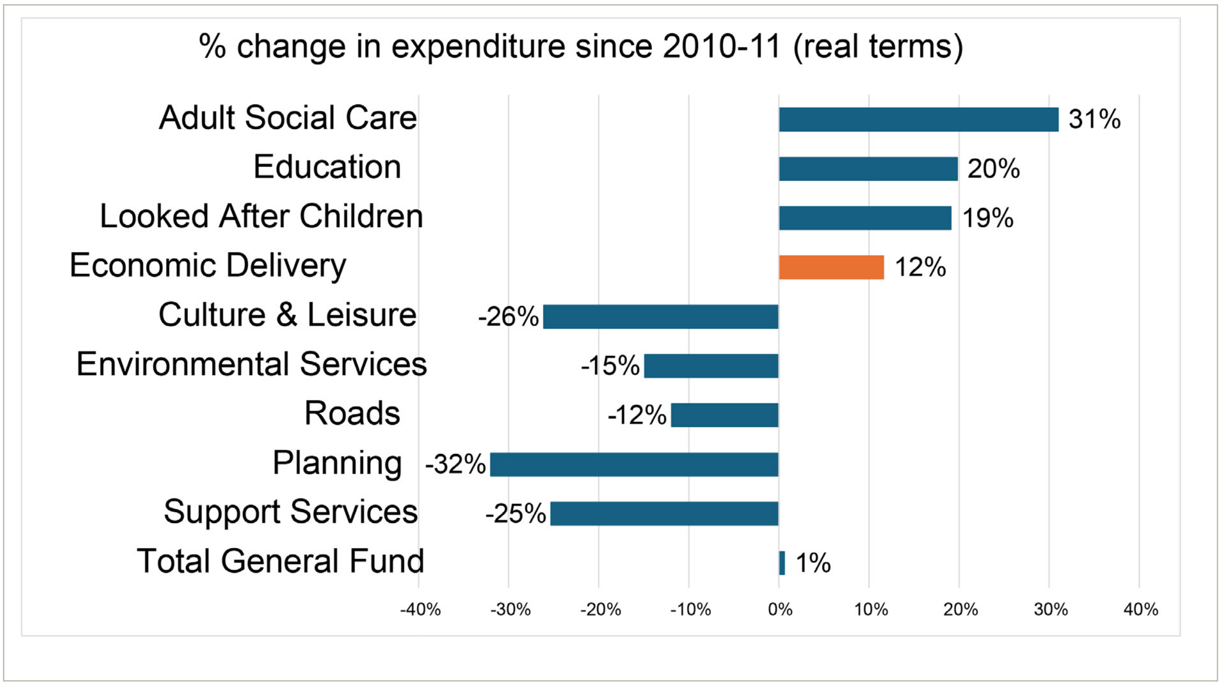
Economic Development:
Supporting Inward Investment
Event Briefing

This event explored how councils can play a proactive role in attracting businesses and supporting inward investment. The session focused on creating investable places, promoting local strengths, and working in partnership to attract and retain businesses that drive jobs, growth, and inclusive economic development.

Key Messages from the LGBF

LGBF data highlights the significant financial pressures facing local government and the impact these pressures have on economic development activity. While overall local government spending has remained largely static in real terms over the long term, expenditure has increasingly been concentrated in statutory and protected service areas. Economic development spending has increased since 2010/11, reflecting its importance as a strategic tool for supporting long-term financial sustainability, productivity and local economic growth. However, much of this funding is short term and tied to specific programmes, limiting local flexibility and making long-term planning and regeneration more challenging.

Figure 1 Percentage change in expenditure since 2010-11 (real terms)



Several indicators provide insight into the wider economic environment and suggest a mixed picture for inward investment and economic growth. Strong digital connectivity, increasing procurement spend with local enterprises and sustained employability activity provide positive foundations for investment. Access to superfast broadband now exceeds 95% of properties, while councils continue to play an important role as economic anchors through local procurement and support for people entering employment.

Figure 2 Proportion of procurement spent on local enterprises.

