

# **Building Community Wealth in Scotland**

## **Consultation Paper**

**January 2023**

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## Ministerial Foreword



In the midst of tackling a Cost Crisis and ongoing Climate Emergency we must ensure that our long term economic planning puts people and the environment at its core. The National Strategy for Economic Transformation outlines our vision to create a wellbeing economy: a society that is thriving across economic, social and environmental dimensions, and that delivers prosperity for all of Scotland's people and places.

The principles of a wellbeing economy cannot be achieved through simply redistributing a portion of the wealth created. They need to be hard-wired into everything we do to develop our economy. Community Wealth Building can help us achieve that.

The strategic Community Wealth Building approach is grounded in solid economic concepts and approaches. Crucially, Community Wealth Building is also a very practical model and we are already deploying and moving forward with the model in Scotland. By considering new legislation on Community Wealth Building to bind and consolidate existing practice, we seek to give that work a strengthened platform from which we can deepen and accelerate delivery.

Many countries and places across the globe are questioning their economic priorities. For years we have implemented policies which have sought to grow and redistribute wealth, and we achieved some great things. However, with the growing incidence of global crises, it is clear that if we are to truly realise a sustainable wellbeing economy, we need to consider bold, alternative economic approaches for the long term. This recognition is what is promoting Community Wealth Building across the globe – from its origins in Cleveland, USA to places such as Preston in England, Chicago, Sydney and Amsterdam. Other places are also examining the potential of the approach as a way of building stronger and more resilient local and regional economies.

The Community Wealth Building journey in Scotland started with the pioneering work in Ayrshire, followed by a series of pilot locations supported by the Scottish Government. And whilst we should celebrate the progress we have already made in implementing Community Wealth Building in such a short space of time, the job is far from done. In this we must go further and faster. This is not a luxury reform agenda, or more of the same. It is a central cog in our reform agenda which seeks to re-wire our economy for this generation and for future generations.

That is why the introduction of legislation on Community Wealth Building in this Parliamentary session is significant. This commitment is part of a strategic approach to creating a wellbeing economy, empowering communities and supporting local and regional economic development. This activity includes the upcoming Land Reform Bill, the commitment to a series of Just Transition Plans, the National Planning Framework 4, the Refreshed Fair Work Action Plan and the review of the Community

Empowerment Act, amongst other progressive programmes to support economic reform.

Legislation is not the only thing that will assist in the growth of Community Wealth Building. In fact, a range of powers that can help to accelerate the realisation of a thriving wellbeing economy remain reserved to Westminster. However, changing the law can be key to securing gains already made in practice and advancing implementation. In this consultation we seek a broad range of views on what is required to accelerate and deepen Community Wealth Building in Scotland, learning from the good practice already underway including through the leading role of local authorities. Whilst the Scottish Government is committed to doing all it can to progress Community Wealth Building within devolved powers, I would also welcome feedback on reserved areas respondents would like us to work with the UK Government on where there is potential to accelerate the implementation of Community Wealth Building.

I am grateful to the members of the Community Wealth Building Bill Steering Group who have helped to guide the development of this consultation. I am also grateful to the many public sector anchor organisations, businesses, third sector organisations and community groups who have taken the time to showcase their examples of Community Wealth Building to me and share thoughts on how we move this crucial approach forward.

It has been highlighted that Scotland is fast becoming a global leader in Community Wealth Building. I encourage you to be bold, ambitious and creative in responding to this consultation. That is what is required if we are to realise this opportunity to fully unleash the power of Community Wealth Building in Scotland, to ensure that communities across Scotland have a greater stake in the wealth that is generated and that wellbeing for all is assured.

A handwritten signature in black ink, appearing to read 'Tom Arthur', written in a cursive style.

**Tom Arthur MSP**  
**Minister for Public Finance, Planning and Community Wealth**

# Part 1. Introduction: The Contribution of Community Wealth Building (CWB) to a Wellbeing Economy

## 1.1 Overview

The Scottish Government has adopted the internationally recognised Community Wealth Building (CWB) approach to economic development as a key practical means by which progress can be made towards realising our wellbeing economy vision outlined in the National Strategy for Economic Transformation (NSET)<sup>1</sup>.

