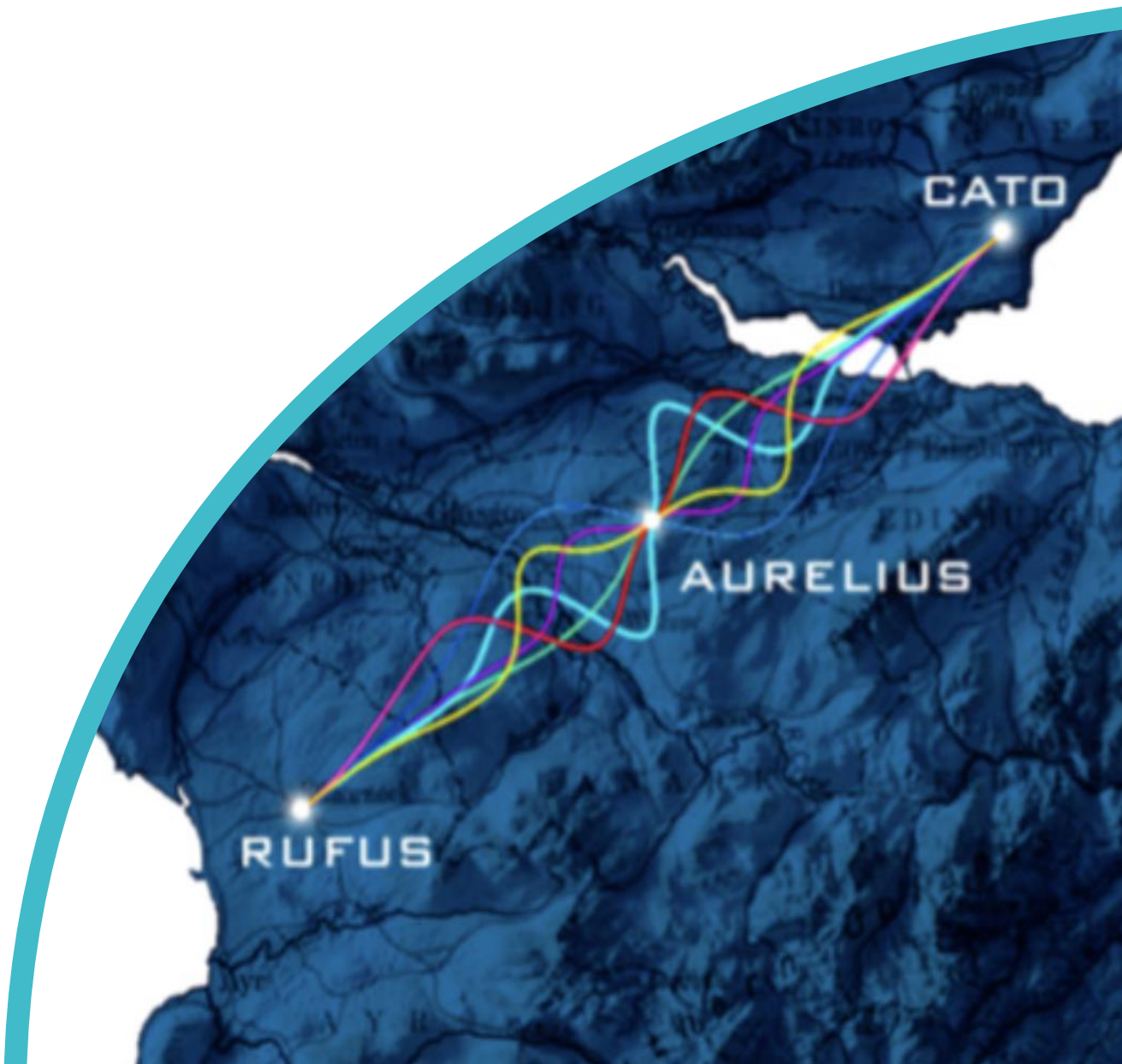
BiGGAR Economics

Economic and Wider Impacts of the Stoics Data Centres

A report to ILI Group

September 2026



BiGGAR Economics

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1. Executive Summary

This report identifies and assesses the socio-economic impacts of the construction and operations of the three **Stoics** green hyperscale data centre projects proposed for the Central Belt of Scotland: Cato Data Centre (Fife), Aurelius (North Lanarkshire), and Rufus (East Ayrshire).

1.1 The Strategic Need and National Resilience

Data centres are critical national infrastructure in a modern economy. Data centres like the Stoics will **provide the essential computing capacity needed to support the growth of data-heavy technologies** like Artificial Intelligence (AI). As the Scottish economy becomes more reliant on AI and cloud computing, the lack of domestic digital infrastructure would force businesses and public institutions to rely on overseas services. For organisations handling sensitive data, relying on external data centres would lead to compliance issues, higher costs and increased security risks. The Stoics **provide the secure and sovereign infrastructure required**. At the same time, to avoid exacerbating severe electricity network constraints in England, the energy grid operator has recommended that data centres are built in Scotland. The Stoics will act as a **consistent demand source to absorb Scotland's excess renewable energy**, which could otherwise be constrained due to transmission barriers. Benefitting from Scotland's **naturally cool climate** and running on 100% renewable energy, the sites will use flexible power management to **support local grid stability**.

1.2 The Economic Opportunity

Whilst the Stoics require highly specialised IT hardware and computing equipment that is predominantly manufactured abroad, **the physical infrastructure and facility development represent a multi-billion-pound investment uniquely suited to Scotland's strengths**. Because Scotland possesses a highly capable construction and engineering sector, it can capture a large amount in construction contracts, particularly in land preparation, building shells and fitouts.

During the **construction** phases, it is estimated that the Stoics will generate **£1.8 billion Gross Value Added (GVA)** and **22,080 job years in Scotland**.

During operations, the **jobs created will be high-productivity, high-value roles in an emerging sector**. With average salaries of over £50,000, more than 50% higher than the Scottish average, these operations will be a driver of productivity growth and **retain highly skilled tech and engineering talent** within Scotland.

During **operations**, it is estimated that the Stoics will generate an annual impact of **£160 million GVA** and support **1,330 jobs in Scotland**.

The tax revenues and business rates generated during the construction and operations phases represent an **important boost to public finances**, strengthening local authorities' financial position and supporting public services during a time of projected budget gaps.

The Stoics are expected to act as major **drivers for national public finances**:

- £320 million during construction in Scotland
- £10 million each year of operations in Scotland
- £80 million each year in Non-Domestic Rates

All estimates are based on data collected from existing data centres operating globally and relevant published research.

1.3 Catalytic Growth and Community Wealth Building

Beyond the direct construction and operational activities, the Stoics are expected to act as catalysts for wider economic and digital developments. They **strengthen digital capacity**, support the **growth of higher-value, data-intensive activity** and **contribute to the development of Scotland's innovation landscape**. The use of renewable energy and efficient digital infrastructure **enhances the attractiveness of Scotland** as location for investment and advanced business activity.

At a local level, the projects have the potential to deliver meaningful community benefits, including **supporting skills development** and **opportunities for local suppliers**. Particularly, a major commitment by ILI Group is the establishment of a **£60.0 million fund to create 3,000 new apprenticeship** opportunities across Scotland. A new Foundation will also be created which will receive **£20.0 million from each of the Stoics prior to any construction works**. The Foundation will hold and manage the assets and disburse the funds, with a Board set up to manage the delivery of the programmes. The fund will target high school age children, school leavers, young adults, adult apprenticeships, and Additional Support Needs (ASN) opportunities, aiming to set 3,000 Scottish young people on a lifelong career path who may otherwise have missed out.

Considering the fuel poverty level in Scotland, the heat generated by the data centres will also be explored for **regional heat transfer schemes to help reduce local energy bills,** and use for **agricultural processes**. A Community Wealth Building assessment of good practice indicates that these impacts could extend beyond the sites, generating positive social, economic and environmental outcomes for the surrounding areas and Scotland as a whole.

2. Introduction

BiGGAR Economics was commissioned to produce a socio-economic impact assessment of the Stoics Data Centre, proposed green hyperscale data centres in the Central Belt of Scotland.

2.1 Background & Context

2.1.1 The Intelligent Land Investments (ILI) Group

ILI Group is a Scottish clean energy development company focusing on energy storage and net-zero residential projects in Scotland. ILI Group has expertise in grid scale energy storage and plays a key role in enabling the UK energy transition. It has also developed a 4.7GW portfolio of grid scale battery and pumped storage hydro projects to 'development ready'. A major example is the Red John Pumped Storage Hydro project near Loch Ness (now called 'Loch na Cathrach'), showing the company's ability to deliver impactful infrastructure.

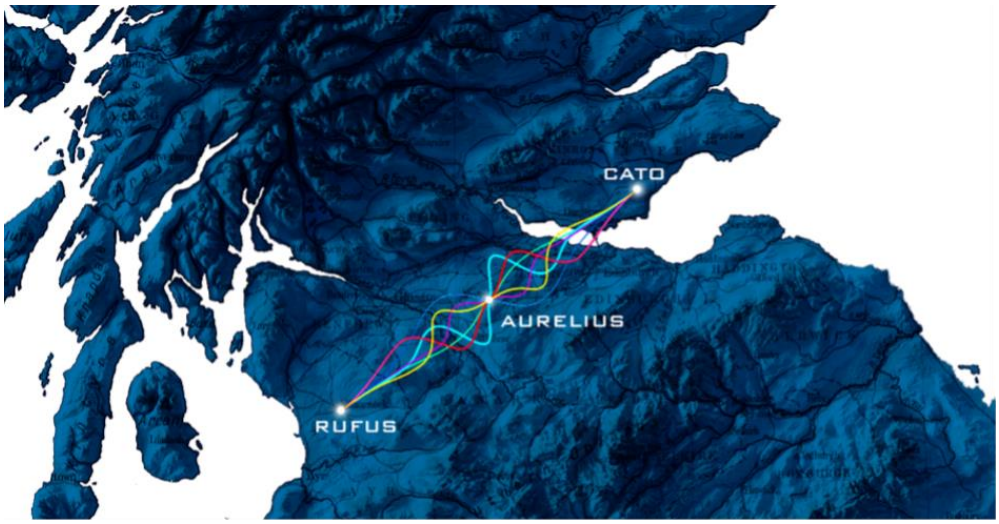
ILI Group is now aiming to support the growing demand for computing power associated with AI by enabling the development of green hyperscale data centres.

2.1.2 The Stoics: Scotland's Green Digital Corridor

ILI Group is developing the Stoics, a network of three hyperscale green data centres across Scotland's Central Belt. Named after Stoic philosophers, the sites are: Cato Data Centre (Fife), Aurelius (North Lanarkshire), and Rufus (East Ayrshire).

The Stoics will be one of the largest hyperscale data centre clusters in the world, more than twice the size of many of today's leading campuses, representing a major step toward positioning Scotland as a global hub for sustainable digital infrastructure. The objective is to form a **Green Digital Corridor** linking East, Central and West Scotland (Figure 2-1).

Figure 2-1 The Stoics



Source: ILI Group (2025), Green Hyperscale Data Centres Sector: The Stoics – A Green Digital Network for Scotland. [online]. Available at: https://www.ili-energy.com/data-centres

The locations were chosen because it meets the complex technical criteria required for such developments and is designed in a way that minimises local disruption including the consideration of landscaping measures.