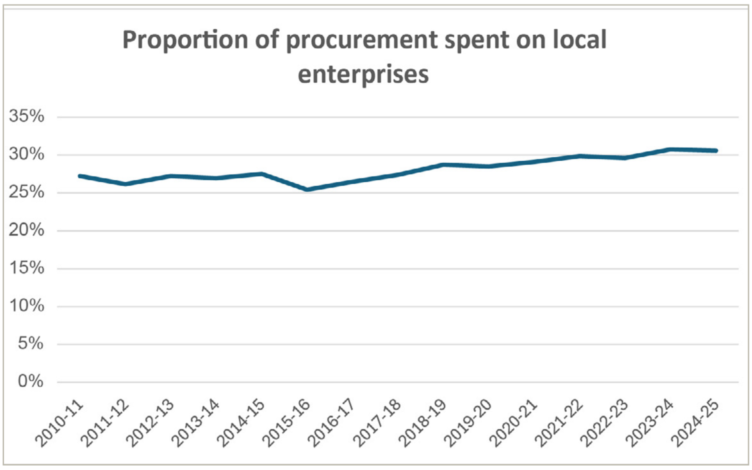
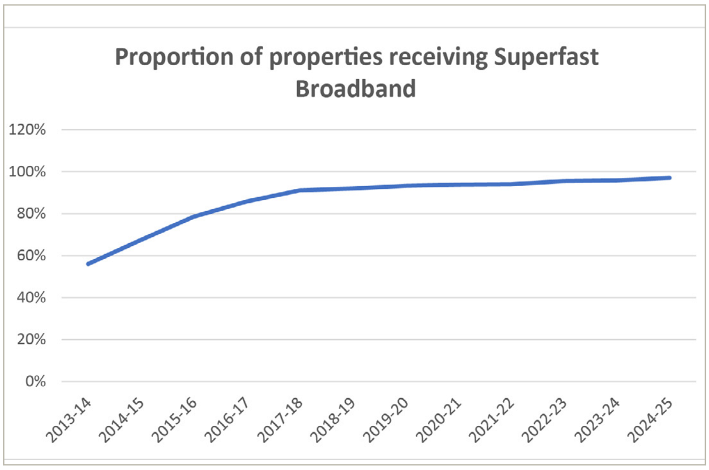
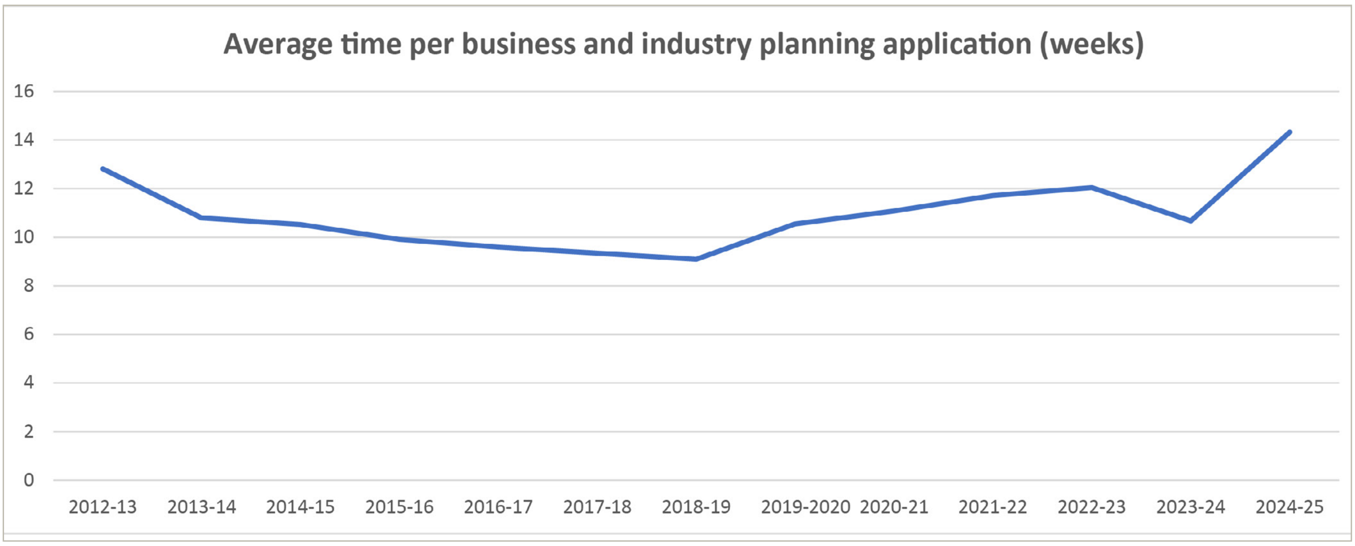


Figure 3 Proportion of properties receiving Superfast Broadband.