CWB is 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.

CWB can produce a range of economic, social and environmental benefits. CWB can be a key tool in supporting a just transition to net zero and ensuring environmental sustainability, helping Scotland's places and communities thrive within the planet's sustainable limits. The approach is also recognised as a key action in our ambitions to tackle child poverty through the creation of Fair Work opportunities.

Any new legislation on CWB is intended to provide a statutory underpinning to deepen and further embed CWB activity across Scotland, creating a fairer and more resilient economy. Learning from the range of CWB action already underway, we want to gather the broadest range of views on how new legal measures or changes to existing laws can accelerate the delivery of CWB in Scotland and deliver real benefits for local communities.

**Part 1** of this consultation paper describes what CWB is, provides an overview of CWB activity in Scotland and outlines the background to and ambitions for CWB legislation. **Part 2** provides an opportunity to offer views on a legislative proposal and share perspectives on what is required to advance CWB in Scotland. **Part 3** provides details on how to respond to this consultation and next steps.

In line with the approach itself, legislation on CWB should be bold and ambitious. We look forward to engaging with as many organisations and communities as possible as we develop legislation and other measures to give the people of Scotland a greater stake in their economy and wealth to realise our ambition for a wellbeing economy.

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<sup>1</sup> [Scotland's National Strategy for Economic Transformation](#)

## 1.2 What is Community Wealth Building?

CWB is a practical approach to economic development focused on five pillars of activity. These pillars are the key areas of focus due to the economic levers they represent. All of the pillars play a complementary role in the retention of wealth in local places and regions for the benefit of communities. Increased spend with local businesses and higher levels of inclusive or community forms of ownership means that more money stays in the communities that create the wealth through higher incomes, fairer employment opportunities and a greater say over the use of local and regional assets.

A visual image of the five pillars of CWB appear below, followed by a detailed explanation of what each pillar represents.



The five pillars of CWB are:

### **Spending**

Pillar definition: Maximising community and business benefits through procurement and commissioning, developing good enterprises, Fair Work and shorter supply chains.

Overview of activity: This includes a focus on ways to achieve greater economic, social and environmental benefits such as growing investment in local businesses, supplier development and innovation, and ensuring the delivery of tangible community benefits.

What this will achieve: Higher levels of spend with SMEs, micro-businesses and inclusive business models resulting in business growth and improved, resilient local and regional economies.

### **Workforce**

Pillar definition: Increasing Fair Work and developing local labour markets that support the prosperity and wellbeing of communities.

Overview of activity: Ensuring public sector anchor organisations and other employers embed Fair Work principles, promoting the payment of the real Living Wage; recruiting locally, from groups who face inequalities and are furthest from the labour market; and promoting work that is secure, provides flexible working and training opportunities and supports the workforce to have an effective voice.

What this will achieve: Access to local and fair employment opportunities, fairer wages, skills development opportunities and improved wellbeing of employees.

### **Land and Property**

Pillar definition: Growing social, ecological, financial and economic value that local communities gain from land and property assets.

Overview of activity: Productive use of anchor organisation land and property, for example through diversified ownership models including community ownership, and tackling vacant and derelict land and buildings.

What this will achieve: Land and property are used for the common good and benefit communities, SMEs and micro-businesses and the environment.

### **Inclusive Ownership**

Pillar definition: Developing more local and inclusive enterprises which generate community wealth, including social enterprises, employee-owned firms and co-operatives.

Overview of activity: Promoting greater diversity in the business base by encouraging formation and development of inclusive business models<sup>2</sup> which support the local retention of wealth.

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<sup>2</sup> [Co-operative Development Scotland: Blog](#)

What this will achieve: More inclusive and democratically owned enterprises and assets which means the wealth created locally and by local people stays in those communities in the form of incomes and profits rather than being extracted out.

### **Finance**

Pillar definition: Ensuring that flows of investment and financial institutions work for local people, communities and businesses.

Overview of activity: Increasing investment and re-circulating wealth within local economies including through access to affordable credit and business finance.

What this will achieve: Money and investment stays in a local area and is available to support communities and businesses.

