

Citizen Participation and Public Petitions Committee
Wednesday 10 December 2025
19th Meeting, 2025 (Session 6)

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

Introduction

Petitioner Tommy Reid

Petition summary Calling on the Scottish Parliament to urge the Scottish Government to:

- amend the relevant legislation so that charities and non-profits that qualify for mandatory or discretionary rates relief under Section 4(2)(a) of the Local Government (Financial Provisions etc.) (Scotland) Act 1962 are also exempt from paying the BID levy, or receive equivalent relief
- conduct a survey of businesses affected by BIDs, in order to assess the impact of the levy more widely, particularly on small businesses and third-sector organisations, and to implement any further legislative changes that may arise from such a review.

Webpage <https://petitions.parliament.scot/petitions/PE2184>

1. This is a new petition that was lodged on 22 September 2025.
2. A full summary of this petition and its aims can be found at **Annexe A**.
3. A SPICe briefing has been prepared to inform the Committee's consideration of the petition and can be found at **Annexe B**.
4. Every petition collects signatures while it remains under consideration. At the time of writing, 67 signatures have been received on this petition.
5. The Committee seeks views from the Scottish Government on all new petitions before they are formally considered.
6. The Committee has received a submission from the Scottish Government, which is 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
December 2025

Annexe A: Summary of petition

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

Petitioner

Tommy Reid

Date Lodged

22 September 2025

Petition summary

Calling on the Scottish Parliament to urge the Scottish Government to:

- amend the relevant legislation so that charities and non-profits that qualify for mandatory or discretionary rates relief under Section 4(2)(a) of the Local Government (Financial Provisions etc.) (Scotland) Act 1962 are also exempt from paying the BID levy, or receive equivalent relief
- conduct a survey of businesses affected by BIDs, in order to assess the impact of the levy more widely, particularly on small businesses and third-sector organisations, and to implement any further legislative changes that may arise from such a review.

Background information

The primary aim of our petition is a change in national policy to bring the Business Improvement District (BID) levy in line with existing non-domestic rates relief legislation for charities and non-profit organisations.

This would ensure consistency in how charitable organisations are treated across different local taxation mechanisms.

Currently, while charities may receive up to 100% relief on non-domestic rates, they are still liable for the full BID levy in many areas, regardless of their charitable status or community benefit. This creates a financial burden that undermines the intent of the original rates relief legislation.

It would also be good to look at the health of BIDs more widely. For example, in our local Paisley ballot, out of 673 businesses, only 260 voted. Of these, 201 were in favour of the BID and 59 against. The ballot was legitimate, with over 25% of businesses voting. However, 413 businesses never took part and 59 said no, so the majority of businesses in the area were not necessarily in favour of the BID.

Annexe B: SPICe briefing on PE2184

Briefing for the Citizen Participation and Public Petitions Committee on PE2184: provide BID levy relief to charities and non-profit organisations

Background

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 or the West End in Glasgow). BID activities may include working to improve the physical appearance of an area and trying to increase footfall and spend.

There are [over 30 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](#) and [The Planning etc. \(Scotland\) Act 2006 \(Business Improvement Districts Levy\) Order 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 formally established. All businesses and organisations located in the defined area are balloted. A majority of votes, by both number and rateable value, are required in favour of a BID before it can progress.

BID activities are funded by money raised through a levy 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. Levies are collected by local authorities alongside Non-Domestic Rates payments. The sums collected are then provided to the BID.

The amount of levy paid by occupiers is set by the BID and tends to be in bands linked to the rateable value of properties.

Scotland’s Improvement District (SIDs) estimated that the annual levy for the combined 36 BIDs in Scotland is around £6.4m (see [PQ response](#)).

Issues raised by the petitioner

The two main asks of the petitioner are:

1. Change legislation so that charities and non-profits that qualify for mandatory or discretionary rates relief under Section 4(2)(a) of the Local Government (Financial Provisions etc.) (Scotland) Act 1962 are also exempt from paying the BID levy.

And

2. For the Government to conduct a survey of businesses affected by BIDs, in order to assess the impact of the levy more widely.

What organisations qualify as charities and what NDR relief are they entitled to?

In Scotland, for an organisation to be considered a charity it must be registered with OSCR and meet the 'charity test'. The 'charity test' is set out in as set out in the [Charities and Trustee Investment \(Scotland\) Act 2005](#). It states that an organisation needs to be exclusively charitable and it must provide public benefit. The organisation also cannot distribute or apply any of its property for a non-charitable purpose, not be controlled by Scottish Ministers or Ministers of the Crown, and not be political.

Currently, many properties occupied by charities qualify for [Non-Domestic Rates relief](#). Registered charities can apply for 80% rates relief and councils can also offer up to 20% additional relief on top of the 80%.

What does the BIDs legislation say about charities?