However, a number of indicators highlight ongoing challenges. Planning application processing times have increased, reflecting capacity pressures and growing regulatory complexity, while the supply of immediately available employment land has reduced in recent years. The number of Business Gateway-supported start-ups has also declined over the longer term, suggesting continued challenges for new business formation.

Figure 4 Average time per business and industry planning application (weeks).



Overall, the data points to a changing economic environment, with both positive and challenging trends evident. Further detail and analysis in relation to economic development is available in the LGBF National Overview report.

National Scene Setting: Exploring Recent and Future Developments in Policy and Innovation – Ishabel Bremner – Chair of SLAED

Policy Alignment and Investment Confidence

- Scotland's inward investment offer is strengthened by alignment between UK and Scottish strategies, including industrial, economic transformation and innovation priorities.
- This creates a clearer, more stable policy environment for investors, supporting long-term sustainable and inclusive growth.
- Shared priorities include productivity, innovation, global competitiveness, fairness, wellbeing and regional development.

Key Growth Sectors

- Major opportunities are emerging across clean energy, net zero transition, advanced manufacturing, digital technologies, AI, natural capital and land-based investment.
- Clean energy sectors such as offshore wind, green hydrogen and marine energy are particularly important, especially for rural and island communities with strong renewable resources.
- Advanced manufacturing, robotics, data, digital connectivity and AI growth zones show how high-value activity can be delivered beyond traditional urban centres.

Place-Based Growth

- Place-based investment is central to ensuring that economic opportunities reflect local strengths, challenges and assets.
- Rural and island communities have a critical role in delivering clean energy, innovation, natural capital and supply chain opportunities.
- Community ownership and partnership models can help strengthen local support, reduce delivery risk and ensure benefits are retained locally.

Future Direction and Challenges

- Scotland's approach is moving from broad inward investment attraction toward a more targeted, mission-led model focused on high-value sectors, green industrialisation and regional clusters.
- Future policy is likely to place greater emphasis on local procurement, skills transfer, research and development retention, and Scottish supply chain participation.
- Key challenges include grid and infrastructure constraints, skills shortages, global competition, economic volatility and ensuring that regional approaches do not marginalise less densely populated areas.

Sharing Local Practice

Shetland: Islands of Opportunity – Shetland Islands Council

Shetland Islands Council has developed a coordinated, place-based approach to supporting inward investment, focused on strong place branding, consistent messaging and collaboration across local partners. This work promotes Shetland as a distinctive place to live, work, study, visit and invest, while highlighting strengths in established sectors such as energy, seafood, aquaculture, fisheries and ports, alongside emerging opportunities in areas such as space and renewable energy.

The approach aims to provide investors with a clear route into Shetland and a better understanding of local priorities from an early stage. Through EmPowering Shetland and the Shetland Development Charter, Shetland is setting out expectations around fair and collaborative development, community benefit, supply chain opportunities, environmental protection, housing and long-term community wealth. This helps balance the promotion of investment opportunities with the need to manage wider pressures and ensure development contributes positively to Shetland's communities, economy and future wellbeing.

Read the full case study.

Creating a Place-Based Economy that Delivers Shared Prosperity – Argyll and Bute Council

Argyll and Bute Council has taken a long-term, place-based approach to regeneration in Rothesay, combining heritage-led investment, community engagement and partnership working to support shared prosperity. Building on the town's distinctive heritage, culture and role as the main service centre for the Isle of Bute, a series of complementary projects has helped strengthen confidence, improve the built environment and support local economic activity.

