

# Creating economic growth and jobs

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## Purpose, scope and method

### Scope

This analysis examines what the six main parties contesting the 2026 Scottish Parliament election say about creating economic growth and jobs. It focuses on growth strategies, business support, investment frameworks, economic agency structures and business taxation.

Skills development, housing, the planning system and energy are addressed only where they directly support an economic growth proposal. Each of those topics, and others, is covered in full in a separate report.

### Purpose

Rather than look at individual manifestos or the differences between them, I have taken what might be an unconventional approach and looked at commonalities: **where might the parties set aside ideological and tribal politics to work together in the interests of Scotland?**

After all, even if the SNP gets a majority it may be a fragile one. The probability remains that throughout or at some point in the parliament, two or more parties will have to work together. That is exactly how the parliament was intended to work. It does on many occasions, but not nearly enough.

There are also a skint public sector and a stagnant economy. Dealing with those problems will require more collegiate working.

### Method – please read these important notes

- I have not done this as paid or even unpaid work for any client. It has been for my own interest and as a contribution to reframing the conversation between the worlds of politics, business and wider society.
- It would not have been humanly possible – for your author at least – to read, digest and cross-reference all of the manifesto content and produce a timely report. Therefore I have used a sophisticated AI tool to help before doing a light-touch review and edit of the most important points. **Both AI and human may have made mistakes. Please do not rely on it as definitive.**
- Talking points represent my view and are designed to support further discussion and enquiry.
- All page references cite the published PDF page number. Page references are not definitive of a party's whole position – that is, they are just signposts to one or more places where policy points are mentioned, not a comprehensive index.
- Parties covered: Scottish Conservatives, Scottish Labour, SNP, Scottish Liberal Democrats, Scottish Greens and Reform UK Scotland. They are listed in no particular order.

### Links to manifestos

- [Conservatives](#), [Labour](#), [SNP](#), [Lib Dems](#), [Reform](#), [Greens](#)

## Cross-party consensus

Despite significant ideological differences, several areas of broad agreement emerge.

### Broad agreement (four or more parties)

- **Business rates need fundamental reform.** All six parties acknowledge the system is failing businesses. The Conservatives want to restructure thresholds, Labour wants to abolish and replace rates entirely, the SNP pledges to rebalance the system, the Lib Dems want to move towards land value, Reform wants to phase rates into a single annual property tax, and the Greens want surcharges on harmful businesses. (Conservative p.27-28; Labour p.28; SNP p.29, 39; Lib Dems p.20-21; Reform p.6-7; Greens p.21)
- **The economic agency landscape is too complex\*.** Conservatives, Labour, SNP and Reform all propose consolidation or rationalisation of enterprise bodies. The Conservatives would merge SE, SDS and SNIB into Growth Scotland. Labour would refocus enterprise agencies and consolidate investment funds into SNIB. The SNP would create a Major Projects Office. Reform would shut down quangos. The Lib Dems would open an SME arm of SNIB. (Conservative p.25-26; Labour p.28-29; SNP p.39; Reform p.14)

*\*It's not clear on initial reading if the SNP's proposals add to the landscape or consolidate it. I thought the latter but I'm not sure. See also the note under talking points below.*

- **Planning is too slow and holds back investment.** All six parties identify the planning system as a barrier, although there is naturally a major divergence in the emphasis placed by the Greens compared to other parties. The Conservatives propose specialist hubs, Labour a national planning agency, the SNP simplified regulation, the Lib Dems modernised processes, Reform fast-track planning for key sectors, and the Greens reformed consent for renewables. (Conservative p.26; Labour p.31; SNP p.40; Lib Dems p.15; Reform p.9-10; Greens p.6)
- **Scotland needs an industrial strategy.** Conservatives, Labour, the SNP and Lib Dems all propose a formal industrial strategy or growth plan, often developed in partnership with business. (Conservative p.24-26; Labour p.28; SNP p.39; Lib Dems p.17-18)
- **Procurement reform to back Scottish supply chains:** Labour, the Greens and the Lib Dems all propose stricter conditions on public procurement to support domestic businesses. The SNP's Community Wealth Building Bill has a similar intent. The Conservatives also want to simplify procurement. (Labour p.32; Greens p.25; Lib Dems p.23; SNP p.40, Conservatives p.26)

