

Scottish party manifesto analysis: Fiscal and taxation

SNP

Key policies:

- Freeze income tax bands and rates for the whole parliament, keeping Scotland's system stable and progressive.
- Introduce a Mansion Tax by adding two new council tax bands for properties over £1 million and £2 million.
- Pass on all NHS consequential costs to health and care, committing to protect health spending.
- Invest £10 billion in capital spending over 10 years, including new health and care hubs.

Summary and analysis:

The SNP set out a fiscal and taxation approach built around protecting public services, supporting economic growth, and using Scotland's existing tax powers to fund social priorities. They emphasise stability in income tax and continued investment in areas like the NHS, childcare, and social security, [but the manifesto does not fully explain how these commitments would be sequenced or funded within a tight budget and a restricted fiscal framework](#). Their focus on expanding public services and maintaining social programmes implies rising ongoing costs, yet the manifesto gives limited detail on how additional revenue would be raised without new powers or changes to Scotland's fiscal settlement.

Their wider aim of reducing inequalities and supporting regional development suggests a need for stronger coordination between national and local government, but the manifesto does not set out how responsibilities or funding would shift across councils, agencies, and national bodies. As a result, while the SNP outline a clear social investment led fiscal direction, the revenue strategy, prioritisation, and intergovernmental arrangements needed to deliver it remain only partly specified.

Scottish Labour

Key policies:

- Deliver fair funding for local services, including a new funding formula for councils.
- Ringfence at least £100m of ScotWind revenues for community owned energy projects.

- Agree a new funding formula for local government, which includes recognising local levies and revenue raising powers.
- No changes to income tax, suggestion of cutting tax if ‘necessary’ growth occurs.

Summary and analysis

Labour outlines a broad fiscal approach focused on expanding public investment, strengthening social infrastructure, and improving economic outcomes, with tax policy presented as one part of a wider strategy for renewal. Their commitments to maintain or potentially adjust income tax rates, expand public investment, and strengthen social infrastructure require sustained multiyear funding, yet the manifesto does not fully explain how these priorities would be delivered in practice within a tight fiscal environment. Labour’s focus on fair work and expanded public services implies rising recurrent costs, but the manifesto provides limited detail on how additional revenue would be generated without new tax powers or changes to the wider fiscal framework.

[There is also relatively little discussion of tax itself:](#) beyond broad commitments to stability and fairness, the manifesto offers few proposals on income tax, council tax or wider tax reform, leaving unclear how the overall tax system would evolve to support their plans. Their emphasis on reducing inequalities suggests a need for clearer plans on how money would be shared fairly across different parts of Scotland, yet the manifesto does not set out how regional gaps would be tackled or how councils would be supported to take on wider responsibilities. This means Labour present a strong sense of what they want to achieve, but the detail on how the money would be raised and how different parts of government would work together is still quite limited.

Reform UK (Scotland)

Key policies:

- Cut income tax, including raising the personal allowance and reducing basic and higher rates:
 - Cut 1pence from every Scottish income tax band immediately.
 - Aim to cut a further 2p over the parliament, reaching a total reduction of 3pence off each band within five years
- Reduce corporation tax to encourage business investment.
- Cut public spending, focusing on reducing administrative and regulatory costs.
- Freeze “non-essential” government recruitment to reduce the size of the state.
- End spending on net zero programmes, redirecting funds to tax cuts and frontline services.

Summary and analysis:

Reform UK set out a fiscal and taxation agenda centred on lowering the tax burden, reducing public spending, and scaling back regulatory and administrative costs. Their proposals assume that tax cuts and reduced government intervention will stimulate growth and improve efficiency, [yet it is known that cutting income-tax does not stimulate growth, especially at the rates suggest in the manifesto](#). Their emphasis on

cutting waste and bureaucracy relies on public bodies delivering significant savings, but the manifesto provides limited detail on how organisations already facing financial strain could achieve this without service impact.

Reform's focus on reducing the size of the state places less emphasis on redistribution or targeted investment, raising questions about how regional inequalities, social care pressures, and local government responsibilities would be funded. As a result, while Reform outline clear priorities around lower taxation and reduced public spending, the long-term sustainability, distributional implications, and delivery mechanisms of their fiscal model remain unclear.

