



Scotland  
Institiud Stiùirichean na h-Alba

IoD SCOTLAND

# Manifesto 2026



# Contents

About IoD Scotland	3
Introduction	4
Economic/fiscal environment	5
Rural economy	6
Infrastructure	7
Skills ecosystem	8
Conclusion	10

# About IoD Scotland

**The Institute of Directors (IoD) is a Royal Charter body that exists to promote enterprise, good governance and integrity amongst business leaders. Locally, IoD Scotland has a membership of over 1000 directors and senior leaders, drawn from across private, public and third sector in Scotland.**

The IoD has always spoken out, without fear or favour, on behalf of its members. We advance the case for business in government, parliament, the media and other influential forums. IoD Scotland has several branches across Scotland. These include Aberdeen & Grampian, Central Scotland, Edinburgh & Lothians, Fife & Tayside, Glasgow & West of Scotland, Highlands & Islands, and South of Scotland.

Members include CEOs of large corporations as well as entrepreneurial directors of start-up companies.

The IoD was granted a Royal Charter in 1906, instructing it to “represent the interests of members and of the business community to government in the public arena, and to encourage and foster a climate favourable to entrepreneurial activity and wealth creation.”

The Charter also tasks the Institute with promoting “for the public benefit high levels of skill, knowledge, professional competence and integrity on the part of directors”, which the IoD seeks to achieve through its training courses and publications on corporate governance.

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## About YouthVIP



The Youth Volunteering Innovation Partnership (YouthVIP) was created in 2021 with the premise to champion and create inclusive and sustainable volunteering opportunities for young people across Scotland.

Fully-funded by the Scottish Government, the programme is delivered by a consortium of third sector organisations: Volunteering Matters, Young Scot, and YouthLink Scotland.

The initiative uses the experiences and insights from young people to support inclusive volunteering measures across stakeholders, including schools, businesses, parents/carers, local authorities, and more, and highlights volunteering as an integral pathway for young people to develop the skills, knowledge and experience for future career choices.

# Introduction

**The 2026 Scottish Parliament elections come at a critical juncture for the Scottish economy. Many key issues that face IoD Scotland members, including income tax, business costs, education, housing, and transport, are devolved to Holyrood and the 2026 Holyrood election will determine the direction of these policies for the next five years.**

Over the course of 2024/2025, IoD Scotland has been working closely with our regional Policy Ambassadors and Policy Committee on behalf of our wider members to develop some of our key manifesto asks in this paper. We have met with each of the main political parties and to give our members the opportunity to engage across the political spectrum.

We have heard direct feedback from our members and their peers about the difficult conditions and environment that they are operating within.

We have also engaged the next generation of Scotland's leaders in this conversation and extend our thanks to the Youth VIP panel for their review, feedback and commentary regarding our asks for the next Government for Scotland. Scotland's young people want to be involved in the decisions that will impact them and their futures.

The proposals outlined in the manifesto below aim to create a more dynamic and prosperous Scottish economy which raises living standards and economic opportunity and produce areas of tangible collaboration between government, business and the third sector.

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# Economic/fiscal environment

It has been another turbulent year for business in Scotland. A difficult budget at both UK and Scottish levels at the end of 2024 has been followed by significant geopolitical developments including global tariffs and escalation of conflict in the Middle East.

Scotland's directors, entrepreneurs and boards are hearing from both the Scottish and UK governments that growth is their number one mission. This is welcome. However, these leaders are looking to the incoming Scottish Government and Parliament to create a fiscal environment that enables them to seize opportunities to grow their businesses, boost productivity and attract investment.

It is imperative that business is in a position to grow the economy supported by a positive fiscal environment and part of this is the approach to taxation in Scotland. The disparity between the tax environment in Scotland and the rest of the UK continues to affect confidence and increases business concerns over attracting and retaining talent. Business leaders need to be able to build solid foundations upon which they can focus on policies for the betterment of their communities, and society as a whole.

The taxation question remained a key topic in the IoD State of the Nation survey.

The survey found that 63% of respondents believe Scotland's business tax rates are too high, while 75% feel the same about income tax rates. Nearly half of respondents expressed serious unease over Scotland's tax divergence from the rest of the UK (49%). Among them, 40% believe tax differences will impact hiring decisions, and 34% fear it could deter investment.<sup>1</sup>

Business rates are another key economic lever devolved to Scotland. IoD Scotland continues to have concerns about the impact the Intermediate and Higher Property Rate is having on businesses up and down the country. The increased IPR and HPR is affecting pubs, restaurants, hotels, shops, offices, and industrial properties at a continuing time of uncertainty on the economy.