The data centre campuses will include data halls, power and cooling systems, access roads, parking and supporting buildings, and would **run on 100% renewable energy** sourced from off-site generation, accessed via nearby grid connections, securely connecting these projects to the Transmission Network.

2.2 Study Aims

This study highlights the:

- **Economic and fiscal impacts** across the construction and operational phases of the proposed Stoics developments;
- **Local benefits** associated with local supply chain opportunities, skills and training, improvements to local infrastructure, and community empowerment; and
- **Wider catalytic impacts** of data centre developments on surrounding areas, regional economies and Scotland more broadly.

2.3 Report Structure

The remainder of this report is structured as follows:

- Section 3 provides evidence that show why there is a need for data centres to be located in Scotland;

- Section **Error! Reference source not found.** provides an overview of the strategic economic case related to a digital economy and data centre opportunity at a regional and national level;
- Section 5 describes the economic and fiscal impact findings and methodology used in the analysis;
- Section 6 highlights the wider socio-economic implications focusing on catalytic impacts for Scotland and local benefits; and
- Section 7 summarises key conclusions.

3. The Need for Data Centres in Scotland

This section provides evidence that demonstrate why data centres are important for Scotland.

3.1 Economic Development Opportunity

3.1.1 UK Evidence

The economic opportunities associated with data centre developments can be shown from evidence of existing operational sites in the UK. According to TechUK[1], the UK data centre sector currently contributes to around £4.7 billion in annual GVA and 43,500 jobs and has the potential to deliver an additional £44 billion GVA and 40,200 jobs by 2035 if capacity growth is accelerated. This is an extremely significant impact on the UK economy and is likely to grow with AI becoming a critical component of a modern economy. The following case study is an example demonstrating this opportunity.

UK's data centre sector has become a major investment destination, with annual spending projected to exceed £10 billion by 2029 and total private capital commitments currently reaching £24 billion[2]. Specifically, hyperscale operators are making multi-billion-pound commitments, positioning large-scale, energy-advantage regions to attract a large share of investment.

In addition to the direct contributions, the data centre sector unlocks further opportunity through its role in supporting the wider tech sector. According to the Tech Nation Report 2025[3], UK tech sector has reached a combined market valuation of $1.2 trillion, making it the largest tech ecosystem in Europe. UK has more than 17,000 venture capital-backed tech companies, and in the first half of 2025, the start-ups raised over $7 billion in venture capital investment, including the largest first-quarter fundraise in the past three years.

While London accounts for about 59% of the total UK tech sector value, the report identifies strong growth in other regions. It describes Scotland as one of the fastest-growing tech regions in the UK. Scottish tech sector grew by around 19% since 2020, becoming the second highest performing across the UK with a 120% growth in

[1] TechUK (2024) *Foundations for the future: How data centres can supercharge UK economic growth*. Available at: https://www.techuk.org/resource/techuk-report-foundations-for-the-future-how-data-centres-can-supercharge-uk-economic-growth.html

[2] Bain, D. (2025), *The future of data centres in the UK: Continued growth, sustainability and regional shifts, Barbour ABI,* 21 October. Available at: https://barbour-abi.com/the-future-of-data-centres-in-the-uk-continued-growth-sustainability-and-regional-shifts/

[3] Tech Nation (2025), *The Tech Nation Report 2025: Unlocking the UK's Growth Potential.* Available at: https://report.technation.io/

venture capital investment. The report highlights digital infrastructure, including data centres, as a key enabler of continued growth.

Case Study: Slough Data Centre Cluster

Existing data centre developments in London already show evidence on high employment.

Slough borough has more than 30 operational data centres with 1 GW total capacity of which about 675 MW is hyperscale capacity. Between 2020 and 2025, these have created about **8,000 construction job-years** and **14,000 jobs during operations** across direct, indirect and induced activity[4]. Data centre operators also contributed at least £30 million per year in local business rates.

An important characteristic of Slough is the **clustering effect** created by the concentration of digital infrastructure. As data centres, telecommunications providers, cloud platforms and financial institutions have co-located in the area, they have attracted specialist suppliers, technical service companies and skilled workforce. This has created economies of scale and an ecosystem in which infrastructure attracts customers, customers attract investments and investment attracts additional businesses and talent. Companies located there benefit from access to resilient infrastructure and connectivity ecosystem that would be difficult or costly to establish independently.

The Slough example shows how data centres can act as enabling infrastructure, attracting investment, supporting business growth and generating wider economic benefits through clustering effects.

3.1.2 International Evidence

Existing operational data centre developments elsewhere already show evidence on high economic benefits.

Recent research[5] on 770 data centres in the US found that data centres did create local jobs between 2003 and 2024. Findings for counties that received their first large data centre saw (Figure 3-1):

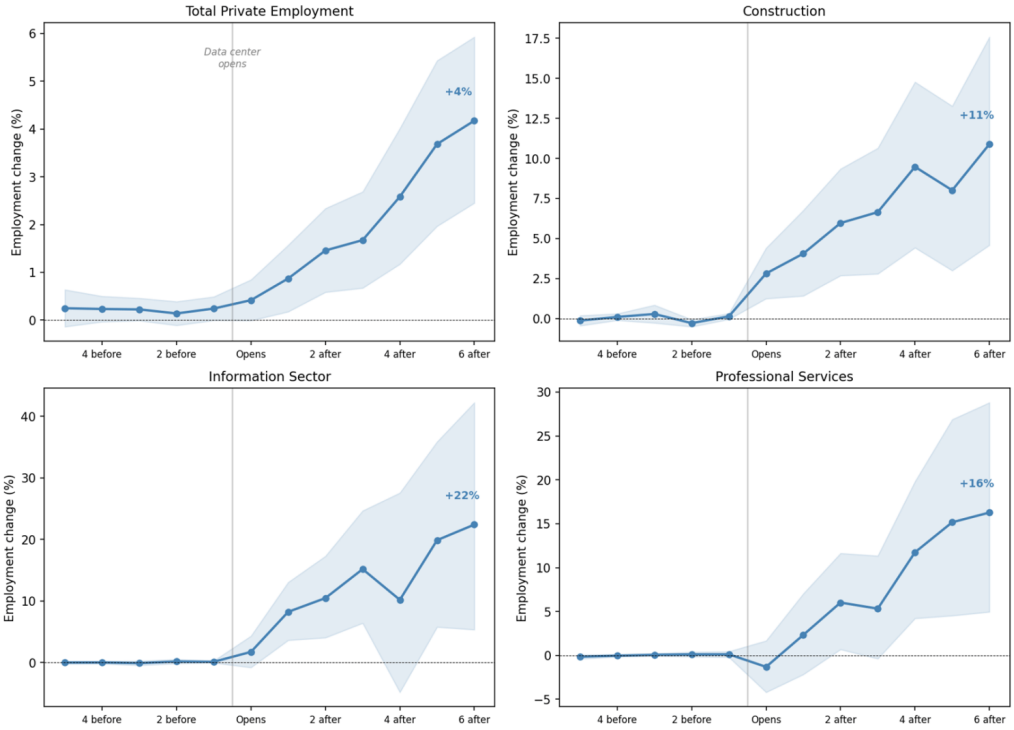
[4] KAO DATA (2026), New report reveals the positive contribution data centres have made to Slough, creating 14,000+ jobs and +£30m annual contribution, and recommends the UK follows the town's lead. Available at: https://kaodata.com/discover/news/new-report-reveals-the-positive-contribution-data-centres-have-made-to-slough-creating-14000-jobs-and-30m-annual-contribution-and-recommends-the-uk-follows-the-towns-lead/

[5] Bahar, D. and Wright, G.C. (2026), *Data Centers and Local Labor Markets.*

- Private employment **rise by 4-5% over five to six years**;
- Construction employment **increase by 11%**;
- IT sector jobs **increase by 22%**; and
- Wages **rise by 3-4%** for existing and new workforce.

The IT job growth was specifically driven by hyperscale data centres.

Figure 3-1 Employment Growth After Data Centre Openings in the US



Source: Bahar, D. and Wright, G.C. (2026), *Data Centers and Local Labor Markets*.

In addition, in 2024, **operational hyperscale data centres in EU27 countries** had 2.7 GW total capacity. **7,000 FTEs were directly employed** by these data centres, which also created about 35,100 and 12,700 indirect and induced jobs, respectively[6].

[6] European Data Centre Association (2026), State of European Data Centres 2026: Building a sustainable digital infrastructure for a strong and competitive Europe. Available at: https://www.eudca.org/documents/content/ZlZXb4bRSRefaEVqya2I_Aoea?download=0

Case Study: Data Centres in Sweden, Denmark and Ireland

Existing data centre developments in Europe already show evidence on high economic benefits.

In 2019, Facebook had three data centres located in the European Union: Odense (Denmark), Clonee (Ireland) and Luleå (Sweden). These had much lower MW capacity than each of the Stoics developments.

Research showed that from 2011 to 2018, Facebook directly **sourced a total of €2.8 billion of goods and services across Denmark, Ireland and Sweden**, equivalent to an annual average of €348.6 million. This spending generated additional €2.3 billion in sales and **supported 2,816 jobs annually** (direct, indirect and induced) within the three countries[7]. These were created through supply chains, local procurement, engineering services, telecommunications, energy infrastructure and professional services.

These findings show that the economic contribution of data centre clusters arises from their wider ecosystem effects, supporting employment and business activity across a broad range of sectors and not only through direct operational jobs.

3.2 Scotland's Advantage

Data centres are major electricity consumers (currently they consume around 2.5% of the UK's electricity)[8] and their power demand is projected to increase by around four times by 2030[9]. As operators increasingly prioritise sustainability, the focus is shifting towards green data centres. Scotland, due to its cool climate, is well placed to attract data-centre investment, as less energy is needed for cooling requirements. Furthermore, the electricity powering data centres in Scotland will increasingly come from renewable energy sources. In the second quarter of 2025, the total installed capacity of renewable energy in Scotland was 17.7 GW[10], the sector is over four

[7] HIS Markit (2019), The economic contribution of Facebook data centres in Denmark, Ireland and Sweden. Available at: https://luleasciencepark.se/wp-content/uploads/2020/01/The-economic-contribution-of-Facebook-EU-data-centres-with-cover-image_final.pdf

[8] Clark, A., Woodhouse, J., Stewart, I. & Burnett, N. (2025) *Data centres: planning policy, sustainability, and resilience*. Commons Library Research Briefing CBP 10315, House of Commons. Available at: https://researchbriefings.files.parliament.uk/documents/CBP-10315/CBP-10315.pdf

[9] NESO (2024). *Our Clean Power 2030: Advice to Government*. Available at: https://www.neso.energy/news/our-clean-power-2030-advice-government

[10] Scottish Government (2025), *Energy Statistics for Scotland.* Available at: https://www.gov.scot/publications/energy-statistics-for-scotland-q2-2025/pages/renewable-electricity-capacity/

times bigger than it was at the end of 2008. Scotland therefore offers the **ideal conditions for low-carbon and high-efficiency data centre developments**.

Recent comments made by Fintan Slye, the Chief Executive of NESO, Britain's grid operator[11], has urged developers to build data centres in Scotland emphasising that developments in England would exacerbate problems due to electricity network constraints, pushing up costs. As more electricity is currently produced in Scotland that can be used in Scotland or transmitted outside of Scotland, this results in significant deadweight loss. Locating data centres in Scotland provides a solution by creating a consistent **demand source that can absorb excess renewable generation**.