## Narrower agreement (two to three parties)

- **Nuclear energy:** Labour, Lib Dems and Reform support lifting Scotland's effective moratorium on new nuclear. The Conservatives do not oppose it. (Labour p.34; Reform p.15, Lib Dems p73)
- **Regional economic devolution:** Labour and the Lib Dems both propose devolving economic powers to regions, with Labour floating Regional Mayors and the Lib Dems championing local authority empowerment. The SNP proposes Regional Economic Partnerships. (Labour p.30; Lib Dems p.15; SNP p.40)

## Talking points

### Business rates

Every party agrees the system is broken, but no two parties agree on the replacement. There is the opportunity here for the parties to work together to develop and implement a new system. Judging by much business commentary, this is an urgent requirement. An incoming government may also have to design a transition that does not create a revenue gap in local authority budgets while the new system beds in.

### The economic agency landscape

Four parties diagnose the same problem: businesses cannot navigate the support system. But the proposed solutions range from full mergers (Conservatives) to incremental additions (SNP). Organisational change of this kind is hard, slow and expensive. Scotland has been here before - various restructurings have consumed years of management attention; activity masquerading as impact.

The more productive question may not be which bodies to merge but whether an improved single digital front door and simplified application process could achieve 80% of the benefit at a fraction of the disruption.

### Planning

Five parties want to speed up planning decisions to unlock investment. The Greens want faster renewables consent but are more cautious elsewhere. The consensus is real but shallow: everyone agrees the system is slow, but how is it to be speeded up realistically?

For example, there is a shortage of planners. Where will they come from? Why would they go into the public sector for lower pay and more grief than in the private sector? The planners to be employed by More Homes Scotland: are they going to come from already-diminished council teams?

In a debate dominated by potholes and hospital waiting lists for example, which MSPs will be prepared to say we need to spend more public money on giving planners higher salaries? Yet that seems to be an inevitable consequence of the proposed policies.

## Industrial strategy

One criticism levelled at governments of all kinds is that they are good at producing strategies and action plans, with or without expert input, but then fail to follow-through.

Having been public and private sector, I'm not convinced another industrial strategy is a priority. I expand on this point in more general terms in a post prompted by an IOD event: [A message to MSPs: don't involve the experts](#).

## Procurement

Five parties want public spending to do more for Scottish supply chains. The gap, inevitably, is between aspiration and mechanism. Any procurement reform that does not address the practical barriers to bidding will be mere rhetoric without changing the outcomes.

I heard recently of one local authority that has a three-tender threshold of around £2,000 for some services. That is an insanely counter-productive approach, with the costs of evaluating the bids being more than could be saved through any variation.

At the risk of offending procurement professionals, this falls firmly into the 'important but dull' category for 99% of the population. But there are so [many opportunities to make the systems better for everyone's benefit](#).

However, a better approach here could make a real difference to businesses, would not require significant or perhaps any changes to legislation, and could command cross-party support.

## At a glance

The table below summarises each party's headline approach to economic growth and jobs.