Scotland has a talented and diverse economy, but there are areas that are currently holding the economic ecosystem back from reaching its potential. Below we lay out some of the key recommendations to help drive sustainable economic growth across all regions and geographies in Scotland.

## Our asks

- Immediate restoration of tax parity with England, as set out in the current government's 2021 Framework for Tax
- Develop place-based investment strategies tailored to local strengths and challenges.
- Introduce targeted tax reliefs for innovation, start-ups and rural enterprise.
- Strengthen public sector efficiency through digital transformation and outcome-based budgeting.
- Publish real-time fiscal dashboards to track spending, outcomes, and public value.
- Strengthen the role of independent fiscal oversight bodies to ensure accountability and evidence-based policymaking.



**Young people have a valuable voice and we want to be informed about decisions which impact us, not only for now, but in the future too. This can't be tokenistic, it has to be taken seriously and listened to.**

# Rural economy

**An economically successful Scotland needs a strong rural economy. IoD Scotland believes the conditions are right for the rural economy to capitalise on the opportunities ahead.**

There is significant diversity in this economy including food and drink, agriculture, renewables and grid, social care, tech, life sciences and many more. Scotland's directors, entrepreneurs and boards are at the forefront of these opportunities, seeking to grow their businesses, boost productivity and investment.

The rural economy is subject to several challenges compared to urban areas, including transport, public services, education and employment, and broadband/mobile phone coverage – with surveys suggesting young people see better opportunities elsewhere.

Better support for directors and entrepreneurs in rural Scotland could provide a significant boost to Scotland's economy and help tackle some fundamental issues. Rural business leaders in Scotland are some of our strongest and most dynamic. Their abilities to develop their businesses and capitalise on the opportunities ahead are significant, while they are also skilled at overcoming some of the challenges related to skills, rural housing and infrastructure.



**Young people are hugely affected by opportunities in rural areas, I know so many of my friends who would like to do more in their local area (jobs, volunteering etc.) but they're so put off because the transport connections are terrible, they don't feel able to participate.**

## Our asks

- Establish a Rural Economic Business Forum, similar to the New Deal for Business in Scotland. IoD Scotland sees merit in rural business leaders having a clear and dedicated voice to discuss opportunities and challenges for the rural regions across Scotland.
- A major focus on accelerating the delivery of the affordable housing supply target of 110,000 from government – with reform to planning and clear targets on each local authority.
- Deliver on the Remote, Rural and Island Housing Action Plan by 2026 to tackle demographic decline and housing shortages. Investment partners such as Scottish National Investment Bank can play a critical role in achieving this target.
- Enable rural housing provision through the Scottish National Investment Bank to provide loans to cover costs of infrastructure (electricity, gas, water, waste, broadband, roads etc).
- Reestablish the Scottish Rural Development Programme (Diversification fund) to help future-proof and foster new aspects of the rural economy.

# Infrastructure

**The topic of infrastructure investment is a key area of concern for our members from all regions across Scotland. Infrastructure serves as the foundation of any nation's economic growth and development.**

Good infrastructure can help us to achieve a step change in quality of life and environmental performance, and it underpins everything that we do in our society.

Unfortunately, infrastructure is an area that is proving to be particularly challenging for our members in a number of areas, ranging from rail, road, digital and energy across Scotland. In rural Scotland in particular these challenges are often multifaceted and deeply interconnected, affecting economic viability, service delivery and community sustainability.

The prize for greater infrastructure assets across Scotland is huge and can help to forge a more prosperous and equal society across the Nation.

One of the most significant challenges in this space is providing reliable broadband access in rural areas. Despite investment in Digital Scotland Superfast Broadband, many rural communities still face unreliable or slow internet, limiting access to education, healthcare and remote work, exacerbating inequalities in access to services and opportunities.

We believe that below there are some short, medium and long-term wins that can be adopted by the next Scottish Government to improve the infrastructure landscape across Scotland.