In addition, modern data centres are increasingly designed to operate flexibly. They can adjust energy consumption in response to grid conditions, shifting demand to periods of high renewable output or lower system stress. Many have on-site technologies and power management systems which can help bring stability to the local networks. Therefore, data centres can **contribute to system resilience and help maintain grid stability**.

The presence of abundant renewable energy generation and a cool climate make Scotland an attractive location for data centres. Data centres in Scotland would increasingly use renewable energy as their energy source and use less energy for cooling purposes. Scotland would allow for data centres to be greener and more energy efficient that they would otherwise be in other locations.

In addition, there is a concern on whether construction resources used for data centres could displace other forms of development. In practice, the risk is limited as Scotland is the most sparsely populated country in the UK and it **does not face shortage of suitable development land**, particularly near clean-energy sources. In terms of the construction sector, capacity is influenced by the wider economic conditions, but there is currently available capacity within the market. Data centres are thus not expected to displace other construction activity.

Many also highlight that data centres will create labour market displacement during operations. In reality, they will add to rather than displace existing operational activity. Scotland's skilled workforce, with expertise in energy, engineering and construction, supports both delivery and long-term operations[12]. This will be a beneficial displacement of economic activities towards more data-intensive sectors that would create demand of skilled pool of workers. Therefore, there will be a **displacement of low productivity to high productivity jobs** which positively affects productivity and economic growth. Scotland already produces a strong pipeline of AI and IT graduates and risks losing this talent to other places in the UK and the world due to a lack of relevant opportunities to retain this talent locally. As seen in Figure 3-1 data centres provide the opportunities for IT graduates.

[11] Millar, R (2026), Build data centres in Scotland not London, says Britain's energy grid boss.
[12] Soben (2024), *Why Scotland is Europe's Next Data Centre Hub.* Available at: https://sobencc.com/white-papers/scottish-data-centres/

These strengths position Scotland as one of the most attractive locations in Europe for sustainable data-centre investment[13]. To maintain its advantage, Scotland must act decisively to position itself as a leading enabler of digital infrastructure investment.

3.3 Scotland Without Data Centres

As data centres become increasingly important in the modern economy; people, businesses, and public institutions will rely more and more on data centres for personal, commercial, and public service activities. Data centres are needed for accessing information on the internet (through the cloud) and in more recent times, to train and run AI models. Countries will increasingly rely on digital infrastructure to sustain and power the new sources of economic growth of the 21st century.

A lack of data centres in Scotland may bring significant challenges for certain organisations operating in the country. Organisations handling sensitive data such as personal health, national security, or commercially sensitive information, would face more challenging compliance background if forced to rely on overseas cloud services. Due to strict requirements around handling sensitive data, Scottish companies and businesses would be pushed to use data centres elsewhere in the UK, potentially constraining cloud services within the UK and those unable to access services within the UK would face higher compliance costs.

Without building the required digital infrastructure to sustain a growing economy, Scotland would need to rely on data centres services from elsewhere. This means the jobs arising from the direct employment from the construction and operations at data centres as seen in 3.1.1 would not materialise. Similarly, Scotland would not see the supply chain growth in engineering services, telecommunications, and energy as seen in 3.1.2. These economic opportunities would be exported if data centres were developed in other countries instead of in Scotland.

Businesses in Scotland that rely on reliable and quick digital connectivity would find Scotland as a less competitive place to set up those businesses resulting in less ecosystems as seen in 3.1.1 and consequently, wouldn't see the information and technology jobs likely to originate from these ecosystems as seen in 3.1.2. Scotland would also miss out on the business rates that would have otherwise been contributing to the public sector finances and the need to import these services would negatively impact Scotland's balance of trade.

As data centres continue to prioritise running sustainable business models using water efficient cooling systems and using renewable electricity, Scotland would face a scenario where it forgoes all the potential benefits arising from the direct and wider benefits while exposing its organisations to more security risks than it otherwise would need to.

[13] Soben (2024), *Why Scotland is Europe's Next Data Centre Hub.* Available at: https://sobencc.com/white-papers/scottish-data-centres/

4. Policy Context

This section discusses the regional and national strategies supporting data centres and their importance for economic development.

Key Takeaways:

- In 2024, data centres were designated by the UK Government as critical national infrastructure highlighting their extreme importance as a function of a modern economy;
- The Stoics strengthen Scotland's digital infrastructure, supporting national goals in policies such as NPF4, NSET, the Digital Strategy and the AI Strategy;
- The Stoics support net-zero objectives through renewable-powered, future-proof infrastructure;
- The Stoics support a variety of strategies and their goals of achieving a skilled workforce, well-paid jobs, growth, reductions in inequality and digitally-enabled economies.

4.1 A Digital Transition: National Strategies

4.1.1 Delivering AI Growth Zones

The UK Government's ambition is to position the UK as a global leader in AI innovation and adoption, ensuring that the benefits are distributed across every region and sector. Delivering AI Growth Zones is split into six themes, these include:

- **Building an energy system that works for AI**: by accelerating grid connections and introducing targeted pricing support to incentivise data centre buildout where it is most needed;
- **Reducing planning barriers**: including updating national policy guidance to prioritise AI data centres, streamlining consent processes, and protecting land for AI Growth Zones;
- **Creating opportunities for people and places**: ensuring AI Growth Zones bring benefits to all – from thousands of jobs and local investment to skills and adoption programmes; and
- **Creating the best investment environment**: AI Growth Zone Delivery Unit will support investors and developers interested in partnering on delivering AI Growth Zones.

The Stoics would contribute to the 'creating opportunities for people and places' theme of Delivering AI Growth Zones by creating a significant number of high-quality employment opportunities in Scotland. The development of the Stoics would also bring a significant amount of investment to Scotland. A large portion of this investment would come through the spending on constructing the data centres. For example, the construction of the data centres would involve hiring local contractors

and suppliers. As a result, the Stoics development would further contribute to the 'creating opportunities for people and places' theme.

Data centres are critical for any business which stores, manages or moves data or information online and so the Stoics would be a significant signal for investors that Scotland is suitable for investment. Such projects would also increase the demand for sustainable energy consumption, allowing renewable energy producers to offset some of their constraint costs through the delivering excess energy to the data centre which could not be transferred to other regions in the UK due to electricity grid constraints.

4.1.2 UK Compute Roadmap

This UK Compute Roadmap[14] sets out the UK Governments plan to put the infrastructure in place to support the needs of an AI-enabled economy. The roadmap sets out four key steps:

- **Building a modern public compute ecosystem**: Creating a connected system of powerful, publicly funded computers, data storage, software tools and skilled people that researchers across the UK can easily access;
- **Putting compute to work**: Prioritising high impact research over increased output including collaboration with the public sector, start-ups, SMEs, and industrial users;
- **AI development**: Building AI infrastructure to keep the UK at the forefront of AI development; and
- **Creating sovereign, secure, and sustainable capability**: Maintaining control of its own powerful computing systems. For example, ensuring that programmes like AI Growth Zones result in capacity that is physically located in the UK.

The Stoics will contribute directly to increasing the data storage capacity of the UK. They would be utilised by local businesses, industrial users, start-ups, public sector, and SMEs. This would allow organisations to see the benefits from a data management system. The Stoics would also directly contribute to the delivery of the objectives of the AI Growth Zones through the building of AI infrastructure that would ensure the UK has the capacity to support the AI sector.

4.1.3 Data Centres: Planning Policy, Sustainability, and Resilience

The Data Centres: Planning Policy, Sustainability, and Resilience report highlights the importance of data centres for the UK economy. The UK Government states that they 'underpin almost all economy activity and innovation[15]'. The report discusses the strategic case for data centre development in the UK and emphasises some of the major challenges of this development including planning policy, energy and water consumption, and resilience.

[14] UK Government (2025), *UK Compute Roadmap*. Available at: https://www.gov.uk/government/publications/uk-compute-roadmap/uk-compute-roadmap#foreword-by-the-secretary-of-state-for-science-innovation-and-technology

[15] UK Government (2025), *Cyber security and resilience policy statement*. Available at: https://www.gov.uk/government/publications/cyber-security-and-resilience-bill-policy-statement/cyber-security-and-resilience-bill-policy-statement. (Last Accessed: Dec 2025)

- **Planning policy**: UK planning policy is being reformed to better support data centres, by explicitly recognising their national importance, streamlining approvals through National Planning Policy Framework reforms, Nationally Significant Infrastructure Project route, and AI Growth Zones.
- **Energy consumption**: Data centres currently consume around 2.5% of the UK's electricity. This consumption is expected to rise fourfold by 2030.
- **Water consumption**: Depending on the size and the cooling method used, data centres can consume large quantities of water.
- **Resilience**: Data centres are becoming a critical part of a functioning UK economy. This places even more importance on their resilience to cyber-attacks, climate risks, and power outages.

The Stoics would be powered from Scotland's renewable energy capacity, ensuring secure and sustainable infrastructure that can withstand global shocks affecting energy prices or supply. They will exceed international benchmarks across various design features such as energy efficiency, cooling innovation, and carbon performance. TechUK[16] states that data centres designed in accordance with international standards are highly resilient.

4.1.4 Scotland's National Planning Framework 4 (NPF4)

NPF4[17] is Scotland's national spatial strategy. NPF4 identifies green data centres as developments that are part of the digital fibre network 'national development', considered to be 'a fundamentally important utility'.

Policy 24 of the NPF4 is designed to facilitate the rollout of digital infrastructure in Scotland with the goal of unlocking the potential of the economy and future proofing the digital infrastructure requirements of the country.

The Stoics will also be developed to sure that they are consistent with Policy 25 (a) which states that it supports developments that are aligned with the community wealth building strategies and local economic priorities.

4.1.5 Scotland's National Strategy for Economic Transformation (NSET) - Delivering Economic Prosperity[18]

By 2032, Scotland will build a strong, fair, and sustainable economy that creates secure, well-paid jobs, reduces poverty, fosters innovation and entrepreneurship, and ensures everyone benefits from prosperity within environmental limits.

To reach this goal, there is a need for government, public sector, business, trade unions, third sector and social enterprises to collaborate, to deliver five new policy programmes of action:

[16] TechUK (2024), *Foundations for the future: How data centres can boost UK economic growth.* Available at: https://www.techuk.org/resource/techuk-report-foundations-for-the-future-how-data-centres-can-supercharge-uk-economic-growth.html

[17] Scottish Government (2023), *National Planning Framework 4.* Available at: https://www.gov.scot/publications/national-planning-framework-4/

[18] Scottish Government (2022), *Scotland's National Strategy for Economic Transformation.* Available at: https://www.gov.scot/publications/scotlands-national-strategy-economic-transformation/

- **Entrepreneurial People and Culture**: make Scotland a world-class entrepreneurial nation by encouraging and supporting new business creation and growth in every sector.
- **New Market Opportunities**: Strengthen Scotland's position in emerging industries, generating well-paid jobs from the transition to net zero.
- **Productive Businesses and Regions**: boost productivity and innovation across businesses, public services, and all regions.
- **Skilled Workforce:** ensure people have the skills needed at every stage of life to succeed in a changing economy and that employers invest in developing their workforce.
- **A Fairer and More Equal Society:** promote fair work, raise wages, and reduce structural inequalities and poverty so that everyone can share in Scotland's economic success.