| Theme                     | Conservatives  | Labour   | SNP   | Lib Dems  | Reform   | Greens  |
|---------------------------|--|--|---|---|--|---|
| <b>Growth strategy</b>    | Growth as #1 objective; business zones; £500m growth fund        | Single industrial strategy; regional devolution; Board of Trade    | National Council for Economic Growth; Major Projects Office; investment summits | Industrial and skills strategies; EU customs union; growth at heart of government | Tax cuts as primary lever; 10 clusters of excellence; 2.5% growth target | Green Industrial Mission; 40,000 green jobs; circular economy     |
| <b>Business tax</b>       | Zero rates under £20k; cap revaluations; lower hospitality rates | Abolish and replace with local business levy                       | Protect Small Business Bonus; rebalance system; commission review               | Reform rates incl. land value element; 3-year hospitality package                 | Phase out rates and LBTT into single Annual Property Tax                 | Suite of new surcharges; Amazon tax; wealth tax proposals         |
| <b>Economic agencies</b>  | Merge SE, SDS, SNIB into Growth Scotland                         | Refocus SE; consolidate investment into SNIB; end Business Gateway | Major Projects Office; High-Growth Unit; Pre-Start Centres                      | New SME arm of SNIB; Scottish Enterprise review                                   | Shut down quangos; return powers to ministers                            | Regional Green Skills Hubs; co-op and circular enterprise focus   |
| <b>Investment</b>         | Freeports; AI capitalisation; Scottish Growth Fund               | SNIB refocused on housing and scale-ups; FDI targeting             | Investment summits; ScotWind Wealth Fund; Pre-Start and Journey funds           | Capital investment in key infrastructure; Shetland tunnels                        | Lower tax to attract investment; pension fund housing model              | £1bn Just Transition; public ownership of ports and energy assets |
| <b>Key differentiator</b> | Red tape repeal; free-market orientation                         | Partnership with business and UK Government                        | Continuity and expansion of existing programmes                                 | EU customs union as growth engine   | Radical tax cuts funded by spending reduction                            | Green transition as economic strategy; worker ownership           |

## Scottish Conservatives

### *General thrust*

The Conservatives frame economic growth as their number one policy objective and the prerequisite for sustaining public services. Their approach is market-oriented: reduce tax, cut regulation, simplify government support and attract private investment. They criticise the SNP's record on household disposable income and argue that only growth will fund public services at current levels. (p.23)

### *Key proposals*

- **Scottish Business Zones (SBZ):** modelled on Canary Wharf, designated by ministers with planning powers and budgets, exempt from business rates. (p.23)
- **Growth Scotland:** a merger of Scottish Enterprise, Skills Development Scotland and the Scottish National Investment Bank into a single body with a £500m Scottish Growth Fund. Includes a single portal for all business funding applications. (p.25-26)
- **Business rates restructure:** zero rates for all properties under £20,000 rateable value; marginal rates above that threshold; cap on maximum revaluation increases tied to RPI; lower rates for retail, hospitality and leisure; 100% relief for pubs up to £100,000 rateable value. (p.27-28)
- **Reduction in Red Tape Bill:** mass repeal of economically damaging SNP-era legislation, identified through direct consultation with businesses. Moratorium on new regulatory divergence from the rest of the UK. (p.26-27)
- **Jobs for Life programme:** modelled on Singapore's SkillsFuture, providing free careers advice and subsidised training for adults entering the labour market or at risk from technological change. Includes a Help to Work scheme for disabled people. (p.24-25)
- **AI and digital:** commitment to capitalise on AI opportunities while mitigating negative consequences. (p.24)
- **Freeports:** support rollout of Green Freeports in Cromarty Firth and the Firth of Forth; explore further freeports with the UK Government. (p.24)
- **Exports and brand:** dedicated exports division within Growth Scotland; oppose alcohol advertising restrictions; multi-year funding for culture via a new Culture Act. (p.30-31)

### *How they propose to fund it*

The Conservatives argue that growth will generate the revenue to fund public services. The £500m Growth Scotland fund would operate on an investment model (returns on investment reduce taxpayer cost). Business rate cuts are presented as revenue-neutral over time through increased economic activity. Regulatory savings from quango mergers would redirect funds to frontline support. No specific costings are published for the Jobs for Life programme or Business Zone budgets.

