

# PE2179/C: Strengthen veto powers when assessing Business Improvement District proposals

## Unfair Nae Mair written submission, 1 October 2025

Veto powers within the BID regulations are intended as safeguards against unfair levy outcomes. Yet if those powers are misunderstood or go unused, the safeguard fails in practice and cannot protect those facing ‘a significantly disproportionate financial burden.’<sup>1</sup> For such safeguards to be effective, it is essential that those entitled to exercise them understand both their scope and their proper application.

This concern is reflected in petition PE2179, which rightly calls for stronger and clearer veto provisions to prevent disproportionate levy structures. The Scottish Government has responded by noting that veto powers already exist within the legislation and that BIDs are subject to a democratic ballot. However, the existence of a statutory power does not guarantee its effective use. Where legislation provides no clear tolerances or examples of what constitutes ‘a significantly disproportionate financial burden,’ local authorities may be reluctant to intervene. In practice, this leaves the safeguard under-used and small businesses exposed to precisely the risks the law was intended to prevent.

Petition PE2179 focuses particularly on the local authority veto. At present, section 42(3) of the Planning etc. (Scotland) Act 2006 states that a local authority *may* veto a BID proposal, but the petition calls for this to be a *requirement* where levy structures are not proportional. This distinction is crucial. My own experience — supported by Freedom of Information disclosures — shows that local authorities may not be fully conversant with BID regulations. In Alloa, a challenge to the BID Proposal lodged shortly before the veto deadline revealed confusion within the Council, with officers and councillors seeking urgent guidance while businesses faced a disproportionate 10% to 80% increase.<sup>2</sup> Had clear statutory guidance and a mandatory duty to veto been in place, the veto would have been a matter of course and businesses would not now, and until 2028, be unfairly burdened financially.

The Scottish Government has pointed to the role of Scotland’s Improvement Districts (SIDs) in working with BIDs and local authorities to check compliance with legislation. Yet in practice, serious issues remain. In Alloa, two-thirds of levy payers now pay the highest BID levies in the UK, with charges ranging from 4.6% to more than 300% of non-domestic rates (NDR). By contrast, the 2023 British BIDs Survey confirms that across the UK the expected norm is 1.5% of NDR, with only rare cases rising as high as 2%. [See also the UK Government’s [Business Improvement Districts – Guidance and Best Practice](#).]

A comparative analysis of BID levies illustrates how SIDs appear not to pay attention to detail in checking compliance with the legislation [see “Comparative levies. Why the call for an Alteration ballot” and “OneLinlithgow a BID town that keeps levies within 4%MAX” on the [BID Levies Scotland](#) website.] These comparisons, researched by Unfair Nae Mair, were produced as part of their campaign to see fair BID levy guidelines introduced in Scotland.

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<sup>1</sup> *Planning etc. (Scotland) Act 2006*, Part 9, section 42(4)(c).

<sup>2</sup> An FOI to the Council revealed that the town centre Business Improvement District had never come before the Council since its inception 2007/2008 and had been dealt with under delegated powers.

The above comparisons show why petition PE2179's call for clear examples or tolerances is essential to enable local authorities to use their veto powers with confidence. Without change, local authorities like Clackmannanshire may lack the confidence to recognise and veto disproportionate levy structures despite obvious inequity.

Without change, the safeguard the Scottish Parliament intended becomes ineffective, and small businesses are left paying disproportionate levies with increased debt for those who fall into arrears and receive Summary Warrants.