NSET aims to increase national productivity. In this case, the focus is on labour productivity, i.e. how much value is created per worker or per job. The Stoics would increase productivity in the region through various channels. One main channel would be through improving the digital infrastructure. As a result of the infrastructure needed for the Stoics other local businesses, public services, and research bodies would gain access to high-speed capacity required to store, process and analyse large volumes of data securely within the UK.

The Stoics would generate significant opportunities for high-quality, well-paid jobs with demand for a range of technical and digital roles. These would require training and help build a skilled workforce in Scotland. This in turn creates a stronger labour market for locals to obtain stable, better paying jobs that would otherwise not have been available. As a result, these roles would increase household income.

4.1.6 Scotland's National Innovation Strategy

This is a 10-year strategy (2023-2033)[19] sets out the vision to make Scotland one of the most innovative small nations in the world and make it fairer, more equal, wealthier and greener.

The strategy shows the constraints and opportunities across sectors. The main objectives are to make Scotland an innovation base and close the productivity gap, accelerate innovation across sectors and commercialise research, and establish collaborations between industry, academia, government and local people to support innovation ecosystems. There are four main innovation themes identified where Scotland has strengths and future potential:

- Energy Transition;
- Health and Life Sciences;
- Data and Digital Technologies; and

[19] Scottish Government (2023), *National Innovation Strategy 2023 to 2033*. Available at: https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2023/06/scotlands-national-innovation-strategy/documents/scotlands-national-innovation-strategy/scotlands-national-innovation-strategy/govscot%3Adocument/scotlands-national-innovation-strategy.pdf

- Advanced Manufacturing.

Based on these the following strategic priorities were considered:

- Building successful innovation clusters;
- Recalibrate innovation investment and support landscape to ensure alignment with innovation priorities;
- Research commercialisation;
- Supporting businesses to innovate to increase their productivity;
- Measuring and assessing the strength and performance of each level of Scotland's innovation ecosystem against international comparators.

The innovation strategy highlights data and digital technologies as a priority area for the country, showing the importance of AI adoption, the potential of digital sectors such as fintech and photonics and the need for digital R&D and tech business boost to increase the competitiveness of Scotland. There are all based on high-capacity computing, data processing, cloud access and connectivity that data centres like the Stoics enable.

4.1.7 Digital Strategy for Scotland 2021

The aim of this strategy[20] is to ensure that Scotland realises the full potential of technology by promoting inclusive access to digital infrastructure, secure and ethical data use, strong digital skills and innovation and sustainable technology. The objectives of the digital strategy include:

- **People and place**: all businesses and individuals should have access to a stable, fast, and secure connection; the skills and confidence to use digital technology and be reassured that digital technology is being used ethically.
- **A strong digital economy**: to support all businesses transitioning into digital businesses, and to support the digital technology sector.

Across these objectives, the strategy also supports the **National Performance Framework**[21] by strengthening the digital capability needed to achieve several of its National Outcomes. Improved connectivity, digital skills and access to online services contribute directly to more productive economy, reduced inequalities, better learning opportunities and more resilient and well-connected communities.

4.1.8 Green Datacentres and Digital Connectivity: Vision and Action Plan for Scotland

The Scottish Government developed an action plan[22] to support Scotland's transition into a digital economy. The purpose of the Action Plan is to:

[20] Scottish Government (2021), *A changing nation: how Scotland will thrive in a digital world*. Available at: https://www.gov.scot/publications/a-changing-nation-how-scotland-will-thrive-in-a-digital-world/documents/.
[21] Scottish Government (2024), *National Performance Framework*. Available at: https://www.gov.scot/collections/national-performance-framework/
[22] Scottish Government (2021), *Green datacentres and digital connectivity: vision and action plan for Scotland*. Available at: https://www.gov.scot/publications/green-datacentres-and-digital-connectivity-vision-and-action-plan-for-scotland/

- Attract investment and take advantage of Scotland's natural resources and International connectivity;
- Increase Scotland's capacity for renewable energy generation;
- Maximise the economic and social potential of technologies such as 5G, IoT and AI; and
- Develop Scotland's competitiveness and internet resilience, linking the nation to other countries and markets.

One of the aims of the action plan is to attract investment and utilise Scotland's natural resources. The Stoics would be a significant investment and would take advantage of Scotland's clean-energy sources, as well as the cold climate to mitigate for the expected heat generation. It would also improve Scotland's fibre connectivity as the Stoics would demand high-speed and resilient broadband.

Another goal is to maximise the potential of various digital technologies. The Stoics would be a vital part of the infrastructure required to take advantage of 5G, IoT, and AI. The development would therefore provide the required services to store, manage, and move data across the country and overseas. The Stoics would support the Scottish Government's ambition of making Scotland a zero-carbon, cost competitive, green, data hosting nation. Contributing to the country's ambition of becoming Net Zero by 2045.

4.1.9 Green Industrial Strategy

The Scottish Government's Green Industrial Strategy[23] aims to help Scotland realise the economic benefits of the global transition to Net Zero. The strategy highlights Scotland's strengths and opportunities during the transition and outlines six key factors that will enable a positive environment for investment and growth:

- Supporting investment, ensuring an investment-friendly ecosystem;
- Investing in strong research and development foundations;
- Supporting the development of a skilled workforce;
- Helping supply chain businesses to seize opportunities;
- Delivering an agile planning and consenting system; and
- Delivering required housing and enabling infrastructure.

In addition to the enabling factors, there are five areas of opportunity identified for the Scottish economy. The fifth of these is in clean energy intensive industries (EIIs), which highlights Scotland's future capacity for renewable energy generation and the demand for clean energy from EIIs such as data centres. The Stoics would be significant investments and would directly contribute to expanding the base of EIIs.

[23] Scottish Government (2024), *Green Industrial Strategy*. Available at: https://www.gov.scot/publications/green-industrial-strategy/

4.1.10 Scotland's AI Strategy

Scotland's AI Strategy[24] is the Scottish Government's plan to ensure Scotland can take advantage from the 'extraordinary' opportunity that AI will bring to how work done and as a new driver of economic success.

The strategy is structured around four outcomes against which the strategy will measure success:

- People and skills;
- Data and regulation;
- Infrastructure; and
- Companies and innovation.

The eight layers of the 'AI Stack' that are required to deliver on these outcomes are:

- Users;
- AI adoption and skills;
- Companies and products;
- Innovation and R&D;
- Data centres and infrastructure;
- Semiconductors;
- Data; and
- Regulation.

The strategy specifically states that the different layers of the AI Stack are all components that are interdependent and therefore need to work together to deliver social and economic good. In the strategy, data centres are highlighted as 'critical national infrastructure' as it is central to data sovereignty and the development of a AI skills and capabilities base.

The strategy specifies that 'establishing advanced compute infrastructure' is both strategically and economically important. Strategically important as sovereign data centres enhance national resilience and support critical services, and economically significant by providing clustering opportunities for companies and therefore catalyse growth and support skills, development and research.

The Stoics would contribute to the interconnected AI Stack framework by developing a domestic source of advanced compute infrastructure, contributing to both national resilience and economic growth.

[24] Scottish Government (2026), Scotland's AI Strategy 2026 to 2031.

5. Economic and Fiscal Impacts

This section presents an analysis of the economic and fiscal contributions of the Stoics.

5.1 Approach and Methodology

5.1.1 Modelling the Economic Impact of Data Centre Developments

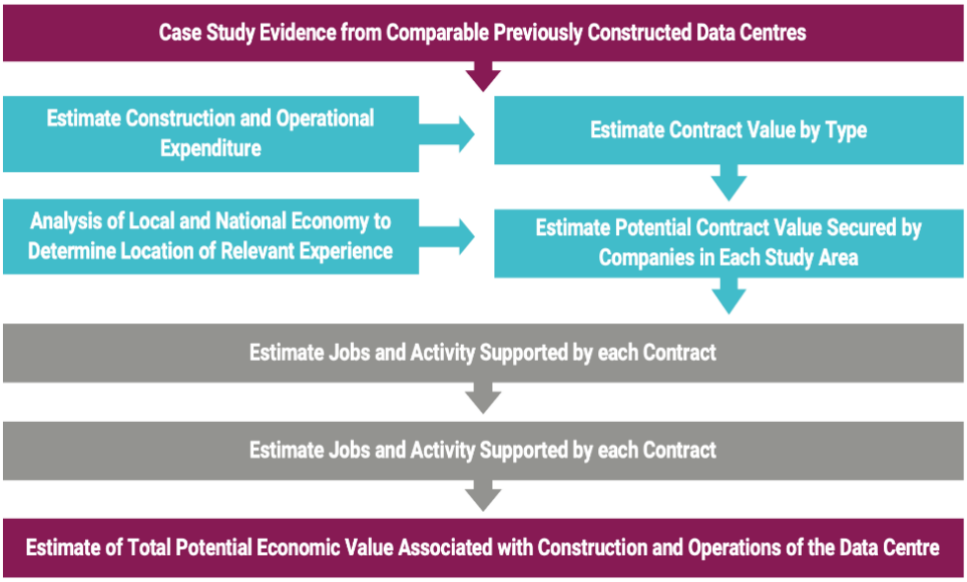
The analysis was conducted using an Input-Output modelling, combined with the data collected from the following sources:

- developer-provided reference projects and estimated costs;
- publicly available hyperscale data centre cost studies in the UK, Scotland and internationally;
- industry research reports and analyst publications; and
- prior BiGGAR Economics experience with data centre developments.

To estimate the economic activity supported by the Stoics, it was necessary to calculate expenditure during the construction and operational phases. The total expenditure figure was then divided into its main components using assumptions regarding the expected share by main and sub-contractors. This provided an estimate for each main component that could be secured in each study area. There were four key stages of the economic modelling (see Figure 5-1):

- estimation of capital and operational expenditure;
- estimation of the value of component contracts that make up total expenditure;
- assessment of the capacity of businesses in the study area to perform and compete for component contracts; and
- estimation of economic impact from resultant figures.

Figure 5-1 Approach to Economic Impact



Source: BiGGAR Economics.

The results are based on the individual report findings for Cato Data Centre, Rufus Data Centre and Aurelius Data Centre.

5.1.2 Study Areas

The assessment impacts considered the impact on the Scottish economy[25].

5.1.3 Measures of Economic impact

The economic impacts were reported using the following measures:

- **Gross Value Added (GVA)**: a commonly used measure of economic output, GVA captures the contribution made by an organisation to national economic activity. This is usually estimated as the difference between an organisation's turnover and its non-staff operational expenditure (bought-in supplies of goods and services); and
- **Employment**: this is expressed as years of employment during the construction phase and as annual jobs for operations. Years of employment are used to report the short-term employment that is supported during construction. As an example, a full-time job that lasts for 18 months would support 1.5 years of employment.

5.1.4 Sources of Economic Impact

The assessment considered the following sources of economic impact:

- **direct impacts**: the economic value generated through the contracts associated with the Stoics;

[25] The individual reports consider **leakage**, the proportion of activity that might take place outside of the main study area. In each individual report, the economic impact considers the impact in the Local Authority and Scotland to capture leakage effects. Consideration has also been taken for activities taking place outside these study areas.

- **indirect impacts**: the impact from the spending on bought in goods and services from suppliers; and
- **induced impacts**: the impact from the spending of those workers whose employment is supported by the Stoics.