Investment has focused on restoring historic buildings, bringing vacant properties back into use, enhancing public spaces and supporting major projects such as Rothesay Pavilion and the former Royal Hotel. Alongside this, community-led activity, business engagement and efforts to retain benefits locally through supply chains and employment have helped maximise the impact of investment.

The experience demonstrates the value of building on local strengths, maintaining momentum through a mix of projects of different scales, and working collaboratively to create lasting benefits for communities, businesses and visitors.

Read the full case study.

An Introduction to Invest Glasgow – How We Are Supporting Inward Investment – Glasgow City Council

Glasgow City Council's inward investment work through Invest Glasgow focuses on attracting and retaining high-value investment, strengthening the city's global profile and ensuring Glasgow is ready to respond to investor demand. The work brings together capital investment, regeneration opportunities and sector-focused activity linked to industrial sectors and innovation clusters. It is supported by data, market intelligence and strong collaboration across Team Glasgow and Team Scotland, helping partners present a clear and consistent city offer.

Practical support for investors includes market insight, location advice, connections into local networks and access to business support. Glasgow's strengths in talent, affordability, connectivity, research capability and quality of life provide a strong platform for growth. The work also places importance on readiness and retention, ensuring businesses can access the infrastructure, sites, skills and partnerships they need to establish, scale and remain in the city region, while contributing to wider economic resilience and confidence in Glasgow's future.

Read the full case study.

Sharing Local Practice: Cross Cutting Themes

In wider group discussions, colleagues shared a strong and practical focus on strengthening inward investment across Scottish local authorities through clearer place propositions, regional collaboration, sector-led approaches and better coordination with partners. Across urban, rural and island areas, there was a shared recognition that investment activity depends not only on marketing sites, but also on long-term infrastructure, housing, skills, supply chain readiness, community benefit and the capacity of councils to respond effectively to opportunities.

1. Place Promotion, Branding & Investment Visibility

Councils are developing clearer place propositions through branding, websites, pitch books, prospectuses, investment trackers, case studies and direct engagement with investors and agencies. These approaches are helping areas communicate their assets more confidently, while recognising that marketing is strongest when supported by clear sites, sector intelligence and partner alignment.

Highland Council: PHighland has refreshed its Invest Highland website and branding to showcase key investment opportunities across the area, including by geography and major project area. The council is also considering an Invest Highland Summit to bring government, developers and investors to the area and highlight opportunities linked to the Green Freeport, renewable energy and wider regional assets.

Shetland Islands Council: Shetland's branding approach provides a consistent visual identity and shared story for events such as All Energy and space expos. The brand supports a "one Shetland" approach, bringing the council, Highlands and Islands Enterprise, the Port Authority and developers together under a common banner.

East Dunbartonshire Council: East Dunbartonshire is developing an inward investment proposition for the Westerhill regeneration area, supported by City Deal investment opening up employment land. The council is exploring how to strengthen promotion, involve landowners and position the area within the wider Glasgow City Region offer.

2. Regional Collaboration & Shared Investment Propositions

Colleagues highlighted the value of working across council boundaries to present stronger regional and national propositions, particularly where investors do not recognise local authority borders. Participants also noted the need to balance regional messaging with local accountability, ensuring that smaller, rural and island areas are not marginalised within larger regional structures.

Invest Aberdeen: Through the North East Scotland Pavilion at Offshore Europe, Invest Aberdeen worked with regional partners including councils, universities, ports, harbours, colleges and energy transition organisations to present a joined-up North East offer. The collaborative approach helped create a stronger presence at the event and was viewed positively by those attending.

Glasgow City Region: Through regional investment propositions, partners are bringing together strengths in areas such as deep tech, AI, creative tech and renewable energy as part of a wider regional offer. The approach supports collaboration across places and positions these opportunities within a broader "Team Scotland" proposition, recognising where regional assets can complement one another.

East Ayrshire Council and North Ayrshire Council: East Ayrshire and North Ayrshire are moving towards a shared regional economic growth service, creating a more joined-up approach to business support and investment activity. This provides an opportunity to work more collectively across Ayrshire, helping investment prospects stay within the wider region rather than being lost between council areas.