## Scottish Labour

### *General thrust*

Labour positions growth as the route to social change. Their approach emphasises partnership between government and business, with a single industrial strategy providing clarity for investors. They want to declutter the economic agencies, overhaul planning, reform procurement and invest in regional economic development. The manifesto is explicit that growth and equality are interdependent. (p.28)

### *Key proposals*

- **Single industrial strategy:** developed with business, replacing the current multiple plans and frameworks. Intended to give certainty to investors and direction to economic agencies. (p.28)
- **Scottish Board of Trade:** replacing the multitude of business working groups and forums with a single channel for business and trade unions to inform government policy. (p.28)
- **Abolish business rates:** replace with a new local business levy designed with business, incentivising local investment, supporting town centres, tackling empty properties, and ensuring online retailers pay their fair share. Chief Assessor for accountability. (p.28)
- **Declutter economic agencies:** refocus enterprise agencies on delivery, consolidate Scottish Futures Trust and SE investment funds into SNIB, end Business Gateway in favour of partnerships with local business schools. (p.28-29)
- **Regional economic devolution:** push power out of Holyrood to Scottish regions for skills, employability, transport and housing. Consult on Regional Mayors. Fast rail corridor linking Scotland's cities. (p.30)
- **Procurement reform:** embed social and economic value weighting in public contracts. Long-term shipbuilding procurement plan. Expand procurement challenges for Scottish businesses with mentorship and financial support. (p.32)
- **Scale-up support:** shift enterprise support towards loans focused on growth. Refocus SNIB on de-risking Scottish scale-ups. Increase spin-out rate to match UK average. (p.32)
- **Digital adoption funding:** new rounds of funding to help businesses adopt digital tools. Target to improve R&D to match UK average. National Data Library. Expanded Techscalers network. (p.33)
- **Energy as economic driver:** remove the block on new nuclear. 40GW offshore wind by 2040. Transition loans for supply chain businesses. £40m for Opportunity North East. (p.34)

### *How they propose to fund it*

Labour's manifesto includes a dedicated section on paying for their promises (p.92). They commit to no income tax rate rises for five years, with the ambition to lower taxes as the economy grows. The industrial strategy and procurement reforms are positioned as redirecting existing spending rather than requiring new money. Consolidating economic agencies is presented as reducing duplication costs. The energy transition is partly funded through partnership with UK Government, GB Energy and the UK National Wealth Fund.

## SNP

### *General thrust*

The SNP frames its economic pitch around continuity and improvement. The manifesto highlights existing achievements, including business investment at a 20-year high and growth per person exceeding the UK average, and proposes building on current programmes. The approach centres on a National Council for Economic Growth, streamlined investment structures and targeted support for high-growth businesses. Independence is positioned as the ultimate route to full economic competitiveness. (p.6, 39)

### *Key proposals*

- **National Council for Economic Growth:** established in the first 100 days, with membership drawn from across Scotland's economy. (p.39)
- **Major Projects Office:** a single point of contact to coordinate, package and accelerate investment into nationally significant projects. (p.39)
- **High-Growth Unit:** to identify fast-growth businesses with unicorn potential and provide wraparound support including access to investment and international markets. (p.39)
- **Pre-Start Centres:** national network of local hubs offering 12-week programmes to help people move from idea to viable business. Journey Fund providing up to £50,000 for under-represented founders. (p.43)
- **ScotWind Wealth Fund:** revenue from offshore wind leasing directed into a sovereign wealth fund for future generations. (p.9)
- **Community Wealth Building Bill:** keeping wealth circulating locally and nationally. Target of 500 employee-owned businesses by 2030. (p.40)
- **Regional Economic Partnerships:** Glasgow-Edinburgh Arc and East Coast Arc (Aberdeen-Dundee-St Andrews) to support clustering of innovation. Urban Development Company for Glasgow. (p.40)
- **Business rates:** maintain lowest poundage in the UK and protect Small Business Bonus supporting over 100,000 businesses. Rebalance the system to ensure online giants pay their fair share. Commission an independent review of tourism sector rates by end of 2026. (p.29, 39)
- **Digital economy:** accelerate full fibre broadband rollout. Digital skills initiative. Feasibility study for subsea cable to Shetland. Take forward Scotland's AI Strategy. (p.39)
- **Investment summits:** host another major Scottish Investment Summit. Expand Scotland House consulates to over 40 worldwide. (p.39, 43)

### *How they propose to fund it*

The SNP points to record investment levels and the existing Block Grant from the UK Treasury. Specific new programmes such as the Pre-Start Centres, Journey Fund and First Minister's Start-Up Challenge have defined funding envelopes. The ScotWind Wealth Fund channels existing revenue. The manifesto acknowledges Scotland's fiscal deficit (which Reform cites at £30bn) but frames independence as the long-term route to fiscal flexibility, including EU membership and corporation tax powers.