## Our asks

- Deliver on the nine strategic objectives outlined in the Rural Delivery Plan, including transport, housing, digital, health, and climate resilience.
- Establish a national infrastructure delivery unit to coordinate planning, procurement, and performance monitoring. This unit can build on previous work by the National Infrastructure Commission for Scotland.
- Use blended finance models (e.g. public-private partnerships, Scottish National Investment Bank) to unlock capital for strategic projects of national and regional infrastructural importance.
- Develop community data centres/AI learning hubs in each region across Scotland to support youth entrepreneurship and tech skills, whilst ensuring nobody is left behind.
- Implement the £2 bus fare cap across every region in Scotland.
- Invest in Multi Operational Ticketing (trains, buses, trams, active travel) via one integrated system.
- Expand real-time journey planning apps and digital ticketing platforms to make public transport more accessible and user-friendly.
- Deliver a Scottish Aviation Strategy which supports the economic benefits of domestic and international connectivity, whilst looking at market opportunities such as US pre-clearance.
- Strengthen Regional Transport Partnerships (RTPs) to tailor solutions to local needs, particularly in rural areas to ensure more reliable and regular services.

# Skills ecosystem

**Skills shortages in Scotland have become a significant concern in recent years for IoD members. As outlined in our introduction, skills shortages were one of the key policy priorities for IoD Scotland members for the year ahead.**

Having a strong skills base is critical to Scotland's directors, entrepreneurs and boards. Skills shortages and employee skills gaps can have a significant negative effect on growth and investment.

At the same time, the economy is going through a transformation with the increasing use of AI-based tools and many businesses still exploring how to use this to best effect in the years ahead. The findings of this year's IoD Scotland State of the Nation Directors Survey are broadly encouraging on skills, and there is now an opportunity to build on this by decluttering the landscape and focusing on delivery.

These shortages can hinder economic growth by limiting Scotland's ability to meet the demands of industries and sectors, leading to inefficiencies and missed economic opportunities.

Addressing these challenges is crucial for ensuring a thriving and productive workforce in Scotland. At the heart of a successful, dynamic Scotland must be a focus on entrepreneurship and creating the next generation of talent.

The next Scottish Government must look towards where skills priorities should be, involving public and private sector providers working in this space, before bringing forward legislation that focuses on potential interventions and delivery. The skills conversation has to be one that is holistic in its outlook.

Intervention at an early age is critical and therefore IoD Scotland would be supportive of working with our members and schools to look at including a business representative on school boards across Scotland to help with industry/school engagement, and to begin a greater dialogue between businesses and education partners.



**Volunteering should be more widely recognised as a way of developing skills (not just for young people) but right now it's down to people to find their own opportunities. I've gained so much confidence, social skills and work skills for the future through volunteering. Government and businesses should recognise this as valuable, and even look at a volunteering qualification, as that would work towards person skills, and also give back to others.**



**Intergenerational challenges are a big deal – there's too much division between young people and older people. A big focus should be in intergenerational empathy, and this isn't just one groups responsibility, we've all got to be involved.**

