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Dear Ariane

Thank you for your letter of 7 May 2024 regarding the pre-legislative scrutiny by the Local Government, Housing and Planning Committee of a Community Wealth Building (CWB) Bill. I would like to apologise for the delay in replying.

I appreciate the ongoing support of the Committee for CWB legislation.

The Programme for Government 2024-25 confirmed that a CWB Bill will be introduced in Year 4 of the current session of parliament. The Bill will seek to address economic and wealth inequality by supporting the retention of more wealth in local and regional economies by ensuring consistent implementation of the CWB model of economic development across Scotland.

I would like to take this opportunity to thank you and the other Committee members for the information and specific proposals outlined in your letter, and I have provided some further information on the Scottish Government's position on those proposals below:

1. Will the Scottish Government therefore consider adding Climate Change as an additional 'pillar' in order to help deliver its targets?

The Scottish Government remains committed to becoming net zero by 2045. This is an ambitious target and one that the Cabinet Secretary for Net Zero and Energy is working hard to achieve within her portfolio responsibilities. Action on climate change, like CWB, is a cross-cutting policy and officials will continue to work closely with colleagues from the Directorate for Energy and Climate Change to ensure alignment and avoid duplication. We have adopted the five internationally recognised CWB pillars as the basis for CWB legislation and while there is not a specific 'Climate Change' pillar, climate change initiatives, such as opportunities regarding renewable energy, can be incorporated into all of the existing pillars.

2. The Committee heard how in England there has been investment made in community organising; does the Scottish Government recognise there is a similar need in Scotland? Will it look at how best to provide the education and support that is necessary?

The implementation of CWB across Scotland will require collaborative work with communities. We have seen significant progress made in the pilot localities and regions; Clackmannanshire, South of Scotland, Western Isles, Tay Cities/Fife and Glasgow City Region, with all developing and embedding bespoke CWB action plans, supported by the Scottish Government.

However, recent work with local communities directly linked to the implementation of CWB, an economic development policy, builds on past and current activity to empower communities across Scotland by enabling collaboration across a range of policy areas.

Our vision for public participation is that people can be involved in the decisions that affect them, making Scotland a more inclusive, sustainable and successful place. We are an active member of the Open Government Partnership, an organisation that brings governments and civil society together to work to empower the public and to make governments more transparent. We want to see a Scotland where everyone can play a full part in society, with empowered communities able to shape their individual and collective futures. We welcomed the proposal for the development of a National Participation Strategy and are progressing work internally to establish a Participation Unit to take this action forward.

Community participation is also a fundamental principle of effective community planning and central to the success of CWB initiatives. The voices of communities themselves, especially those experiencing socio-economic disadvantage, are integral to successful community planning. All community planning partners, and particularly those with additional leadership and governance responsibilities, have a role in supporting and resourcing community participation effectively. The Scottish Government will continue to work closely with COSLA and wider partners to support community engagement. For example, in 2024/2025 we funded the Improvement Service in 24/25 to work with and re-invigorate the Community Planning Network to ensure it is a forum sharing best practice.

The findings of the Local Governance Review's community engagement process on the future of local decision-making Democracy Matters will also be published later this month. A key subject the process asked communities about was how they can better interact and engage with local partners. The Scottish Government looks forward to taking these findings forwards with COSLA and the community sector as outlined in the recent Programme for Government.

3. CWB clearly cuts across a number of policies – economic, social and environmental – and it could be a unifying force for those, although there is a danger of it getting 'lost' amongst them. How will the Scottish Government ensure that CWB takes primacy?

I agree that CWB is and should be viewed as a cross-cutting initiative with extensive links across Scottish Government policies, and I have seen many examples already demonstrate in practice how the CWB approach can bring economic, social and environmental benefits across local places and economies. One such example is from North Tolsta in the Western Isles where revenue from a community owned wind turbine is being used to support a number of local jobs and community organisations within the village.

As you will be aware, anchor organisations are typically large employers with a strong local presence in an area which can exert sizable influence through their commissioning and purchasing of goods and services, through their workforce and employment capacity, and by creative use of their facilities and land assets. When anchor organisations apply a CWB lens to their economic development activities, they not only ensure that they support local economic growth and wealth retention, but they can also reduce demand on some public services and support the delivery of others through their increased tax revenue. We will seek to harness the power, influence and economic agency of these anchor bodies to advance CWB.

CWB legislation will continue to demonstrate the Scottish Government's commitment to CWB as an economic policy measure that can create jobs, sustain jobs, help local businesses grow and stabilise local and regional populations and economies. I want to assure you that there will be continued reflection on the suggestions and observations made by Committee members and stakeholders as we work towards introduction of a Bill.

Yours sincerely

TOM ARTHUR