



# Chartered Accountants: A strategic asset for Scotland

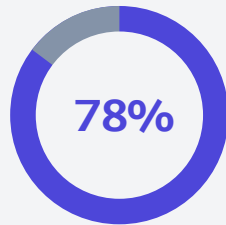
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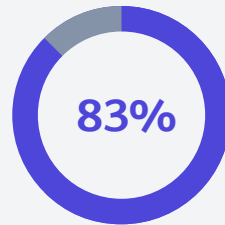
# A strategic asset for Scotland

**The next five years are critical for Scotland's future. Whoever forms the next government after 7 May will face a tough set of challenges.** Scotland has higher economic inactivity than the rest of the UK. Its education system is under pressure, with international rankings moving in the wrong direction over the last 15 years. Economic growth is stagnant, with little improvement expected next year. On top of this, global instability is creating new doubts about Scotland's future economic strength and security.

In our post Budget survey, in the days following the Scottish budget in January, the results showed that confidence in the Scottish economy is extremely low amongst those members who responded.



**78%** of respondents said they don't have confidence in the health of Scotland's economy with only **6%** saying they feel confident.



**83%** disagree that Scotland's current tax system benefits the economy with only **6%** believing it does.

As Scotland chooses its next government, ICAS stands ready to work with Ministers, MSPs, officials and stakeholders to build a more sustainable, ethical and resilient finance profession – one that supports growth and leaves a stronger legacy for the next generation. These are some of the actions we believe the next Scottish Government must take.



ICAS wants a thriving Scottish economy that creates better-paid jobs, boosts business confidence, and improves life for people and communities.



# 1. Tax and the economy

Create stability, predictability and long term direction to create the right conditions for growth.

Scotland's tax system has become too complex, too changeable and too short-term. Businesses struggle to plan, individuals find it harder to predict their financial commitments, and government can't build trust without a clear, transparent strategy. Scotland needs to create the right conditions to build business confidence, business growth and business investment.

## What must change

- Scotland needs a long-term fiscal strategy, that sets out a multi-year roadmap for Scottish tax and fiscal policy – this will give greater transparency and certainty about how tax revenues can effectively deliver quality public services and encourage sustainable growth.
- Simplification of the tax system, including a review of LBTT, some of the newer devolved taxes and the divergence in personal income tax bands.
- Continued work on reform of public services and the structures that support them, with meaningful change to deliver better outcomes for people and businesses.
- Better consultation and proper impact assessments, giving businesses and professional bodies time to respond meaningfully.



## Why it matters

Scotland will only grow if its tax base grows. That requires a stable, predictable tax system that encourages investment and is shaped with input from business and experts. It also needs visible improvements in the services people and employers rely on; health, education, skills, childcare, transport, connectivity and housing, so that economic and social progress go hand in hand.

## 2. Future Skills

### Build the talent Scotland's economy needs.

Scotland is facing a skills crunch. Businesses need people with the capabilities to drive growth and maintain international competitiveness. As the talent pipeline remains underdeveloped, too many talented students are missing out on careers in accountancy and finance. ICAS has strengthened education-industry alignment and reshaped the CA qualification for a new era, putting ethics, sustainability, AI and data at its core. We've also launched new flexible, modular courses to keep the workforce relevant in a changing economy. But building the profession's future needs collective action.

### What must change

- Guarantee simple, accessible funding for lifelong learning, focused on the skills Scotland needs so people can learn, upskill and reskill at every stage of their career.
- Expand apprenticeships and new pathways into priority sectors to support growth.
- Reinvestment in finance and accounting education across schools, colleges and universities, reversing years of cuts.

### Why it matters

Without a strong pipeline of skilled professionals, Scotland's businesses cannot grow, innovate or compete. This is a wider economic challenge that affects every sector, not just the accountancy profession.



# 3. Financial Literacy

**Put financial education at the heart of learning in Scotland, so everyone can budget, plan, and understand how our public finances work.**

Financial literacy is not a “nice to have”, it is a core life skill, yet some areas of Scotland have schools and colleges with virtually no financial education, creating a serious gap in young people’s skills. People who understand money make stronger long term decisions, are more resilient, and more confident about starting businesses or becoming self-employed. Yet too many young people still leave school without even the basics of budgeting or personal finance. And across the country, voters are asked to make decisions about how our public finances are run without a clear understanding of how money is raised and spent.

## What must change

- Financial education must be embedded throughout the curriculum from primary school onwards, taught by trained teachers and available to all pupils – not delivered through one off sessions or limited to only those studying accountancy or finance.
- Public facing financial education must be strengthened at every stage, primary, secondary, college and university, so young people and adults understand budgeting, personal finance and how public money is raised and spent. This is essential to help people navigate an increasingly complex tax system.



## Why it matters

A financially literate population makes better decisions, avoids costly mistakes and is more confident in participating in the economy, whether managing household budgets or starting a business. This is essential for growing Scotland’s economy and supporting fledgling entrepreneurs. It also means fewer tax errors, a smaller tax gap and a public better equipped to scrutinise government decisions. In a country with a more complex personal tax system than the rest of the UK, this shouldn’t be optional – it’s essential for fairness, resilience and better life outcomes.

# 4. Sustainability

## Transforming Scotland's economy for a just and sustainable future.

Scotland must hold firm in its commitment to reach net zero by 2045, meeting each interim target and seizing the economic opportunities of a just transition. Even as sustainability ambitions face resistance in some markets, Scotland's path must remain clear: decarbonisation is essential to long-term prosperity. Tracking progress, and understanding its impact on people and the planet is critical for every organisation, across all sectors.

### What must change

- Government must evaluate economic opportunities through a lens that recognises their full financial, social and environmental consequences.
- Government should encourage organisations to be open about their environmental and social impacts, including having clear transition plans and demonstrable progress. Ethical transparency enables investors, communities and citizens to focus on the real-world changes needed for Scotland to meet its net zero commitments in a way that protects people and the planet.

### Why it matters

Time is running out to protect the environment we all depend on. Scotland cannot afford to let major emitters continue with business as usual. Those with the greatest environmental impact must take responsibility for reducing their emissions and contributing to the collective effort to stabilise our climate.



Holding high-impact sectors to account is essential to safeguard people, communities and the natural world. At the same time, Scotland needs to take steps to safeguard its energy security.



## About ICAS

ICAS has upheld the highest standards of ethics and professionalism since 1854. With more than 24,000 members in over 85 countries, we are a global Scottish success story, one that stands ready to help shape a fairer, greener and more prosperous future.

By working together, Scotland's next government and the profession can help deliver the growth and trust the economy needs. We are ready to support that effort.





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