Scottish Borders Council: Scottish Borders works through both the Edinburgh and South East Scotland City Region Deal and the Borderlands Growth Deal, using these structures to support investment and business infrastructure. The council's position within a wider city region creates opportunities linked to Edinburgh's scale, while also requiring a clear focus on ensuring rural areas benefit from regional investment activity.

3. Sector-Led Investment, Innovation & Emerging Opportunities

Councils are increasingly shaping inward investment around sector strengths, emerging opportunities and local economic assets. Much of the focus is on clean energy, innovation and technology-led growth. Authorities are also seeking to build on established industries that reflect local skills, assets and economic strengths.

North Lanarkshire Council: North Lanarkshire is taking a sector-led approach to inward investment, with ten key sectors grouped around established business strengths, strategically important areas and emerging opportunities such as renewable energy, AI and data centres. Officers are engaging directly with businesses to understand sector opportunities and challenges, using this intelligence to shape future action plans and strengthen the local investment offer.

Dundee City Council: Dundee's investment proposition is closely linked to university-led strengths in life sciences, digital, creative industries, cyber and gaming. These sectors support place marketing and business growth activity, although specialist infrastructure such as lab space remains important for retaining and scaling companies locally.

Invest Aberdeen: Invest Aberdeen's sector focus includes energy, digital tech, food and drink, agriculture and life sciences, with the North East Investment Zone placing particular emphasis on digital tech and green energy. The regional investment tracker helps present a broad pipeline of activity across energy transition, infrastructure, housing and commercial development.

East Lothian Council: East Lothian is developing an innovation-led proposition at Musselburgh, near Queen Margaret University, targeting high-growth sectors and drawing on proximity to Edinburgh and the local skills base. The completed Innovation Hub already has businesses located in the building, with further interest linked to future growth space within the wider Innovation Park.

4. Sites, Premises, Infrastructure & Market Readiness

Councils highlighted the importance of having modern, serviced and market-ready sites and premises available so that interest can translate into investment. Many areas are addressing market failure through public-sector-led infrastructure, growth deal funding and regeneration projects, while managing challenges around construction costs, obsolete stock, land ownership and site servicing.

Scottish Borders Council: Scottish Borders is using growth deal and other funding to develop modern business premises, including Borders Innovation Park next to Tweedbank Railway Station. The focus is on creating up-to-date commercial and industrial space with strong connectivity and transport links, helping strengthen the area's investment offer.

Moray Council: Moray's South Street regeneration project in Elgin is creating a mixed-use development with affordable housing, retail units, a business enterprise hub managed by UHI Moray and improved public realm. The project has required a complex funding package and cost management but is progressing towards site activity.

Argyll and Bute Council: Public-sector investment is playing an important role in enabling business and housing development across Argyll and Bute, particularly in island communities. Projects such as Oban Airport Business Park are helping to create new opportunities for business growth, supported by ongoing consideration of infrastructure and development needs.

Dundee City Council: Dundee's waterfront redevelopment demonstrates the value of a long-term, masterplanned approach to creating investment-ready sites and commercial opportunities. The development of council-led office space has helped broaden the range of occupier-ready accommodation available, supporting inward investment and business growth.

South Lanarkshire Council: South Lanarkshire is refreshing its inward investment approach through new websites, marketing, promotion and the development of sites and units. This sits alongside substantial town centre masterplan work and a focus on strengthening business and industrial stock.

5. Supply Chains, Procurement & Local Business Benefits

Many councils and partners are focused on ensuring that major investment creates practical opportunities for local businesses, SMEs and wider supply chains. This includes meet-the-buyer activity, investment trackers, supply chain events, hydrogen and offshore wind engagement, and ongoing work to connect local firms to future project pipelines.

Fife Council/Forth and Tay Offshore Partners: Through the Forth and Tay Offshore initiative, Fife is working with partners to raise awareness of offshore wind opportunities for local SMEs. Regional events connect developers, academia and businesses, helping companies explore opportunities across offshore wind, Freeport activity and the wider clean energy cluster.

Glasgow City Council: Undertook a feasibility review for end of life LED luminaires, finding that for lower output residential streets it may be cheaper to replace whole units than retrofit modules/drivers, while higher speed road luminaires may justify manufacturer retrofits depending on cost.