There is nothing in the primary or secondary legislation about exempting charities or other non-profit organisations from paying BID levies.

The recent [House of Commons Library briefing](#) acknowledges that many charities may be exempt from paying Non-Domestic Rates, but:

"BID levy schedules are not required to follow patterns of discounts for rate reliefs that are set at national levels. Thus it is possible for a charity or a small business, for instance, to have to pay a BID levy, even if they are in receipt of 100% relief from the local authority in respect of business rates payments."

The levy amounts to be paid in each BID area should be included in BID proposals, with [The Planning etc. \(Scotland\) Act 2006 \(Business Improvement Districts Levy\) Order 2007](#) stating that:

BID levy provided for in BID proposals may be different for different classes of– (a) eligible ratepayer, or eligible ratepayer and eligible other person (as the case may be); (b) geographical area within the business improvement district; or (c) relevant property within the business improvement district, or any combination of these different classes.

There appears to be scope for BID proposals to make certain exemptions should this be deemed appropriate. This can be seen in a number of BID proposals across Scotland. For example, the [My Shawlands BID business plan for 2022-27](#) exempts non-retail charity premises from paying the levy. Likewise, [Aberdeen Inspired BID](#) exempts non-retail charities and places of worship. Non-retail charities, community groups and places of worship are also exempt [in Milngavie](#).

The [Paisley First Business Plan](#) states:

“The BID Board decided that there is no benefit from being part of the BID to the following categories of property and therefore are exempt from paying the levy: - places of worship, non-income generating charitable organisations, Sma’ Shot Cottages, Mill Street Police Station, Gilmour Street Train Station, voluntary clubs, advertising stations, ATMs, store rooms attached to BID properties and properties with rateable values of under £1,000.”

The call for a survey of businesses affected by BIDs

The petitioner is also calling for the Scottish Government to conduct a survey of businesses affected by BIDs in order to assess the impact of the levy. SPICe has been unable to locate any national surveys on the impact of BIDs on businesses and other organisations paying levies. Scotland’s Improvement Districts, the national centre for BIDs, confirmed to SPICe that no national evaluations of BIDs are currently planned. However, they also said that a strategic group is being established to review the BID Regulations, which are now almost 20 years old.

Greig Liddell

Senior Researcher

3 November 2025

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

Every effort is made to ensure that the information contained in petition briefings is correct at the time of publication. Readers should be aware however that these briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

Published by the Scottish Parliament Information Centre (SPICe), an office of the Scottish Parliamentary Corporate Body, The Scottish Parliament, Edinburgh, EH99 1SP

Annexe C: Written submission

Scottish Government written submission, 7 November 2025

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

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

The first ask (that legislation is amended so that charities and non-profit organisations are exempt from the BID levy, or receive levy relief) 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 changes could be made to existing legislation/regulations.

There are no current plans to review or amend existing BID legislation during this parliamentary term. The potential cost and resource implications of this work have not been considered or factored into existing work programmes or budgets.

It should also be noted that 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 how levy arrangements, including any exemptions or reliefs, are determined. These decisions sit at local BID level. Each BID proposal and business plan (which must be approved by ballot) 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 apply — including for charities or non-profits if the local BID chooses.

Once that proposal is approved by eligible ratepayers through a democratic ballot, it becomes binding for the duration of the BID term. Changing those arrangements mid-term would normally require a formal alteration process under Regulation 18, so implementing national blanket reliefs would not be straightforward.

The first part of the request also attempts to link BID levies and non-domestic rates, however the two are different from one another. Rates relief for charities is a national tax policy tool, whereas the BID levy is a collective investment mechanism agreed by local businesses to fund improvements in their trading environment.

The second part of the request (to conduct a survey to understand the impact of the BID levy) is a practical and achievable request that could be considered in line with Scotland's Improvement Districts (SIDs) programme of work. An annual BIDs survey is undertaken by SIDs, and for next years National BID Survey, this could incorporate questions on the impact of BIDs (including the BID levy) on businesses,

including charities and non-profit organisations. These surveys are used by SIDs to inform updated guidance and good practice recommendations.

SIDs are also working to establish a National Strategic Group to shape BID policy, improve operational effectiveness, and explore areas for potential regulatory improvement.

What, if any, action the Scottish Government is 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?

No specific action is currently being considered in relation to amending existing BIDs legislation. There is already a clear framework in place for how levy arrangements, including exemptions or reliefs, are determined.

As previously noted, SIDs undertake an annual BID survey to gather information on BIDs – this is used to increase awareness of arising issues/concerns, and to inform updated guidance and good practice recommendations. The next survey is scheduled to take place in spring/summer 2026. This could potentially be used to gather information on the impact of the BID levy on various businesses, including charities and non-profit organisations.