5.1.5 Fiscal Contributions: Methodology

The analysis included estimates of how the Stoics will support public finances, fiscal impacts.

The approach to estimating impacts from Income Tax and National Insurance Employer and Employee contributions (NICs) drew on the estimate of direct and indirect employment supported by the Stoics construction and operations phases.

Data on average earnings by sector as reported by the ONS Annual Survey of Hours and Earnings (ASHE) [26] were utilised to estimate the average tax liability of any given person employed. ASHE offers detailed gross annual earnings data for full-time employee jobs by sector in Scotland, providing a robust foundation to capture variations in the average earnings within each relevant sector. NICs were estimated based on overall rates for employers and employees as set out in HM Revenue and Customs' 'Rates and Allowances National Insurance Contributions'[27]. Income tax bands for Scotland[28] were used to estimate income tax.

The approach to estimating VAT impacts also drew on the estimate of direct and indirect employment and disposable income (i.e., income net of income tax and employee national insurance contributions). Based on the most recent data on the mean indirect taxes as a percentage of disposable income for all UK households[29], it was estimated VAT spend accounts for 6.7% of disposable income.

Non-domestic rates estimates were calculated using the average rateable rates per MW from other operational hyperscale data centres of comparable scale in London and South East. For example, the cluster of data centres in Slough which is of a similar scale to the Stoics pays £30.0 million in business rates annually[30] and a 256 MW data centre in Southall in Ealing is expected to pay £14.6 million in business rates[31]. Hertsmere Data Centre (320 MW) is expected to pay £21.4 million in non-

[26] ONS (2025), Annual Survey of Hours and Earnings (ASHE). Available at: https://www.gov.scot/publications/annual-survey-of-hours-and-earnings-2025/

[27] HM Revenue and Customs (2026), Rates and Allowances National Insurance Contributions. Available at: https://www.gov.uk/government/publications/rates-and-allowances-national-insurance-contributions/rates-and-allowances-national-insurance-contributions

[28] UK Government (2026), Income Tax in Scotland, available at: https://www.gov.uk/scottish-income-tax

[29] ONS (2025), Effects of taxes and benefits on UK household income: financial year ending 2024. Available at: https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/theeffectsoftaxesandbenefitsonhouseholdincome/2024

[30] Kao Data (2026),The *Quiet Revolution: How data centres remade Slough and secured the UK's digital future*. Available at: https://kaodata.com/uploads/Kao-Data-Slough-1GW-Hub-Whitepaper.pdf

[31] Urquhart, C. (2025) *Second new data centre planned for Ealing*, The View from W5, 19 May. Available at: https://theviewfromw5.substack.com/p/gtr-southall-data-centre-ealing

domestic rates annually[32], whereas the East Havering Data Centre (600 MW) will generate income for the Havering Council of £13.5 million annually[33]. For these projects, rateable values were estimated on a £ per MW basis based on the UK Government guidance[34]. The appropriate poundage rates were then applied[35]. The annual liability was calculated by multiplying the estimated rateable value of the Stoics by the Scottish Higher Property Rate of 54.8 pence. The figures provided are estimates and are subject to valuation by assessors.

5.2 Construction

5.2.1 Research and Market Data: Construction Costs

Table 5-1 considers the data centre construction costs per MW collected from various sources which vary in scope. Some sources report build and infrastructure costs only, while others include IT hardware. As a result, the derived cost per MW should be interpreted as an indicative all-in estimate. The figures are converted in pounds where relevant and are presented in 2025 prices.

Table 5-1 Data Sources: Construction Cost Estimates

Reference Area	Data Source	$m per MW	£m per MW (2025)	Average (£m)
Scotland	Soben (2024)[1]	-	8.6	**8.3**
	BiGGAR Economics' experience	-	7.7-8.1	
UK / London	Project-Specific Information[2]	-	9.4	**8.8**
	Savills (2024)[3]	10.2	8.1	
	Turner & Townsend (2025)[4]	12.0	9.0	
Europe	Dgtl Infra[5]	14.0	11.1	**10.8**
	Savills (2024)[3]	-	7.4-13.7	
USA	Dgtl Infra[5]	7.0-12.0	7.5	**8.1**
	Cushman & Wakefield[6]	9.3-11.7	8.7	

Sources: [1]Soben (2024), *Why Scotland is Europe's next data centre hub*, [2] This includes publicly available economic impact assessments and analysis from a variety of relatively large data centres in the UK and particularly London; [3] Savills (2024), *Costs on the rise*, [4] Turner & Townsend (2025), *Data centre construction cost trends*; [5] Dgtl Infra (2023), *How much does it cost to build a data center?*; [6] Cushman & Wakefield (2025), *Data Center Development Cost Guide 2025.*

[32] Hertsmere Borough Council (2025) *Data centre in Hertsmere given outline permission by planning committee,* Hertsmere.gov.uk, 24 January. Available at: https://www.hertsmere.gov.uk/news/data-centre-in-hertsmere-given-outline-permission-by-planning-committee

[33] Digital Reef (2025) *Find Out More – East Havering Data Centre*, East Havering Data Centre Campus. Available at: https://www.easthaveringdatacentrecampus.com/find-out-more#:~:text=The%20scheme%20is%20expected%20to,of%20%C2%A313.5million%20annually.

[34] Gov.UK (2026), Estimate your business rates. [online]. Available at: https://www.gov.uk/calculate-your-business-rates

[35] Scottish Government (2026), Non-Domestic Rates Guidance: Overview. Available at: https://www.mygov.scot/non-domestic-rates-guidance

Considering the markets in Europe, including London, tend to have more expensive costs, the estimates for Europe as a whole and UK/London are considered upper bound figures[36]. Costs are about 30-40% higher in Europe compared to the USA[37]. Based on Scottish available data, it is expected that the average construction cost is **approximately £8.3 million per MW**. This figure is in line with the developer's expectations for costs and has been used in this report. As the Stoics remain at an early stage of development, these figures represent conservative estimates and are subject to refinement as design, planning and procurement progress.

According to publicly available sources on data centres[38] [39] [40] [41], the breakdown of construction contracts is expected to be as follows:

- **Land and Building Shell (15-20% of expenditure)**: including building shell and raised floor;
- **Electrical Systems (40-45%)**: including electrical backup generators, batteries, power distribution unit (PDU), uninterruptible power supply (UPS), switchgear/ transformers[42];
- **HVAC/Mechanical/Cooling Systems (15-20%)**: including computer room air conditioner (CRAC), computer room air handler (CRAH), air cooled chillers, chilled water storage and pipes;
- **Fire Suppression (2-3%)**; and
- **Building Fit-Out (10-25%)**: lobby/entrance, meet-me room (MMR), shipping & receiving area[43].

These categories exclude the cost of computing hardware. Evidence from the USA indicates that expenditure on installed computing equipment is likely to be comparable to, or even exceed, the cost of constructing the facility itself[44]. Evidence from the UK shows that IT equipment usually accounts for about 40%-60% of the total capital expenditure of a data centre[45]. An estimate of approximately 50% of the

[36] Dgtl Infra (2023), *How much does it cost to build a data center?.* Available at: https://dgtlinfra.com/how-much-does-it-cost-to-build-a-data-center/#:~:text=$2%2C200%20per%20NRSF.-,Megawatts%20(MW),megawatt%20of%20commissioned%20IT%20load.

[37] Thunder Said Energy (2025). *Data-centers: the economics?.* [online] Thunder Said Energy. Available at: https://thundersaidenergy.com/downloads/data-centers-the-economics/

[38] Dgtl Infra (2023), *How much does it cost to build a data center?.*

[39] Vila, D. (2025) *Deconstructing the Data Center: A Look of Cost Structure Igniting the AI Boom!.* Alpha Matica

[40] Howell, J. (2025). *Breaking Down Data Center Cost: Building vs. Outsourcing.* ENCOR Advisors. [online]. Available at: https://encoradvisors.com/data-center-cost/

[41] Savills (2024), *Costs on the rise.* Available at: https://www.savills.co.uk/research_articles/229130/362695-0

[42] The Network Installers (2025). *Data Center Construction Market Statistics.* Available at: https://thenetworkinstallers.com/blog/data-center-construction-market-statistics/

[43] Across different data sources this ranges between 10% - 15% and 20% - 25%. In the analysis a conservative 17% figure is used.

[44] Vila, D. (2025) *Deconstructing the Data Center: A Look of Cost Structure Igniting the AI Boom!.* Alpha Matica

[45] Secure I.T. Environments Ltd (NA) *What does it cost to build a Data Centre?.* Available at: https://siteltd.co.uk/what-does-it-cost-to-build-a-data-centre/

total expenditure was used in this analysis. The shares across the other construction contract categories were readjusted to account for this.

5.2.2 The Stoics Expenditure

The following table presents the breakdown of the combined construction expenditure for the Stoics.

Table 5-2 Construction by Contract Type

	% of Capex	Total (£m)
Land & Building Shell	10%	1,290
Electrical systems	22%	2,860
HVAC/Mechanical/Cooling Systems	11%	1,360
Fire suppression	1%	140
Building Fit-Out	9%	1,160
Hardware (IT, Servers etc.)	47%	6,030

Source: BiGGAR Economics. Note: Totals may not sum due to rounding.

To estimate the economic impacts from the construction of the Stoics, it was necessary to make assumptions on the ability of Scottish businesses to carry out contracts. It was estimated that approximately 20% of the contracts will be carried out by Scottish businesses, with a value of £2.6 billion. The largest opportunity for Scottish businesses would be in contracts associated with the land and building shell, which could be worth a total of £1.1 billion for the three Stoics.

Table 5-3 Construction Expenditure in Scotland

	% of Capex	Total (£m)
Land & Building Shell	85%	1,100
Electrical systems	10%	290
HVAC/Mechanical/Cooling Systems	10%	140
Fire suppression	20%	30
Building Fit-Out	60%	690
Hardware (IT, Servers etc.)	5%	300
Total	**20%**	**2,550**

Source: BiGGAR Economics Analysis. Note: Totals may not sum due to rounding.

5.2.3 Economic Impact

Having estimated the size of the contracts that could benefit Scotland, it was possible to consider the GVA and years of employment that these could support. Each contract category was split into its component contracts and assigned to an

industrial sector. Direct GVA was then estimated by applying the relevant turnover to GVA ratio from the Scottish Annual Business Survey (ABS)[46].

It was estimated that the construction of the Stoics could generate £1.0 billion direct GVA in Scotland as a whole, during construction.

Table 5-4 Construction, Direct GVA in Scotland (£m)

	Total (£m)
Land & Building Shell	400
Electrical systems	120
HVAC/Mechanical/Cooling Systems	60
Fire suppression	10
Building Fit-Out	290
Hardware (IT, Servers etc.)	120
Total	**1,000**

Source: BiGGAR Economics Analysis. Note: Totals may not sum due to rounding.

It was possible to estimate the number of direct jobs supported by spending in construction contracts, by dividing the expenditure in each contract by the turnover per job ratio for the relevant sector. It was estimated that the development of the Stoics could generate 12,340 direct years of employment in Scotland.

Table 5-5 Construction, Direct Employment in Scotland (Years of Employment)

	Total Years of Employment
Land & Building Shell	4,710
Electrical systems	1,450
HVAC/Mechanical/Cooling Systems	730
Fire suppression	150
Building Fit-Out	3,990
Hardware (IT, Servers etc.)	1,310
Total Years of Employment	**12,340**

Source: BiGGAR Economics Analysis. Note: Totals may not sum due to rounding.