‘Community Wealth Building is a transformative approach to local economic development’ The Democracy Collaborative

‘Community Wealth Building is about developing wealth with local roots and ownership’ Centre for Local Economic Strategies (CLES)

CWB seeks to use the economic levers available to ‘anchor organisations’ such as local authorities, health and social care bodies, further and higher education institutions and enterprise agencies, to better support their local and regional economies. Anchor organisations are typically large employers with a strong local presence in an area. They 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. Positive use of these aspects can affect social, economic and environmental change in a locality or region.

Our democratically elected local authorities are at the heart of the action required to advance the CWB approach in Scotland, playing a key leadership and convening role in its implementation, acting as economic stewards of their place including through local activity or wider regional collaboration for example through Regional Economic Partnerships. CWB recognises the impact that public sector bodies make – both individually and collectively – is not just through the services they deliver but also through how they choose to use the resources at their disposal.

While, in some places, the public sector may represent the catalyst for CWB introduction and development, it is critical that business, the third sector and community organisations all play collaborative roles. In particular, larger private sector employers can be considered anchor organisations. Community organisations, such as community-led bodies, Development Trusts and micro-businesses, can play a key role in driving forward CWB, particularly in rural areas and islands. Third sector organisations have a range of levers through their spend, employment, assets and local relationships.

The CWB approach has already proved successful internationally. The experience in Cleveland, Ohio and in Preston, UK, of re-directing wealth back into the local economy and placing control and benefits into the hands of local people, has



inspired the Scottish Government and other places across the world to consider the merits of this exciting and progressive approach.

### **Cleveland**

Often cited as the original CWB initiative, the 'Cleveland model' was developed as a response to post-industrial decline and depopulation. The principal feature of this approach was to localise and retain the spending of local public, private and third-sector 'anchors' through the development of new local cooperatively-owned businesses. These innovative worker-owned enterprises – the Evergreen Cooperatives – grew to include large-scale sustainable laundry services, a large urban greenhouse and an energy production company. A key feature of Cleveland's model is that wealth re-circulates in the city, as organisations procure services from the cooperatives (within the United States procurement context), which employ local workers and help tackle urban inequalities.<sup>3</sup>

### **Preston**

Following recognition of the success of this model in generating local opportunities and tackling inequalities, a similar strategy was adopted in the city of Preston, UK. Preston City Council worked with other anchor organisations to develop a CWB approach, primarily with a focus on procurement, looking at spending more in the local Preston and the wider Lancashire economy. Working over several years, there has been a significant increase in the amount the anchors are spending with local enterprises. Analysis shows that £74 million was redirected back into the Preston economy through this procurement work, with £200 million invested into the wider Lancashire economy.<sup>4</sup>

CWB is a 're-wiring' of current economic development practice through use of a strategic framework that can help the public, private, third and community sectors to take a place-based 'whole system' approach to re-direct money that is already being spent and the wealth that already exists back into the local economy and into the hands of local communities. If implemented successfully, the approach has the potential to act as a preventative measure – reducing public service demand by tackling inequality and ensuring wealth is retained by local communities in a just and fair way.

Whilst CWB is a catalyst for medium to longer-term change and reform, adoption of the approach is gathering pace across Scotland and the Scottish Government is supporting this. The CWB approach is being taken forward in regions and localities across Scotland. A number of rural areas and islands are leading the development of CWB initiatives, including through community-led activity and the start-up and development of micro-businesses supporting the retention of wealth in their local areas. Due to the distance from major goods and service provision, local rural businesses and communities are well placed to respond to local opportunities with adequate support and awareness. CWB can play a role in supporting population retention and growth in areas facing depopulation.<sup>5</sup>

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<sup>3</sup> [Democracy Collaborative: Community Wealth Building - What Next](#)

<sup>4</sup> [How we built Community Wealth: Preston](#)

<sup>5</sup> The role of anchor organisations is highlighted within the Population Strategy 'A Scotland for the Future' which includes commitments to ensure that Scotland's population is more balanced across the

CWB can also support our efforts to achieve a just transition<sup>6</sup>. Scotland continues to bear the scars of poorly managed, abrupt and unplanned transitions of the past. Through local business growth, sustainable procurement and community ownership of assets, CWB can support the creation of fair, green jobs which are anchored to local communities.