Scottish Conservatives

Key policies:

- Cut income tax, aiming to bring Scottish rates back into line with the rest of the UK
- 0% band to sit above UK personal allowance and uprated with inflation, reaching £13,892 by 2031
- Basic and intermediate rates cut to match current starter rate at 19pence
- Higher rate threshold would be raised from £43,663 to £50,270, bringing it into line with the rest of the UK.
- Tax relief for companies that promise to bring jobs and investment to left-behind communities
- Create the “Scottish Agency of Value and Efficiency” to find £500m in findings.
- Reduce quangos by a quarter.
- Introduce a pension tax relief, letting pensioners claim back the first £500 of tax on pension income, with the £500 rising each year under the triple lock.

Summary and analysis:

The Scottish Conservatives set out a fiscal stance centred on tax competitiveness, economic growth, and restraint in public spending. Their commitment to lowering the tax burden is presented as a way to make Scotland more competitive, but the manifesto does not set out how reduced revenues would sit alongside growing pressures on health, social care, and local services, or how these choices would operate within the constraints of the devolved fiscal system. Their emphasis on efficiency and value for money relies on councils, health boards, and public bodies delivering further savings, [but the manifesto provides limited detail on how organisations already facing structural deficits could do so without affecting services.](#)

Their focus on competitiveness places less emphasis on progressive taxation or redistributive mechanisms, leaving questions about how regional inequalities and social care pressures would be funded. As a result, while the Conservatives outline clear priorities around growth and tax restraint, the long-term sustainability, distributional impacts, and service delivery implications of their approach remain only partially specified. With the IFS stating:

“In our view, it is therefore not credible that additional savings of the scale proposed by the Scottish Conservatives could be made without cuts to the range and quality of services provided to the residents of Scotland.”

Scottish Liberal Democrats

Key policies:

- Give councils new local tax powers to introduce levies and raise revenue.
- Assess options to reform Land and Buildings Transactions Tax (LBTT) to improve how the tax works.
- Raise tax thresholds with inflation when finances allow, narrowing the gap with England.
- Stabilise Scotland’s finances to enable future tax cuts.
- Use capital investment to drive growth, speeding up major projects like island tunnels.

Summary and analysis:

The Scottish Liberal Democrats outline a fiscal approach that aims to keep Scotland’s public finances stable while supporting long term investment. They set out plans to improve education, mental health services and local support, but the manifesto gives limited detail on how these proposals would be introduced or funded in a period where budgets are already constrained. Many of the improvements they describe would add ongoing costs, yet there is little explanation of where the additional money would come from without new tax powers or changes to Scotland’s wider fiscal framework.

They also propose giving councils greater control over local taxation to provide communities with more flexibility and a more reliable funding base. However, the manifesto offers only a broad description of how these powers would operate, how much revenue they might generate, or how differences between areas would be managed. Overall, the Liberal Democrats set out clear priorities, but the manifesto leaves important questions about how these plans would be funded, when they would be delivered, and how national and local government would coordinate to make them work.

Scottish Greens

Key policies:

- Increase income tax for higher earners, adding new bands above the current top rate (no exact rates given).
- Introduce a wealth tax
- Replace council tax with a residential property tax. With the Greens assuming a [tax rate of 1% of property value](#) will be set by councils.
- Expand local taxation powers, including land value tax and tourist levies.
- Higher taxes on second and empty homes, new taxes on private jets and mansions.

Summary and analysis:

The Scottish Greens set out a fiscal and taxation agenda centred on progressive taxation, redistribution, and expanded public investment. Their proposals to raise revenue through wealth taxes, higher rates on top earners, and expanded local tax powers assume strong administrative capacity and political agreement, [yet Scotland's current fiscal framework limits both the range and yield of devolved taxes](#). Their commitments to large-scale investment in climate, transport, and social infrastructure require long-term, stable funding, but the manifesto provides limited detail on how revenue volatility, particularly from income-based taxes, would be managed.

The Greens' focus on shifting resources toward prevention and community services depends on close coordination across local government, health, and social care, yet the manifesto does not specify how these cross-sector budget mechanisms would be aligned. As a result, while the Greens outline a clear redistributive fiscal vision, the institutional capacity, revenue stability, and intergovernmental constraints shaping delivery remain underdeveloped. In fact, the [IFS](#) state "the scale of change proposed is huge – whether plans could be delivered over a parliament, even if funding were available, is far from clear".

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For more information, contact public-policy@glasgow.ac.uk.*

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