### Our asks

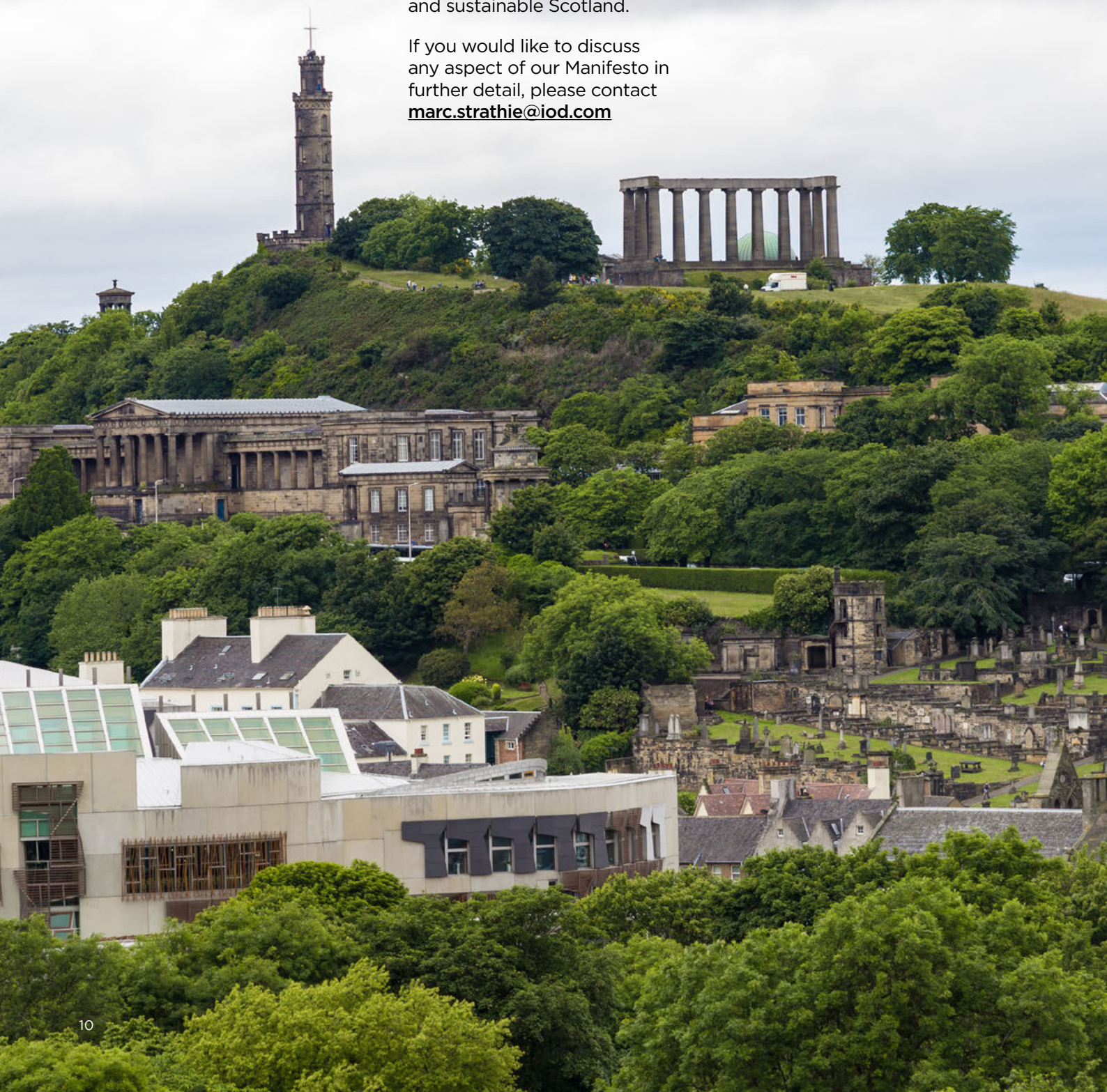
- Introduce meaningful flexibility in how Apprenticeship Levy training funds can be used, to enable Levy-paying firms to invest in the range of training needed to futureproof their employees' skillsets.
- Work with the SME community to understand barriers and how we can have a greater uptake of SME's utilising apprenticeships in Scotland.
- Explore the possibility of a specific Scottish graduate/skills visa with counterparts at UK Government.
- Strengthen regional skills partnerships to ensure local responsiveness and a tailored skills strategy that is responsive to local/regional skills needs.
- Scottish Government should incentivise and match fund investment into Continuous Professional Development training to promote emerging and current leaders, good governance practices and sustainability.
- Skills programmes should be co-designed with employers to meet the needs of key growth sectors and to future proof in the long term.

# Conclusion

**As we approach Holyrood Elections 2026, we hope our manifesto stands as a source of innovation, ambition and collaboration.**

We believe the opportunities for meaningful public, private and third sector collaboration in Scotland is there to be harnessed and IoD Scotland stands ready to work in genuine partnership with stakeholders across the board to deliver on a prosperous and sustainable Scotland.

If you would like to discuss any aspect of our Manifesto in further detail, please contact [marc.strathie@iod.com](mailto:marc.strathie@iod.com)





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**Institiud Stiùirichean na h-Alba**

The Institute of Directors is a non-party political organisation, founded in 1903, with approximately 20,000 members. Membership includes directors from right across the business spectrum, from media to manufacturing, professional services to the public and voluntary sectors. Members include CEOs of large corporations as well as entrepreneurial directors of start-up companies.

The IoD was granted a Royal Charter in 1906, instructing it to “represent the interests of members and of the business community to government and in the public arena, and to encourage and foster a climate favourable to entrepreneurial activity and wealth creation.” The Charter also tasks the Institute with promoting “for the public benefit high levels of skill, knowledge, professional competence and integrity on the part of directors”, which the IoD seeks to achieve through its training courses and publications on corporate governance.

For information on how to join the IoD’s thriving membership community, visit our website [iod.com](http://iod.com)



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