

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

Scottish Government written submission, 9 September 2025

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 (enabling local authorities to veto proposals) is already included in existing legislation (see further down for more information). As such, there is no requirement for Scottish Government to consider this ask.

The second ask would not be achievable in the short 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.

Local Authorities already have a regulatory role in BIDs (they have the power to veto proposals, they oversee the ballot process and are responsible for levy collection), as such we do not believe it would be desirable for Scottish Ministers to also be given powers through legislation.

There are no current plans to review or amend existing BIDs 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.

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.

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 Authority Veto

One of the asks of the petition is to *“require local authorities to veto proposals for Business Improvement Districts (BIDs) if the levy due to be paid by businesses is not proportional with the rateable value of properties”*.

As per the current legislation – The Business Improvement Districts (Scotland) Regulations 2007 – local authorities already have the ability to veto a BID proposal. This action can be taken up to 70 days prior to the ballot, and where local authorities consider that BID proposals:

- conflict with any structure plan, local plan, strategic development plan or local development plan which has been approved or adopted under the principal Act and which applies to the proposed business improvement district or any part of it,

- conflict to a material extent with any policy formally adopted by and contained in a document published by the authority (whether or not the authority are under a statutory duty to prepare such a document), or
 - lead to a significantly disproportionate financial burden being imposed on—
- (i) any person entitled to vote in the ballot on the proposals, or (ii) any class of such persons; as compared to other such persons or classes.

It must also be noted that 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.

Duty on Ministers

The petition also asks to *“introduce a duty on Scottish Ministers to take such levy proportionality into account in any decisions regarding BID proposals.”*

We see no benefit in this approach. BIDs are independent, business-led partnerships established through a democratic process. Their management and governance are matters for the BID itself, and not areas in which Scottish Ministers would look to intervene.

We believe it is right that, as per existing legislation, it is local authorities and not Scottish Ministers that should have a regulatory role in relation to BIDs, including the power to veto a BID. In addition to their regulatory role, Local Authorities are often closely involved in BIDs in their area, and have better knowledge and intelligence of the local context. Involving Scottish Ministers would add a further level of bureaucracy and complication that we do not agree is required.

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, and we would therefore suggest this negates the need for legislation to be amended to include further powers of veto.

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

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's can have, particularly on small, independent businesses who are facing increased costs/overheads.

SIDs also work closely with BIDs and local authorities in advance of ballots, including undertaking checks on all BID proposal documents (including business plans) to ensure compliance with legislation.

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. 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 was awarded 'Best Business Support Scheme 2025' from the Association of Town & City Management UK and Ireland for the 'Upper Floors Project' that was supported by Aberdeen City Council and the wider city centre business community.

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 indicates that there is no need for the requested changes to existing legislation.

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