### 1.3 Progress to Date

There has been significant progress in implementing CWB in Scotland over the past few years. Much of this has been led by local authorities working in the vanguard, often in partnership with their community planning partners.

The Scottish Government has been working with local authorities and other partners to build capacity to help drive forward the implementation of CWB at the local and regional level, including supporting five CWB pilot areas (Clackmannanshire, Fife, Glasgow City Region, South of Scotland and the Western Isles) and £3 million investment in CWB in Ayrshire through the Ayrshire Growth Deal which builds on the pioneering work of North Ayrshire Council.<sup>7</sup>

A significant number of local authorities are now assembling CWB strategies and action plans. In addition, more local authorities and their partners are assessing the potential of CWB to enable the transition to local and regional wellbeing economies, recognising that CWB provides strategic means of connecting all contributory actions across the economy for economic, social and environmental benefit. Inspired by the work of the pilots, as part of our Covid Recovery Strategy the Scottish Government has committed to working with all local authorities to produce a CWB plan which sets out objectives to protect and create good quality local employment opportunities as part of wider recovery plans.<sup>8</sup>

A number of other sectors, including health and social care, are working to integrate CWB principles into their work, embracing their role as 'anchors' and the wider contribution they can make to reduce inequalities.

The Scottish Government has supported activity to raise awareness and improve understanding of CWB as well as accelerate practice and delivery. Our partnership with the Economic Development Association Scotland (EDAS) has supported the implementation of CWB through communities of practice, open workshops, peer support and development of materials to support anchor organisations and wider stakeholders develop, implement and realise the benefits of CWB approaches.

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country, meaning changes may be required to support attraction and retention of people in those areas of the country that are facing a declining population. [A Scotland for the future: Opportunities and challenges of Scotland's changing population](#)

<sup>6</sup> A just transition is both the outcome – a fairer, greener future for all – and the process that must be undertaken in partnership with those impacted by the transition to net zero. Just transition is how we get to a net zero and climate resilient economy, in a way that delivers fairness and tackles inequality and injustice.

<sup>7</sup> Annex A provides an overview of this activity

<sup>8</sup> [Covid Recovery Strategy: For a fairer future](#)

A CWB Guide, supported by the Scottish Government and produced by EDAS and the Centre for Local Economic Strategies (CLES), was published recently and offers practical support for those seeking to pursue a CWB approach. It is both a first introduction for those new to CWB as well as a source of helpful advice and resources, including case studies, for any stage of the implementation journey.<sup>9</sup>

Scotland has a strong track record in delivering projects and programmes which link to the different aspects of CWB – led by the public sector, business, third sector and local communities. These can be found in communities across the country, some current examples include the regeneration of Midsteeple Quarter in Dumfries, West Harris Community Trust, Scotland’s growing number of employee owned businesses such as the Jerba Campervans in East Lothian and Collective Architecture in Glasgow<sup>10</sup>, and examples of innovative procurement practice such as the Supplier Development Programme, Perth and Kinross Council’s ‘Community Benefits Wish List’ and East Ayrshire Council’s partnership with Mossgiel Farm.<sup>11</sup>

Annex A provides a short summary of CWB development activity in Scotland.

#### **1.4 Development of Community Wealth Building Legislation**

The Programme for Government 2021-22 set out the following commitment:

‘Building on the development of the approach across Scotland, we will take forward a Community Wealth Building Bill in this Parliament, to enable more local communities and people to own, have a stake in, access and benefit from the wealth our economy generates. The Bill will cement and augment the role local authorities and other public sector anchor organisations, such as Health Boards, play in supporting local economic development and advancing a wellbeing economy, legislating for them to consider their economic footprint within a wider place system.’<sup>12</sup>

The Bute House Agreement came into effect in August 2021 and is an agreement between the Scottish Government and the Scottish Green Party Parliamentary Group to work collaboratively in a spirit of cooperation and consensus building. As part of this, a Shared Policy Programme (SPP) was agreed and sets out policy positions and commitments that both the Scottish Government and the Green Group agree should be delivered. The SPP sets out the following commitment:

