

Local Government, Housing and Planning Committee

10th Meeting, 2024 (Session 6), Tuesday 26 March 2024

Pre-legislative scrutiny: Community Wealth Building

Introduction

1. The Scottish Government has indicated it intends to introduce a Community Wealth Building Bill during this parliamentary session, and in 2023 it held a [public consultation on outline proposals](#). The Committee is expected to have a role and interest in scrutinising the Bill and is undertaking pre-legislative scrutiny of Community Wealth Building (CWB) in preparation for this.
2. This round-table discussion will bring together representatives from a range of sectors to explore the benefits of CWB, how it is currently supported and delivered in Scotland, and what the purpose of legislation might be in accelerating its adoption.

Background

3. CWB is an approach to economic development which seeks to benefit local communities by ensuring that wealth is locally owned, for example through boosting local employment and procurement. CWB in Scotland is based around five key 'pillars' – Spending, Inclusive Ownership, Fair Work, Finance, and Land and Property. The Scottish Government's [National Strategy for Economy Transformation](#) includes CWB as a means to realising its 'wellbeing economy' vision.
4. CWB is described by the Scottish Government as;

“...an approach designed to tackle long-standing economic challenges and transform Scotland's local and regional economies by considering the ways in which the public sector, in partnership with the private, third and community sectors, can ensure more wealth is generated, circulated and retained in communities and localities.

In short, CWB is focused on growing the influence communities have on the economy and ensuring communities receive more of the benefits from the wealth they help to generate.”
5. A number of local authorities in Scotland are supporting and promoting CWB, with North Ayrshire becoming the first 'CWB Council' in Scotland. The Scottish

Government has supported pilot areas in local authorities including Clackmannanshire, Fife, Glasgow City Region, South of Scotland and the Western Isles.

6. The Scottish Government's consultation on a CWB Bill suggests that Community Planning Partnerships could have a significant role, which links with the Committee's previous work [scrutinising Part 2 of the Community Empowerment Act](#) (Community Planning). One of the Committee's recommendations was that the Scottish Government should give early consideration to the role of Community Planning Partnerships in CWB and identify any legislative changes and guidance needed.

Scottish Government consultation

7. The Programme for Government 2021-2022 confirmed the Scottish Government's plans to introduce legislation on CWB during this Parliamentary session, with the aim of accelerating the delivery of CWB and addressing blockages identified by the areas and organisations experienced in CWB.
8. The Scottish Government [consulted in 2023](#) on proposals for a Community Wealth Building Bill, asking which new powers, abilities and duties could enable public bodies to have more influence in taking action to support CWB in their local area or region.
9. The consultation sought views on the following areas:
 - A proposal for a duty to advance CWB and options for which bodies should be covered.
 - The provision of statutory or non-statutory guidance;
 - If non-legislative measures are required to advance CWB;
 - If specific actions are required to advance the items contained within a Shared Policy Programme in relation to CWB;
 - If changes to the law are required to advance the five 'pillars' of CWB.
10. The Scottish Government has published [Independent analysis](#) of the consultation responses. The majority of respondents were in favour of the introduction of a CWB duty which combined:
 - A duty requiring Scottish Ministers and prescribed public sector bodies to embed the CWB model of economic development into their corporate plans and wider strategies; with
 - A duty requiring those public sector bodies statutorily obliged to be involved in community planning to produce a collective CWB place-based strategy and action plan which contains specific actions across the five CWB pillars to advance the CWB model of economic development in their local authority area.
11. Other measures highlighted in consultation responses include:

- Aligning the CWB framework closely with ambitions for nature and climate
- Building a culture of trust and collaboration between community organisations and their local authorities
- Capacity building in communities to ensure meaningful participation and empowerment
- Importance of resources, and investing in training and education programmes
- Reviewing procurement frameworks and approaches
- Developing supplier capacity
- Commitment to Fair Work practices
- Reviewing compulsory purchase powers, and tackling vacant and derelict land
- Aligning CWB with land rights legislation
- An employee right to buy when a business is put up for sale
- Potential for funding assessment criteria to support CWB
- Options for progressive financing

Committee's visit to North Ayrshire council

12. In November 2023 members of the Committee [visited Cumbrae island](#) in North Ayrshire and saw three different local projects which each represent aspects of CWB in practice.

- Millport Town Hall is being restored to provide a community venue, with its ownership being transferred to the community through a community asset transfer, supported by the local authority. This significant building project is being managed by local volunteers who have successfully gained funding from almost 50 different grants, including Scottish Government Regeneration Capital Grant Funding and NAC Community Investment Funding. The building will provide facilities including a performance venue and an accessible meeting space together with revenue from self-catering holiday accommodation.
- Isle of Cumbrae distillers is a locally owned business committed to sustainability and local training and employment opportunities. Their products have won a number of awards. An all-female owned business, they are actively creating employment and training opportunities for island residents, including people with disabilities. They are a Living Wage employer and a Young Person's Guarantee Employer, and proactively support other local businesses and the Millport Town Hall project.
- Jack's Alt Stays was established to provide self-catering cabins and help build the local tourist economy. Another locally-owned business it is environmentally conscious, receiving funding to instal solar panels, and proactively works with other local businesses to source local produce and sign-post local services and attractions.

Conclusion

13. The Committee is invited to consider the above in its round-table discussions on Community Wealth Building.

Committee Clerks, March 2024