Expenditure in construction contracts is also expected to generate 'knock-on' effects across the economy. In particular, it will be associated with further rounds of expenditure along the supply chain, and with the spending of the wages and salaries of those involved in the construction of the Stoics. These are referred to as 'indirect'

[46] Scottish Government (2025) *Scottish Annual Business Statistics 2023*. [online] Available at: https://www.gov.scot/publications/scottish-annual-business-statistics-2023/

and 'induced' impacts. To estimate indirect and induced impacts, it was necessary to apply the relevant Type 1 and Type 2 GVA and employment multipliers from the Scottish Government Input-Output Tables[47] to direct GVA and direct employment.

Adding up direct, indirect and induced impacts, it was estimated that the construction of the Stoics could generate at least £1.8 billion GVA and 22,080 years of employment in Scotland.

Table 5-6 Economic Impact of Construction Spending in Scotland (£m)

	Total (£m)
Direct GVA	1,000
Indirect GVA	530
Induced GVA	310
Total GVA	**1,840**

Source: BiGGAR Economics Analysis. Note numbers may not sum due to rounding

Table 5-7 Economic Impact of Construction Spending in Scotland (Years of Employment)

	Total Years of Employment
Direct Employment	12,340
Indirect Employment	6,500
Induced Employment	3,240
Total Years of Employment	**22,080**

Source: BiGGAR Economics Analysis. Note numbers may not sum due to rounding

In modelling the impacts during the construction phase, **displacement** was taken into consideration. This is the extent to which activity generated might replace activity elsewhere in Scotland, due to the presence of the Stoics. The construction sector operates with a flexible and mobile workforce, with businesses operating across multiple sites and adjusting capacity in response to demand. Therefore, any displacement is expected to be limited, short-term in nature and not on a Scotland-wide level.

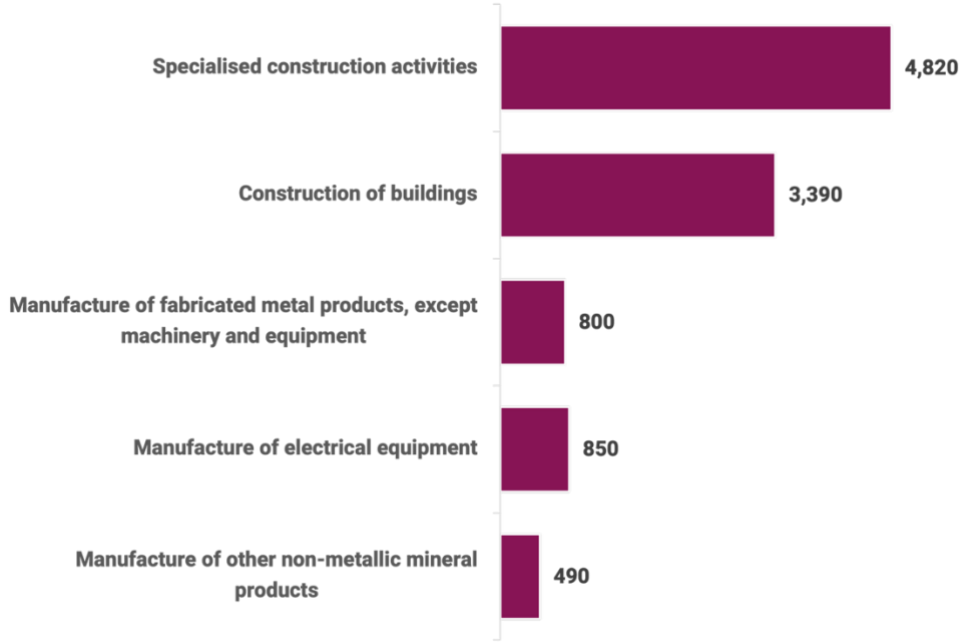
5.2.4 Opportunities across Scotland

There are several local opportunities associated with the construction of the Stoics. These are mainly related to core construction activities, specialist building services and manufacturing supplying materials and equipment. The construction contracts associated with the project represent a significant opportunity for employment in the 'Specialised construction activities', 'Construction of Buildings' and 'Manufacturing of

[47]Scottish Government (2025) *Supply, Use and Input-Output Tables*. [online] Available at: https://www.gov.scot/publications/about-supply-use-input-output-tables/

fabricated metal products' sectors. This could directly generate 4,820 job-years in the first sector, 3,390 in the second and about 800 in the latter (Figure 5-2).

Figure 5-2 Top 5 Construction Opportunities (Direct Job Years)



Source: BiGGAR Economics Analysis.

5.2.5 Fiscal Contributions

The economic activity arising from the construction of the Stoics will also result in various fiscal benefits.

Staff contribute through the payment of employment taxes (in addition to the contribution of spending their wages), such as through their NICs and income tax, as well as the NICs made by the employer. In addition, VAT is generated through the purchase of goods and services associated with the Stoics.

Using the latest rates and the methodology described in paragraph 5.1.5, the Stoics is estimated to generate £320 million in fiscal contributions (from direct and indirect employment) throughout the total construction period. This is broken down to £120 million in income tax revenues, £160 million in NICs, and it will also generate an additional £40 million of VAT paid.

Table 5-8 Fiscal Contributions in Scotland – Construction, £m

	Total (£m)
Income Tax	**120**
NICs	**160**
VAT	**40**
Total Fiscal Contribution	**320**

Source: BiGGAR Economics Analysis. Note numbers may not sum due to rounding.

5.3 Operations

5.3.1 Research and Market Data: Operations Costs

Table 5-9 summarises data centre operations costs per MW collected from various sources.

Table 5-9 Data Sources: Operation Costs Estimates

Reference Area	Data Source	$m per MW	£m per MW (2025 Prices)	Average (£m)
Scotland	BiGGAR Economics' Previous Experience	-	0.7-1.0	**0.9**
USA	Vila (2025)[1]; Thunder Said Energy (2025)[2]	0.6-1.7	0.4-1.3	**0.9**

Sources: [1]Vila, D. (2025) *Deconstructing the Data Center: A Look of Cost Structure Igniting the AI Boom!.* Alpha Matica.; [2] Thunder Said Energy (2025) *Data-centers: the economics?*.

Based on available data, it is expected that the average operational cost will be approximately **£0.9 million per MW**. This will include:

- electricity;
- infrastructure maintenance;
- staffing and human resources;
- network and bandwidth; and
- software, security and compliance.

These figures exclude the cost of IT hardware refresh which represents a recurring capital reinvestment typically spread over a 5-6-year replacement cycle rather than an annual operating cost[48].

[48] [1]Vila, D. (2025) *Deconstructing the Data Center: A Look of Cost Structure Igniting the AI Boom!.* Alpha Matica.

5.3.2 The Stoics Operations Impact

During the operations phase, the annual cost was estimated to be **£1.3 billion**, a portion of which corresponds to each data centre's own workforce and value added. Operational spending was split into the following categories:

- **direct on-site** (the Stoics total number of staff);
- **supplier spending** (maintenance, energy and contracted services); and
- **staff spending** (induced impacts).

Direct On-site Impact

A similar approach to the construction phase was followed, with employment multipliers (i.e. turnover per job) applied to at least 310 on-site jobs to calculate turnover associated with on-site operations. The total turnover generated in each study area was then divided by the turnover to GVA ratio of relevant sectors associated with these activities.

Supplier Spending Impact

The core outputs of the Stoics will be data-processing and hosting services. This makes them major consumers of energy. When modelling the operations-phase impacts, the data centres are the final demand units that purchase electricity but there are also maintenance and other support services. This expenditure creates indirect effects in the supplying industries.

The Stoics will be built to the highest standards of efficiency, security, and sustainability with an aim to run on 100% renewable energy[49]. For the purposes of modelling, a renewable energy scenario was applied, with wind generation used as an illustrative example of renewable resources available in Scotland. This provides a reasonable indication of the scale of renewable capacity associated with the Stoics, recognising that the actual energy mix may include a combination of wind, storage and grid support. The economic impacts of using other renewable technologies would not differ substantially.

An input-output modelling exercise was undertaken to estimate the impact associated with the renewable energy projects supplying the Stoics. This was based on BiGGAR Economics' previous experience on renewable energy assessments and provides an indicative estimate of energy-related impact.

This renewable energy supply involves substantial capital investment. Demand for renewable electricity supports investment in new generation infrastructure, creating significant economic benefits during construction, in addition to ongoing operation and maintenance activity.

For other maintenance and support services, including infrastructure maintenance, network and bandwidth, software, security and compliance contracts, the

[49] ILI Group (2026), *The Stoics Project*. Available at: https://meetings.ili-energy.com/rufus-data-centre-project/

expenditure was analysed and assigned to relevant sectors and the GVA and employment impact in each sector was estimated using figures from the Annual Business Survey in a similar way as with the construction phase. About 41% of this spending was estimated to be in Scotland.

Further impacts throughout their supply chain (indirect) and from staff spending their wages (induced) were captured by applying multipliers from Scottish Government's Input-Output Tables.

Staff Spending Impact

The 310 staff members who will be directly associated with on-site operations of the Stoics are also expected to create an impact by spending their wages and salaries each year.

Based on analysis of typical household expenditure, it was assumed that staff would spend 70% of their salaries in Scotland. The GVA and employment impacts were estimated based on the typical sectors for household expenditure.

Total Operational Impact

Adding up direct, supplier and staff impacts, it was estimated that, during the annual operations, the Stoics could generate about £2.4 billion GVA and 1,330 jobs in Scotland.

Table 5-10 Economic Impact of Operational Spending in Scotland

	Total	
	GVA (£m)	**Jobs**
Direct	20	310
Supplier	110	770
Staff Spending	30	250
Annual Total	160	1,330
Over a Typical Economic Cycle (~15 years)	**2,400**	**1,330**

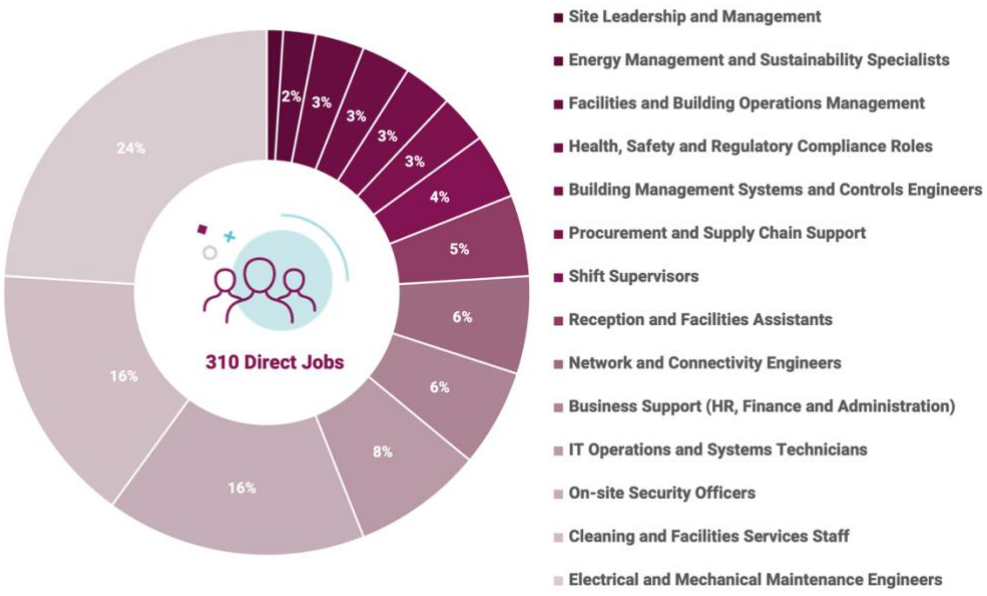
Source: BiGGAR Economics Analysis. Note numbers may not sum due to rounding.