‘We will develop a Community Wealth Building Bill, which will focus on encouraging diverse and inclusive local economies, finance, land, and ownership models. It will include:

- working within and developing procurement practices to support local economies, including Small and Medium sized Enterprises (SMEs) and

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<sup>9</sup> [EDAS: CWB Guide](#)

<sup>10</sup> See more examples employee owned and cooperative business models here: [Co-operative Development Scotland: Blog](#)

<sup>11</sup> [Scottish Hub for Regional Economic Development: Case Studies](#)

<sup>12</sup> [A Fairer, Greener Scotland: Programme for Government 2021-22](#)

micro- businesses, and improved access to training and labour markets for disadvantaged communities and individuals.

- encouraging public kitchens, including school canteens, to source more food produced by local businesses and organic producers.
- where possible, to base public sector capital and revenue funding decisions on targeted social, economic and environmental outcomes.<sup>13</sup>

The commitment to CWB legislation is re-iterated in NSET:

‘Introduce Community Wealth Building legislation that builds on the successes and learnings of all of the Scottish Government community wealth building local and regional pilot areas in urban and rural Scotland.’<sup>14</sup>

NSET outlines our vision to create a wellbeing economy in Scotland. That means transitioning to an economic system, within safe environmental limits, that serves and prioritises the wellbeing of current and future generations. Our approach to a wellbeing is based on the principles of resilience, sustainability, equality and prosperity. The principles of a wellbeing economy cannot be achieved through simply redistributing a proportion of wealth created in order address deep-seated problems with poverty and disadvantage and to clean up environmental damage; they need to be hard-wired into everything we do through pro-active economic development policy, planning and action.

### **Wellbeing economy**

NSET commits the Scottish Government to taking a broader view of what it means to be a successful economy, society and country, and putting people and the planet at the heart of our approach.

The economy should serve a purpose. While economic objectives such as sustainable, inclusive growth remain important, they should serve as a means to an end – that of collective wellbeing. The wellbeing economy approach regards the economy as being in service to the health and happiness of people, rooted in human rights and social justice, and embedded within society and the natural environment, upon which our wellbeing depends.

The transition to a wellbeing economy is about whole system transformation. It recognises that the economy is everybody’s business – from health and care to education, and from housing and energy to food and agriculture – requiring a strategic, joined-up focus across government at all levels, across all sectors of the economy and all parts of society. The building blocks of this transition include the Scottish Government’s work to progress legislation, targets and plans on areas spanning equality and human rights, child poverty, climate change, biodiversity, land reform, circular economy, good food, Fair Work, infrastructure investment, 20-minute neighbourhoods, community empowerment, among many others. CWB sits alongside other progressive commitments that will support economic reform including the upcoming Land Reform Bill, Just Transition Plans, the Refreshed Fair

<sup>13</sup> [Scottish Government and Scottish Green Party - Shared Policy Programme](#)

<sup>14</sup> [Scotland's National Strategy for Economic Transformation](#)

Work Action Plan and a review of how best to significantly increase the number of social enterprises, employee-owned businesses and cooperatives in Scotland.

Scotland is already leading this agenda on the international stage as a member of the Wellbeing Economy Governments network (WEGo) with New Zealand, Iceland, Finland and Wales, and with Canada becoming a member in 2022. The National Performance Framework (NPF) – Scotland’s Wellbeing Framework – first introduced in 2007, provides a clear long-term purpose and set of national outcomes for Scotland’s future wellbeing, and is our vehicle for delivery of the United Nations Sustainable Development Goals.