## Scottish Liberal Democrats

### *General thrust*

The Lib Dems position fair economic growth as the only credible route out of the cost-of-living crisis. Their approach emphasises backing business, helping people into better-paid work, growing the tax base and making long-term investments. A bespoke UK-EU customs union is presented as the single most important structural reform for the economy. The manifesto is practical in tone, frequently citing specific amounts secured in budget negotiations. (p.11-12)

### *Key proposals*

- **Industrial strategy:** a new strategy developed on day one with leading Scottish business figures, focusing on life sciences, energy, food and drink, fintech, financial services and defence. (p.17-18)
- **UK-EU customs union:** official Scottish Government policy to support a bespoke customs union, positioned as the single biggest change for trade, growth and cost of living. (p.12-13)
- **Business rates reform:** move towards a land value element to avoid penalising improvements; 3-year hospitality package worth £178m (secured in the 2026/27 budget); exempt last bank in town; review self-catering methodology. (p.20-21)
- **Job Transition Loans:** up to £5,000 for people moving into self-employment or requalifying for better-paid careers. (p.20)
- **SME investment:** new arm of the Scottish National Investment Bank dedicated to SME growth funding. (p.23)
- **Defence as industrial pillar:** ensure Scottish firms win a fair share of increasing UK defence spending. Support Liberal Democrat calls for new defence bonds. (p.22)
- **Space sector:** turn Scotland into Europe's leading destination for commercial space launches, anchoring high-skill jobs in remote areas. (p.22)
- **Procurement reform:** overhaul public sector procurement to support local suppliers and micro-bidders. Fair Payment Code for contractors. (p.23)
- **Skills strategy:** mapping gaps and fitting training around them. Apprenticeship reform to address financial cliff edges for older apprentices. Colleges restored to a powerful role in local economic development. (p.20)
- **Minister for Digital and Emerging Technologies:** a dedicated minister responsible for modernising technology across the public sector and helping companies leverage emerging technologies. (p.16)

### *How they propose to fund it*

The Lib Dems commit to not making unaffordable promises and state that people cannot pay more amidst the cost-of-living crisis. Their fiscal approach prioritises getting Scotland's finances in shape before cutting taxes. Specific measures include halving government consultancy spending, reviewing the quango landscape, and taking up the Hunter Foundation's offer to fund a specialist tax reform team. Capital investment is positioned as driving growth that ultimately funds itself. They explicitly advocate for UK-level fiscal measures including a Digital Services Tax increase and a targeted bank windfall tax.

## Reform UK Scotland

### *General thrust*

Reform frames Scotland's economic challenge as a consequence of excessive state spending, high taxes and regulatory burden. State spending has risen from 43% to 55% of GDP since devolution, compared with 42% in New Zealand (which has a similar population but higher GDP per capita). The prescription is radical: cut income tax, phase out business rates and LBTT, scrap net zero targets, and restructure education around 10 business clusters where Scotland has a natural competitive advantage. (p.6, 8)