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

Benefits of the BID Levy

All businesses within the BID area are likely to see benefits of paying the levy. We do not believe changing legislation to enforce a levy exemption for certain businesses, like charities and non-profit organisations, would be a fair approach. It may also have a significant impact on the BID levy income in areas where there may be a number of charities/non-profit organisations.

BID Levy Exemptions

BIDs are independent, business-led partnerships established through a democratic process. Current BIDs legislation (*Business Improvement Districts (Scotland) Regulations 2007*) already enables local discretion on exemption from the levy. This means BIDs can exempt certain properties or business sectors from the BID levy. Any exemption decisions must be set out in the BID proposal documents prior to ballot and should be decided upon following consultation with the local business community.

The management and governance of BIDs, including decisions on BID levy exemptions, are matters for the BID itself, and not a matter in which we believe legislative change is required.

As well as the ability to decide on exemptions, BIDs are also able to set a minimum rateable value threshold for businesses that will be required to pay the BID levy. If a minimum threshold is set prior to ballot, it means properties below the threshold are not required to pay the BID levy.

Democratic Process

The existence and operation of BIDs are decided via a democratic vote. The BID ballot process provides a robust threshold that BIDs must achieve if they are to be successful. A BID proposal in Scotland can only proceed if four conditions are met at ballot:

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.

As such, all businesses, including charities and non-profit organisations, have the opportunity to have their say in the vote. There is no current evidence or information to suggest there is widespread concern from these organisations about being part of BIDs or in having to pay the BID levy.

We do not agree that introducing national, mandatory exemptions through legislative change is an appropriate approach to locally driven initiatives that are approved through a democratic voting process. It will create additional layers of bureaucracy, and would likely result in further calls for exemptions from any individuals or businesses who do not support BIDs or object to paying the BID levy. In the long term, this would have the potential to disrupt the BIDs model and the positive local impacts they deliver.

Scotland's improvement Districts (SIDs)

Scottish Government fund Scotland's Improvement Districts (SIDs) as the National Centre for Improvement Districts in Scotland to provide advice and governance support for BIDs in Scotland. This work is managed by Scotland's Towns Partnership (STP) as part of their annual grant award.

The work of SIDs ensures a robust set of processes and procedures are already in place for the way in which BIDs in Scotland operate.

As part of their ongoing work to support and monitor BIDs in Scotland, SIDs undertake ongoing analysis and seek to provide support which strengthens BIDs, their staff and Boards. The impact of levy rates on businesses, and particularly small and independent businesses, is a priority issue that SIDs is actively liaising on with existing and developing BIDs to ensure that they are aware of the impact/risks that higher levy rates can have, particularly on small, independent businesses who are facing increased costs/overheads.

As already noted, SIDs are also working to establish a National Strategic Group to shape BID policy, improve operational effectiveness, and explore areas for potential regulatory improvement.

Through their ongoing work with BIDs across Scotland, SIDs have a well-developed knowledge and understanding of the priority issues that BIDs would like to see addressed. To date, we are not aware that the specific issue of levy rate exemption for charities or non-profit organisations has been raised as a widespread issue of concern. As already noted, the annual BIDs survey is one of the mechanisms they use to gather information and intelligence. Scottish Government engage regularly with SIDs to ensure we are aware of arising issues and successes.

Scotland's BIDs Network

There are currently 34 operational BIDs in Scotland, which support hundreds of businesses.

Examples of BIDs that have had a positive impact include those in Oban and Aberdeen. **BID4Oban** has been credited with enhancing the appearance of the town and forging new links with businesses, organisations and the local community. This transformation saw Oban receive the 'Scotland's Town of the Year' award in 2024, and led to Oban hosting prestigious events such as the Royal National Mod festival, and acting as a host port in the 'Clipper Round The World Yacht Race'. Local business owners have previously stated the BID is the "glue which binds the business community in Oban together, allowing us to do things collectively that may otherwise be out of our reach", and that it helps "channel support to pull in the same direction to achieve shared outcomes."¹

Aberdeen Inspired has played a central role in work to regenerate Aberdeen City Centre, and the BID recently won a prestigious UK award for leading a groundbreaking project to breathe new life into the upper floors of Union Street. The BID has also shown strong support for the third sector and charity projects/organisations, and has been heavily involved in initiatives like the Nuart street art festival and the Umbrella project (celebrating neurodiversity), highlighting the benefit that BIDs can deliver for charities, non-profit organisations, etc.

There are also a number of BIDs being developed, further indicating the effectiveness of the current BID model and a desire to replicate the success of existing BIDs. We believe that the wide range of good practice across Scotland's BIDs network, and the desire of others in Glasgow and Dundee to join the Scottish network, indicates that there is no need for the requested change to existing legislation, especially when mechanisms already exist for exemptions to be applied.

Regeneration, Architecture & Place Division

¹ ([Love Oban: BID helps to drive business and pride - Scotland's Improvement Districts](#))