Our Wellbeing Economy Monitor has been developed to look beyond traditional metrics of economic success, such as Gross Domestic Product (GDP), to measure how Scotland’s economy contributes to improving things that people really value, such as health, equality, fair work and environmental sustainability. The basket of measures, based on the NPF national indicators, includes metrics of child poverty, income and wealth inequality, community ownership, gender pay gap, educational attainment, young people’s participation, employees below the real Living Wage, greenhouse gas emissions and biodiversity, among others. The Monitor will complement traditional economic indicators to provide a broader picture of how Scotland’s economy is contributing to national outcomes of social and environmental wellbeing.<sup>15</sup>

CWB is an example of our practical approach to economic development that supports a wellbeing economy at the local and regional level and is a key way to turn the wellbeing economy vision and strategy into tangible action. We have also published a Wellbeing Economy Toolkit to support local authorities and regions across Scotland to embed the wellbeing economy approach in their local and regional strategies.<sup>16</sup>

Where it is embraced, CWB can accrue more than economic benefit. It can support better health outcomes and contribute to a reduction in child poverty. The approach can play a key role in a just transition to a net zero, circular, nature-positive economy and in rebuilding natural capital including through actions such as sustainable procurement, a focus on fair and green jobs, green investment decisions and recognising the ecological value of land.

Through this consultation, we want to identify if new legal measures or changes to existing laws are required to accelerate the implementation of CWB, building on the good practice already underway. As we work through the responses, it may be apparent that not all measures necessarily require new or amended legislation to take them forward.

This consultation has been structured to enable respondents to offer suggestions for legislative change across all five pillars of CWB and from a general CWB perspective. In particular, we wish to gather views on a proposal for a new duty to advance CWB.

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<sup>15</sup> [Wellbeing economy monitor](#)

<sup>16</sup> [Wellbeing economy toolkit: supporting place based economic strategy and policy development](#)

Some of the principles of CWB are expected to be supported by other Bills in the legislative programme, for example the Land Reform Bill which will be introduced by the end of 2023. In addition, the 2022-23 Programme for Government included a commitment to explore how to ensure the interests of future generations are taken into account in decisions made today. Subject to Ministerial decisions, a Wellbeing and Sustainable Development Bill later in the Parliamentary session may include placing duties on public bodies and local government to take account of the impact of their decisions on wellbeing and sustainable development, and the creation of a Future Generations' Commissioner.

CWB will also build on existing legislation such as the Community Empowerment (Scotland) Act 2015. The current review of that Act will explore if the legislation is doing what it set out to do and if any changes are required with a particular focus on community ownership and strengthening decision-making to improve outcomes for local communities.

To support the development of CWB legislation we have established a CWB Bill Steering Group chaired by the Minister for Public Finance, Planning and Community Wealth, with representatives from CWB pilot areas and key stakeholders across the public, private and third sectors, to provide oversight as we develop legislative proposals (full membership is detailed in Annex B).

Wider tailored engagement has also taken place with stakeholders including with local authorities, the third sector, businesses and policy organisations. We have received written feedback from the CWB pilot areas on their work and Scottish Local Authorities' Economic Development Group (SLAED) on the opportunities and barriers from a local economic development perspective. Further engagement will take place during the consultation period and we welcome the input of a broad range of groups and interests. Given CWB has been identified as a key action in tackling child poverty including within the Tackling Child Poverty Delivery Plan 2022-26<sup>17</sup>, we are working with the Poverty Alliance through the Get Heard Scotland programme to ensure the voices of those with lived experience are included and to hear from grassroots organisations during this consultation period.

Whilst local progress in implementing comprehensive CWB approaches, as well as initiatives within specific CWB pillars, is notable, our ambition is to go further and faster in embedding CWB as a core economic development measure across Scotland. Rather than focusing on discrete examples of activities within particular pillars, this consultation paper recognises that the full power of CWB is delivered through the culmination of activity and connections across all of the pillars.

The Scottish Government's objective is to develop legislation that learns from the experience of those delivering CWB 'on the ground' and provide an enabling framework to catalyse the implementation of CWB. Scotland's local authorities, community planning partnerships, Regional Economic Partnerships, wider public sector anchors, businesses, the third sector and communities need to be at the centre of driving the change required.

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<sup>17</sup> [Best Start, Bright Futures: Tackling Child Poverty Delivery Plan 2022 to 2026](#)

Through the work of the CWB Bill Steering Group, CWB pilots and wider CWB engagement, a number of potential areas of opportunity to accelerate delivery of CWB have been highlighted as well as the identification of barriers. It is clear from early engagement that there is a desire for legislation to build on existing work, remove barriers and inertias, strengthen commitment and collaboration, and enable action to achieve outcomes faster.