The analysis considers potential **displacement** of activity during operations. The Stoics are expected to add to rather than displace existing activity in sectors relevant to the operation phase. Scotland could become a hub for innovation leading to beneficial displacement of economic activities towards more data-intensive sectors. This would create high demand of skilled pool of workers. Therefore, there will be a displacement of low productivity to high productivity jobs which positively affects productivity and economic growth.

5.3.3 Opportunities across Scotland

The main direct economic opportunities during the operational phases of the Stoics are likely to be related to electrical and mechanical engineering, including maintenance and repair activities, cooling and energy systems management. Other opportunities will be related to security and monitoring, facility and site management as well as IT and data centre operations, including network management and energy systems support (see approximate breakdown in Figure 5-3).

Figure 5-3 Direct Operational Jobs



Source: BiGGAR Economics Analysis.

Jobs supported in the operations of the Stoics will tend to be in sectors that have relatively high levels of productivity and staff costs[50]. On average, direct GVA per job (a measure for productivity) associated with the Stoics is estimated to be £68,000 which is higher than the average in Scotland (£64,589)[51].

High-productivity jobs are also well-paid, high-quality jobs. The average salary estimated for these roles is over £50,000, which over 50% higher than the average full-time salary in Scotland.

[50] Office for National Statistics (2025), Annual Business Survey, Division by Country and Region, 2008 to 2023 Datasets.

[51] Scottish Government (2025), Scottish Annual Business Statistics 2023.

5.3.4 Fiscal Contributions

As with the construction phase, using the latest rates and the methodology described in paragraph 5.1.5, the Stoics are estimated to generate £10 million in fiscal contributions when they become operational. This is broken down to £4 million in income tax revenues, £5 million in NICs and it will also generate an additional £1 million of VAT paid.

Table 5-11 Annual Fiscal Contributions – Operations, £m

	Total (£m)
Income Tax	4
NICs	5
VAT	1
Total Fiscal Contribution	**10**

Source: BiGGAR Economics Analysis. Note numbers may not sum due to rounding.

Although precise **corporation tax payments**[52] cannot be quantified at this stage, the data centre sector is characterised by high operating performance once facilities are operational. Particularly for larger-scale data centres, like the Stoics, industry evidence shows that they can achieve high operating margins (assessed using EBITDA as proxy for profitability)[53]. This implies that the Stoics are expected to generate substantial taxable profits over their operational life and to make a significant contribution to UK corporation tax receipts.

Non-Domestic Rates

In addition to the above-mentioned fiscal contributions, the Stoics will be liable for non-domestic rates, the payment of which would contribute directly to public sector finances and infrastructure investments.

Using the approach outlined in paragraph 5.1.5, it was estimated that over their operational periods, the Stoics could make a total annual contribution of about £80 million to public finances. Across a typical 15-year operational economic cycle, this contribution towards non-domestic rates is anticipated to accumulate to about £1.2 billion.

[52] Corporation tax is a UK-wide tax paid to HMRC and not assigned to Scotland. While the tax is reserved to the UK Government, economic activity in Scotland contributes to the wider UK fiscal position from which Scottish public funding is drawn.

[53] CBRE Investment Management (2024). *Data Center Investment: Decoding Opportunities.* By T. Tsoneva and J. Affleck, 17 July. Available at: https://www.cbreim.com/insights/articles/decoding-data-centers.

6. Wider Socio-Economics Implications

The Stoics are expected to generate wider catalytic impacts, enhancing digital infrastructure and boosting long-term economic resilience.

Key Takeaways:

- The Stoics deliver core digital infrastructure that can help reverse low productivity by strengthening connectivity and enabling higher-value digital activity;
- They act as catalysts for skills, innovation and supply chain growth, supporting clusters between regional hubs and Scottish universities and helping build a critical mass of data-driven businesses and cross-sectoral investments;
- Good practice shows that opportunities for business in each local authority will be enhanced by mapping the local supply chain and mandating local content in contracts, while proactively closing the anticipated initial skills gap through skills provider partnerships to support medium-to-long term workforce development and supporting Community Wealth Building;
- The Stoics can support community wellbeing by fostering collaboration among local groups and helping to address key local issues; and
- The design of the data centres will ensure a net overall benefit to the natural environment, focusing on opportunities for landscape enhancement and improved biodiversity, and connections with Green Networks in Scotland.

6.1 Wider Catalytic Impacts

Wider catalytic impacts refer to the longer-term impacts that arise when the data centre enhances digital infrastructure and enables new business activity, innovation and productivity beyond the immediate construction and operational impacts. These contributions directly support the national priority areas considered in Section 4 of this report.

6.1.1 Strengthening Digital Infrastructure and Connectivity

Taking into consideration the increasing volume of data, additional digital infrastructure enabled by data centres is vital in supporting a digital economy. This is shown in the findings on the TechUK report referenced in section 3 which highlights the significant economic impact data centres generate in the UK in terms of GVA and employment and the future potential. The Stoics support this growth opportunity by

providing additional low-carbon, capacity digital infrastructure being the largest data centres in the world. They will strengthen Scotland's role within the UK's digital economy, supporting productivity and long-term economic development.

The Stoics will support new investment in fibre and power infrastructure, improving connectivity for surrounding areas and supporting future digital growth that could benefit businesses and consumers.

6.1.2 Building Skills and Talent Ecosystem

The creation of a skills ecosystem is the most important catalyst for the economic future. The challenge is shown by the Scotland's Productivity Challenge report published in 2025[54], which highlighted a key contradiction: Scotland has one of the most educated workforces in the OECD; however, businesses report significant gaps in digital skills and job growth since 2009 has been concentrated in 'relatively low value-added service sectors'.

The Stoics are intended to act as catalysts to help reversing this trend by creating demand for new, high-productivity jobs that require advanced digital, technical and professional skills which are transferable across multiple sectors and may not be present in Scotland. The Stoics' Green Digital Corridor will be the base of a cross-regional skills and talent ecosystem. The data centres will provide the digital infrastructure needed to support new ways of working, encouraging people to develop new capabilities and shift to more productive sectors. This will provide a pathway for upskilling the existing workforce.

6.1.3 Supporting Supply Chain and Innovation

The Stoics can support wider economic activity by giving existing businesses and organisations the digital capacity they may currently lack. With access to reliable computing, businesses across Scotland will be better able to run data-heavy processes, improve the way they work and develop new ideas. This supports business growth and helps keep more economic value locally.

Rather than operating in isolation, the projects will serve as bases for a wider digital ecosystem, supported by growth sectors across Scotland. Improved digital capability makes it easier for organisations to collaborate. The Stoics could enable a cluster, where universities, research groups and businesses can collaborate through shared digital infrastructure. This approach allows partners across Scotland, to test, analyse and share data more easily, boosting existing relationships and encouraging more R&D activity.

The developments enhance activity in connected sectors such as renewable energy, telecommunications and software development. Its use of renewable power and

[54] Williams, D., Tsoukalas, J., Wessels, B. and Gaska, P. (2025) *Scotland's Productivity Challenge: Exploring the Issues – 2025*. Productivity Insights Paper No. 045. The Productivity Institute. Available at: https://www.productivity.ac.uk/wp-content/uploads/2025/01/PIP045-Scotland-Insights-Paper-January-2025.pdf

connectivity reinforces demand for these industries and helps sustain specialist skills and services within the Scottish economy[55].

6.1.4 Increasing Investment Attraction and Competitiveness

An additional, catalytic benefit is that of attractiveness for investment that comes from improved digital, business and skills infrastructure, increasing the likelihood of further inward investment in Scotland across growth sectors. The Stoics can support investment in energy and low-carbon infrastructure, reflecting the increasing integration of data centres with renewable generation, energy storage and grid. They can also drive inward investment into construction, engineering and specialist manufacturing supply chains throughout the delivery programmes.

Beyond user-facing industries, the Stoics act as anchors for the tech sector itself, providing the high-capacity, secure infrastructure such companies need to develop their own digital offerings. This is particularly important in Scotland considering it is one of the fastest-growing tech regions in the UK with a continuous increase in venture capital investments (see section 3).

As a key part of Scotland's national strategy to become a leading zero-carbon data hosting location, the Stoics help build a more distributed digital network. This complements established tech hubs strengthening the entire Scottish ecosystem and enhancing its competitiveness for further international investment. It creates a critical mass, a data cluster which may attract major international investors who are searching for places with scalable capacity.

6.2 Good Practice: Local and Community Benefits

To explore the potential for local and community benefits from the Stoics, this section draws on the Community Wealth Building (CWB) model. CWB provides a framework for thinking about ensuring local and community benefits and is referenced in Scotland's National Planning Framework.

6.2.1 Community Wealth Building

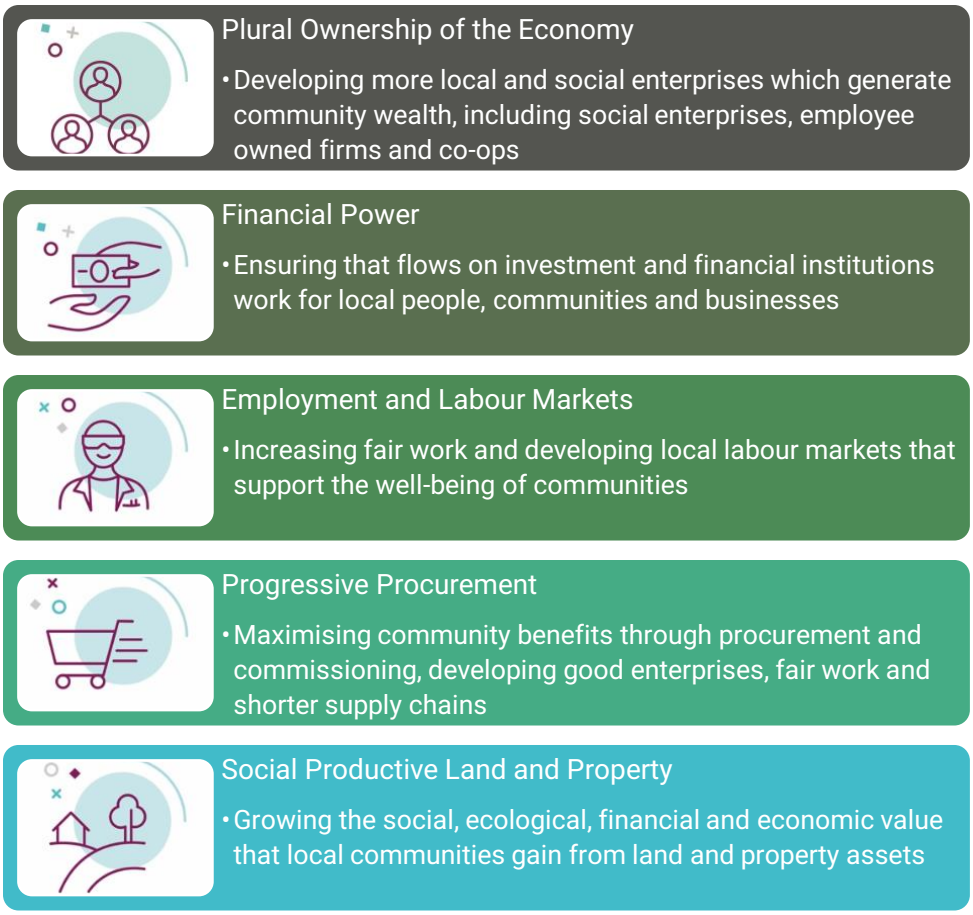
To ensure that communities benefit from a given development, CWB encourages the consideration of five pillars:

- plural ownership of the economy;
- making financial power work for local places;
- fair employment and just labour markets;
- progressive procurement of goods and services; and
- socially productive use of land and property.