Invest Aberdeen: Invest Aberdeen sponsors an investment tracker with the local Chamber of Commerce to show completed and pipeline projects across the North East. This helps investors and local businesses understand the scale of opportunities in energy transition, infrastructure, commercial, housing and wider development.

Shetland Islands Council: Shetland is working with the Centre for Energy Policy to produce briefings on what major renewable and energy infrastructure developments could mean for inward investment, jobs and supply chains. This supports clearer conversations about local benefits and helps respond to public and political interest in major developments.

6. Community Benefit, Inclusive Growth & Legacy

Councils are seeking to ensure that major investment leaves a positive and lasting local legacy, particularly in communities hosting renewable energy, infrastructure or large-scale construction projects. Approaches include social value charters, community benefit expectations, legacy housing, community wealth building and ongoing support to make sure development benefits are retained locally.

Highland Council: Highland has developed a Social Value Charter for renewables, with plans to broaden the approach beyond renewable companies. The charter seeks to secure investment that responds to local needs, with examples including housing or sites being returned to council ownership after construction phases.

Comhairle nan Eilean Siar: The Comhairle is developing a charter approach to secure community benefit from major onshore and offshore renewable energy developments. A key focus is legacy housing, ensuring accommodation created for construction workers can support local residential needs once major projects are complete.

East Ayrshire Council: East Ayrshire is using a collaborative support model to help businesses settle, grow and connect with local opportunities after relocation. One inward investment example combined Community Wealth Building, Net Zero, Business Gateway and wider council support, helping a relocated business create jobs and build relationships with neighbouring businesses.

Shetland Islands Council: Shetland is working to demonstrate the potential local benefits of major energy developments, including jobs, supply chain opportunities and longer-term economic resilience. This is particularly important where developments generate strong public interest and where local benefits need to be clearly understood alongside infrastructure impacts.

7. Enabling Delivery, Capacity & Long-Term Investment Readiness

Councils are strengthening the conditions needed to turn investment opportunities into deliverable projects, including business case development, funding alignment, inquiry handling, partner coordination and long-term relationship management. While capital funding is supporting sites and infrastructure, effective delivery also depends on the capacity to prepare projects, respond to funding opportunities and maintain investor confidence over time.

East Ayrshire Council: Ayrshire partners are managing the resource requirements linked to competitive funding, business case preparation and growth deal delivery. Developing ready-to-progress projects creates opportunities to respond quickly to funding, while also requiring sustained officer capacity and alignment between local priorities and funding criteria.

Scottish Borders Council: Scottish Borders is using growth deal structures to support investment projects and business infrastructure. The experience highlights the value of adequate revenue support for business case development, ensuring councils can progress projects efficiently and make best use of capital investment.

West Lothian Council: West Lothian's economic development journey shows the value of long-term investment readiness and sustained relationships. The area's transition from reliance on heavy industry to a more balanced economy, alongside Sky's long-standing presence and planned investment, reflects the importance of consistent economic development over time.

Sharing Local practice - Summary of Initiatives

Argyll and Bute Council

Sites & Infrastructure: Public-sector investment is playing an important role in enabling business and housing development across Argyll and Bute, particularly in island communities. Projects such as Oban Airport Business Park are helping to create new opportunities for business growth, supported by ongoing consideration of infrastructure and development needs.

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Delivery & Investment Readiness: Ayrshire partners are managing the resource requirements linked to competitive funding, business case preparation and growth deal delivery. Developing ready-to-progress projects creates opportunities to respond quickly to funding, while also requiring sustained officer capacity and alignment between local priorities and funding criteria.

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Supply Chains & Local Business Benefits: Invest Aberdeen sponsors an investment tracker with the local Chamber of Commerce to show completed and pipeline projects across the North East. This helps investors and local businesses understand the scale of opportunities in energy transition, infrastructure, commercial, housing and wider development.

Invest Fife

Place Promotion & Visibility: Invest Fife has developed a strong brand supported by a website, social media, newsletters, prospectuses, case studies and success stories. The council also used a "Tour de Fife" familiarisation visit with Scottish Enterprise and Scottish Development International to showcase key sites and help partners better understand the local offer.

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