Of course, legislation alone will not deliver CWB. In several areas, the need for culture change, capacity building across the public sector, third sector and inclusive business models, community capacity building, stronger guidance and practice, and changes to policy have all been highlighted. The Scottish Government welcomes views and additional proposals relating to those areas.

## Part 2. Developing Legislation and Inspiring Change

### 2.1 General Advancement of the CWB Approach

#### 2.1.1 Overview

Through this consultation we would like to explore which new powers, abilities and duties will enable local authorities, public bodies, wider community planning partners and Regional Economic Partnerships to have more individual and collective influence in taking action to support CWB in their local area or region.

In this section we invite views on a legislative proposal for the general advancement of the CWB approach through an ambitious new CWB duty.

#### What are we proposing

##### Proposal: A duty to advance CWB

The aim of the duty is to extend and deepen the implementation of CWB across Scotland, ensuring universal coverage and shared principles whilst allowing for local, regional and organisational flexibility.

We would like respondents views on three options for a CWB duty:

- **Option A)** a duty requiring Scottish Ministers and prescribed public sector bodies<sup>18</sup> to embed the CWB model of economic development into their corporate plans and wider strategies
- **Option B)** 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
  - This requirement could be taken forward at a regional level if neighbouring local authorities and their community planning partners have a preference for that approach
- **Option C)** a combined option – featuring a union of both options set out above

All of the options create different opportunities for ensuring the involvement of local communities. For **Option B and Option C**, there could be a statutory requirement to include business, third sector and communities in the development of a strategy and action plan.

In relation to the proposed CWB duty, during the consultation period we will undertake specific engagement including with, for example, local authorities, health

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<sup>18</sup> As a starter, we would propose the organisations which are covered by the Fairer Scotland Duty: [Fairer Scotland Duty: guidance for public bodies](#)



boards, community planning partnerships and Regional Economic Partnerships, in addition to wider engagement.

### **Why we are proposing this**

The Scottish Government would like to ensure a long term and consistent commitment to CWB and that this approach becomes standard economic policy and practice, whilst tailored to the needs and opportunities of places across the country. Whilst we expect variation in the actions taken, commitment to certain principles will be essential to maximising the potential of the CWB approach for all communities.

Whilst local authorities have led the way in implementing CWB in Scotland, the approach relies on commitment of wider public sector bodies and other stakeholders. Encouraging collaboration on CWB across major public sector 'anchor' organisations is an area of importance in accelerating CWB (for example, enterprise agencies, colleges, universities and health boards and wider national public bodies). Collaboration and a commitment to a strategic framework across the five CWB pillars will avoid duplication, disparate initiatives and will ensure a whole system approach. In addition, representatives of the third sector, such as registered social landlords, business, as well as the communities themselves, must all be part of developing CWB plans and meaningfully engaged in the most appropriate manner in order to maximise the holistic benefits of the approach.

It has been perceived that CWB should be a key consideration of anchor organisations and those focused on economic development, and that it should be consistently represented in key operating plans, economic strategies and impact measures. In addition, some feedback has highlighted the need for a strategic approach to the development of CWB strategies to avoid a cluttered landscape and ensure there are no gaps in provision.

Many local authorities are collaborating with other anchor organisations via existing community planning structures or through new 'anchor networks' or Commissions. There is good practice evident in the production and agreement of CWB 'anchor charters'<sup>19</sup> in certain geographies which can be built on through the production of CWB strategies and action plans.

Regional collaboration on CWB is already taking place across Scotland through, for example, Regional Economic Partnerships, the development of regional economic strategies and the delivery of projects through City Region and Growth Deals. Many anchor organisations span multiple local areas (including some health boards and further and higher education institutions), as do the footprints of some local businesses, therefore we encourage regional collaboration, where appropriate, to maximise benefits and avoid duplication. The systematic approach of CWB means that some Regional Economic Partnerships are placing CWB at the centre of their regional economic strategies (for example Ayrshire) to ensure a coherent approach to all investment including City Region and Growth Deals. We will facilitate

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<sup>19</sup> These are documents which commit selected local and regional anchor organisations, predominantly public sector, to specific pledges across the CWB pillars.

engagement with Regional Economic Partnerships regarding how this duty might operate at a regional level.

