising from the current proposals. To illustrate these impacts, I have set out four case studies taken from examples provided in our survey:

In Orkney, a small owner-occupier livestock farmer pays contractors to control geese populations in order to protect grazing land from damage. They currently benefit from SBBS relief, but under the proposed changes would lose this support because geese are not classified as vermin. The imposition of a new sporting rates liability would remove their ability to fund goose control, leading to the degradation of grassland essential for livestock production, undermining both business viability and local food production.

In the Highlands, the owner of a medium-sized estate undertakes extensive deer management alongside renewable energy and agricultural activity. Occasional commercial stalking days help fund year-round deer control. The loss of SBBS relief would force a choice between expanding commercial shooting activity or reducing deer management by cutting staff, neither of which aligns with wider public policy objectives.

In the South East of Scotland, a small farm currently claims SBBS relief on sporting rates despite undertaking no shooting or wildlife control activity. They do not qualify for an exemption, would be required to pay rates for sporting rights they do not exercise, and are now considering whether they would need to introduce a mixed-quarry commercial shoot simply to meet their new tax liability.

In Aberdeenshire, a larger landholding managed for environmental and agricultural purposes operates occasional commercial shoots. The removal of SBBS relief is likely to force an expansion of sporting activity to subsidise rates payments, or a winding-down of less profitable environmental management work.

Taken together, these examples demonstrate that the proposed exclusion from SBBS relief risks driving divestment from environmental land management, undermining food security, costing livelihoods and, contrary to what we understand to be the policy intention of these proposals, increasing commercial shooting activity as a means of cross-subsidy. These are outcomes that we do not believe the Government intends.