### *Key proposals*

- **Income tax cut:** align Scottish income tax rates with the rest of the UK by reducing the higher and top rates. Reform argues each 1% of additional GDP growth delivers £8bn in cumulative tax revenues over 10 years, more than repaying the £2bn upfront cost. (p.5-6)
- **Phase out business rates and LBTT:** replace over 10 years with a single, fairer Annual Property Tax. Immediately reverse the 2026 revaluation. Cancel the planned mansion tax (new council tax bands). Revenue handed to local authorities for predictable funding. (p.7, 11)
- **10 clusters of excellence:** Financial Services, Advanced Manufacturing, Energy, Food and Drink, Tourism and Hospitality, Creative Industries, Life Sciences, Agriculture, Fisheries and Marine. Education and training restructured around these sectors. (p.4, 10)
- **Fast-track planning:** a new planning regime around the 10 business clusters. Cease building regulations that obstruct sensible local development. (p.13)
- **Energy costs:** scrap net zero targets and subsidies. License North Sea oil and gas. End the moratorium on nuclear. Reform argues Scotland's energy costs are seven times China's and four times the US, making re-industrialisation impossible. (p.9)
- **Government efficiency:** department of government efficiency to cut waste. Shut down quangos and return powers to ministers. Reboot the civil service. End automatic work from home. (p.14)
- **10-year infrastructure plans:** trunk road upgrades, ferry renewal, railway modernisation, harbour investment. Funded through partnership with a UK sovereign wealth fund. (p.21)

### *How they propose to fund it*

Reform's fiscal logic rests on the growth dividend: lower taxes stimulate economic activity that generates higher revenues. They cite GERS figures showing Scotland's £30bn deficit (12% of GDP) and argue this demonstrates the failure of high-spending governance. The £2bn upfront cost of income tax cuts is positioned as self-financing through cumulative growth. Government efficiency savings from quango closures and welfare reform are presented as additional funding sources. The 10-year timeline for phasing out business rates and LBTT acknowledges the transition costs.

## Scottish Greens

### *General thrust*

The Greens reframe the economic question around a just transition from fossil fuels. Their Green Industrial Mission positions climate action as an economic strategy: investment in renewables, green supply chains and circular industries to create 40,000 new jobs. The approach favours public ownership, co-operative models and worker-led enterprise over conventional growth metrics. Wealth taxation and surcharges on harmful businesses fund expanded public services. (p.23, 19)

### *Key proposals*

- **Green Industrial Mission:** invest in offshore renewables, green supply chains, renewable manufacturing and circular industries. Direct pathways for oil and gas workers to transition. Net increase of 40,000 green energy jobs by end of parliament. (p.23-24)
- **Double Just Transition funding to £1bn:** support new jobs, reskilling and infrastructure. Support publicly owned ports as economic drivers of the energy transition. (p.24)
- **Circular economy:** national reuse targets, repair vouchers, community repair hubs. Extended producer responsibility. Ban on destruction of unsold consumer goods. (p.25)
- **Worker-led and ethical business:** expand support for co-operatives. 1% of enterprise grant funding to co-ops. Change procurement law to allow prioritisation of worker-owned firms. (p.25)
- **Tax reform:** replace Council Tax with Residential Property Tax. Suite of NDR surcharges: Amazon tax on large online distributors, public health surcharge on alcohol and tobacco retailers, gambling surcharge, out-of-town retail surcharge, vacant and derelict land surcharge. Mansion tax on properties over £1m. (p.20-22)
- **New apprenticeships deal:** fair pay, adult entry routes, recognition of prior learning. Guaranteed living wage as condition of public funding. Funded childcare equal to course requirements. (p.24)
- **Regional Green Skills Hubs:** linking colleges, employers and unions to guaranteed routes into low-carbon work. (p.24)
- **Scotland's finances:** the Greens explicitly address taxation of wealth rather than work. Proposals for a Scottish Wealth Tax (with independence), Carbon Emission Land Tax, Stadium Levy and point-of-entry tourism levy. (p.22)

### *How they propose to fund it*

The Greens are the most explicit about new revenue generation. The suite of NDR surcharges, reformed LBTT rates (including 15% on properties over £1m), increased Additional Dwelling Supplement (to 10%), overseas buyer rates (starting at 20%), and a frequent flyer levy replacing Air Departure Tax would collectively raise substantial sums. The £1bn Just Transition fund is presented as an investment that generates returns through jobs and economic activity. Public sector reform through a worker-led programme is positioned as making savings without austerity.