More details on what each of these pillars are outlined in Figure 6-1. Acting on each of these pillars helps wealth circulate around the local economy to the benefit of a community, limiting the ease by which wealth is extracted from the local area.

[55] Soben (2024), *Why Scotland is Europe's Next Data Centre Hub.* Available at: https://sobencc.com/white-papers/scottish-data-centres/.

Figure 6-1 Community Wealth Building Pillars



Evidence shows that when projects and procurement practices are designed with CWB in mind, the outcomes on communities are noticeably improved[56].

6.2.2 Principles to Support Local and Community Benefits

Building on the CWB model, Scottish Renewables has developed guidance to support the maximisation of socio-economic benefits for renewables.[57] The guidance outlines a set of principles to support developers in exploring potential local and community benefits, and a set of themes through which to assess potential benefits of the development. This guidance has proved useful in encouraging renewable developers to consider their local and community benefits and a useful way to examine the benefits that this development will bring.

Whilst that guidance is for renewable energy developments, it is a useful framework for all types of development, including data centres.

The guidance recommends that a developer's approach is:

[56] Centre for Local Economic Strategies (April 2023) https://cles.org.uk/blog/does-it-work/
[57] Scottish Renewables (2025), Maximising net socio-economic benefit of renewable energy guidance and reporting framework

- **Place based**: every project and community is different, any approach to ensuring local and community benefits needs to be tailored to the local community.
- **Innovative**: many of the benefits come about because of innovation at the project level.
- **Collaborative**: many of the benefits may require input and support of others in the public, private and third sector to realise.
- **Transparent**: transparency creates trust which is essential for building relationships with communities and collaborators.
- **Flexible**: a project can change from inception and completion, and being flexible supports the realisation of benefits.
- **Deliverable**: providing communities with realistic expectations about what can be delivered helps achieve trust.

In applying these principles the guidance has identified four themes that can be used by developers when considering what commitments they might make:

- skills and workforce development;
- supply chain;
- community empowerment; and
- environmental protection and enhancement.

These principles and themes help form the basis for structuring the assessment of local and community benefits.

6.2.3 Skills and Workforce Development

A well-developed, future-ready workforce is essential to ensuring that infrastructure investments translate into long-term economic and social value. Skills and workforce development are among the most effective ways to maximise local benefits, by creating high-quality employment and by ensuring local people can access and thrive in these roles.

The Stoics are likely to generate at least 310 jobs on-site. Many of these jobs will support implementation and operations, and require medium to high skills, including network, systems, and storage engineers and technicians, and data managers. There are ways in which the projects could support the attainment of skills locally and help make a major contribution to building community wealth.

Potential Opportunities:

ILI Group is committed to establishing a **£60.0 million fund to create 3,000 new apprenticeship opportunities** across Scotland. A **new Foundation** will also be created which will receive **£20.0 million from each of the three Stoics prior to any construction works**. The Foundation will hold and manage the assets and disburse the funds, with a Board set up to manage the delivery of the programmes.

The fund will target high school age children, school leavers, young adults, adult apprenticeships, and ASN opportunities, aiming to set 3,000 Scottish young people on a lifelong career path who may otherwise have missed out. This initiative will help solve skills shortages while also securing local employment opportunities.

- **Collaborations with local colleges and universities**: the educational institutions could support the projects through hosting conferences and events, helping to identify skilled staff, assist with recruitments, provide placements and organising site visits as well as helping to upskill existing workforce;
- Other opportunities could include collaborations with regional **Developing the Young Workforce** (DYW) to make young people in the region aware for the career opportunities that will be unlocked in the future due to the Stoics.

6.2.4 Supply Chain

A strong local supply chain can play a vital role in supporting employment and retaining wealth within communities. Progressive procurement practices, particularly those that actively support small and medium-sized enterprises (SMEs), employee-owned firms, co-operatives, social enterprises, and community-owned businesses, can help ensure that investment generates lasting value locally.

While specialised capital equipment may need to be sourced from further afield, procuring more general goods and services from local suppliers can deliver meaningful local economic benefit. By collaborating with local stakeholders and supporting the growth of local supply chains, large-scale investors can help reshape the long-term economic trajectory of the places in which they operate.

Potential Opportunities:

To encourage local content the developer will explore the following:

- **Local content requirements**: directly specifying local content within contracts or using a weighting system in favour of local content to select between contractors. This incentivises companies that already have policies to maximise the use of local suppliers.
- **Directory of local contractors**: collating a list of local contractors and actively expanding it to ensure competitiveness. Sub-contractor selection would be based on factors like locality, quality, speed, travel distance, and price. Additionally, organisations like Business Gateway could potentially support the creation of a directory of local contractors to share with Tier 1 contractors, helping to assess local supply chain capacity and identify areas where a cost advantage might exist.
- **Meet the buyer events**: encouraging Tier 1 contractors to organise events that will support local contractors in understanding what will be needed and how to maximise their benefits.
- **Explore potential local business partners**: a number of potential partners to be identified, including local tech businesses or innovation hubs.

6.2.5 Community Wellbeing

Community wellbeing[58] is about creating the conditions for people to thrive socially, economically, and environmentally, while also recognising and addressing the specific challenges that a community may face. A new development can have wide-ranging impacts on local communities, both positive and negative, and it is important that the overall legacy of a project leaves the community better off.

While the identified initiatives in the previous sections, those targeting skills and workforce development and supporting the local supply chain, will generate significant community benefits; the immediate and primary financial and employment benefits will naturally accrue to those directly engaged in the development. Therefore, for each development's value to resonate across the entire community, developers must consider a holistic approach. This means moving beyond the critical goals of job creation and local business opportunities to actively and explicitly address broader effects.

A successful approach is one that promotes shared prosperity by mitigating negative impacts, enhancing positive contributions, and fostering a sense of ownership and pride in the development among local residents.

Potential Opportunities:

The following could support the community:

- **Supporting community councils**: community councils can sometimes face difficulties in generating plans and making applications for funding. Supporting community councils with these will help get a clearer idea of what the community needs and support the community to advocate for themselves;
- **Financial support for local initiatives:** the developer is committed to collaborating with community groups and supporting local initiatives by providing a financial contribution;
- **Heat project to reduce related costs for the communities:** with the developments generating a significant amount of heat there is potential for heating projects that might support nearby houses, local farming and food security, or participate in a regional heat transfer scheme. Heat recovery from the Stoics align with Local Heat and Energy Efficiency Strategies (LHEES) across Scotland by supporting future low-carbon district heat networks in the area. This is an opportunity which will be expanded with collaboration with other parties developing heat network proposals. A fund will also be provided for local people within a certain distance from the site to improve the insulation and power use of their homes including opportunities to install solar panels on their roof.

Potential community support options are being explored by the developer, including examples such as short-term support for household data costs and locally managed

[58] This theme is described using 'community wellbeing' rather than 'community empowerment' as suggested in the Scottish Renewables Guidance. Community wellbeing offers a broader, more universally understood framework for improving overall quality of life, and in under-resourced areas this direct focus on wellbeing often resonates more immediately than the potentially abstract concept of 'empowerment'.

funding mechanisms that could be directed by the community toward identified priorities.

6.2.6 Environmental Protection and Enhancement

This theme focuses on aligning developments with environmental protection and proactive enhancement. Maximising environmental benefits requires more than minimising harm; it calls for developments to actively contribute to ecological resilience and sustainability. This means adopting a forward-looking approach that not only mitigates environmental impacts but also creates opportunities for long-term environmental gain.

Environmental protection and enhancement must be embedded in project design. This involves taking steps to preserve existing ecosystems and deliver measurable improvements through actions such as habitat restoration, the creation of wildlife corridors, and reforestation efforts. The aim is to deliver a net positive environmental outcome, where natural systems thrive alongside new infrastructure. Engaging the local community in shaping environmental outcomes is also key to ensuring that enhancements reflect local needs and values, while fostering long-term stewardship.

Potential Opportunities:

Whilst planning and design of the data centres is on-going, the following opportunities could emerge:

- **Green building fabrics use:** the developer is committed to using materials with high thermal insulation which could be beneficial in terms of energy use;
- **Biodiversity:** the designs seek to ensure there is no net loss of biodiversity and in fact deliver a meaningful net gain;
- **Supporting land access and sustainable transport networks**: there will also be opportunities to support land access through improving and maintaining footpaths, which could be of benefit to both employees at the data centres and the public. This could improve sustainable transport options; and
- **Connect to Green Networks:** use of data centre sites to connect to wider Green Networks that promote natural initiatives to make Scotland a more attractive place to live, work and visit.

7. Conclusion

The Stoics will deliver significant economic value, strengthen digital infrastructure and generate lasting benefits for businesses, communities and the wider economy of Scotland.

UK and Scottish strategies strongly support green digital infrastructure as a driver of productivity and innovation. UK initiatives such as the AI Growth Zones focus on accelerating advanced computing capacity and attract investment, whereas Scotland's strategies show data centres as part of the transition to a Net-Zero economy. The Stoics align with these priorities by boosting digital capacity and contributing to high-value economic activity.

During the construction phase it is estimated that the Stoics will generate **£1.8 billion GVA and c.22,080 job years in Scotland**. During construction, the main opportunities for Scottish suppliers would be related to construction activities, including specialised construction services.

During the operations phase, it is estimated that the Stoics will generate an **annual impact of £160 million GVA and support c.1,330 jobs in Scotland**. During operations, the direct opportunities could be related to electrical and mechanical engineering, security and monitoring, facility and site management, as well as IT and data centre operations.

The Stoics are also expected to generate fiscal impacts including £320 million during construction in Scotland, £10 million each year of operations in Scotland and £80 million each year of operations in non-domestic rates.

In total, during construction and a 15-year operational economic cycle, the Stoics are expected to contribute **£1.7 billion in tax revenues in Scotland** including £0.5 billion in national taxes (Income tax, National Insurance Contributions and VAT) and £1.2 billion in local taxes (Non-Domestic Rates).

The Stoics also have wider catalytic impacts beyond its construction and operations. They enhance digital infrastructure, support higher-value digital activity and contribute to a growing innovation ecosystem across Scotland and UK as a whole. By operating on renewable energy and enabling data-driven business growth, they boost the competitiveness and investment appeal of the Scottish economy. These contributions are in line with UK and Scottish economic policy priorities.

The Stoics are also expected to have substantial local and community impacts. A consideration of good practice in line with Community Wealth Building shows there is potential for benefits to local skills development and local supply chains, as well as wider community impacts.

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