In line with the Place Principle<sup>20</sup>, there requires to be local flexibility to respond to issues and circumstances in different places. This includes recognising the differences between urban and rural and island contexts. Delivering CWB should be cognisant of the wider context of place, simplifying the landscape by ensuring that programmes and investment work together, and are directly relevant to the specific needs of the particular environment or community and enable people to live well locally. Shared national principles and reporting could ensure high standards of implementation to unleash the potential of CWB and help address the fact that the way our economy functions has not worked for enough people and places.

### **Place Principle**

The Scottish Government and COSLA have agreed to adopt the Place Principle to help overcome organisational and sectoral boundaries, to encourage better collaboration and community involvement, and improve the impact of combined energy, resources and investment.

It promotes a shared understanding of place, and the need to take a more collaborative approach to a place's services and assets to achieve better outcomes for people and communities. The principle encourages and enables local flexibility to respond to issues and circumstances in different places.

Through early engagement, capacity has been raised as one barrier to implementation. Feedback has also outlined the challenge of embedding a CWB culture across an anchor organisation cannot be underestimated – it is a transformational change which takes time, visible and committed senior leadership, resources, training and skills. The capacity of local communities, the third sector, micro-businesses and SMEs to drive forward CWB has also been raised by various stakeholders.

We also welcome ideas on support that can be offered to develop and implement CWB strategies, action plans and wider CWB initiatives, however respondents should be mindful of the challenging fiscal backdrop and should consider ways in which existing investment can be maximised.

From this proposed central new general duty to advance CWB we are keen to explore if there are subsequent legislative changes required across the five pillars. In the five sections which follow we outline the current legislative context, provide an overview of current policies and actions to support the delivery of the five CWB pillars whilst providing an opportunity for respondents to suggest any areas of legislative change required to maximise the potential of CWB. Please note that a number of areas across the five pillars are reserved to the UK Parliament, including employment law, company law, taxation and financial regulation.

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<sup>20</sup> [Place Principle: introduction](#)

## 2.1.2 Questions

Q1. a) We are proposing a duty to advance Community Wealth Building, which form do you think this duty should take:

- Option A
- Option B
- Option C
- Other
- No duty

Please provide a reason for your answer.

In your answer please include views on:

- which bodies should be covered by the proposals
- how to best ensure accountability for implementation to the Scottish Parliament
- how to best ensure the involvement of local communities, business and the third sector in the implementation of the duty

b) One way Scottish Government could support the implementation of the proposed Community Wealth Building duty is to provide statutory or non-statutory guidance. Would this be helpful to partners in meeting the proposed duty?

Yes No Don't Know

Please provide a reason for your answer.

In your answer please include views on:

- areas in which it would be helpful for this guidance to focus on, e.g. areas to consider when implementing the five pillars, links to further support materials
- whether the guidance should be statutory or non-statutory

Q2. a) Are there other non-legislative measures that you believe are required to accelerate the implementation of the Community Wealth Building approach in Scotland?

Yes No Don't Know

Please provide a reason for your answer:

b) Are there specific actions required to advance delivery of the items contained within the Shared Policy Programme outlined on page 11?

- 'working within and developing procurement practices to support local economies, including Small and Medium sized Enterprises (SMEs) and micro-businesses, and improved access to training and labour markets for disadvantaged communities and individuals.
- encouraging public kitchens, including school canteens, to source more food produced by local businesses and organic producers.
- where possible, to base public sector capital and revenue funding decisions on targeted social, economic and environmental outcomes'

Yes No Don't Know

Please provide a reason for your answer:

## 2.2 Spending Pillar

### 2.2.1 Overview

The spending pillar of CWB is focused on maximising tangible community benefits through procurement and commissioning, developing good enterprises, promoting Fair Work and a drive to create and maintain shorter supply chains. The Scottish public sector spends approximately £14.5 billion a year buying goods, services and works in a way that can deliver the most benefit to society, contributing directly to a fully functioning wellbeing economy. Procurement projects vary hugely from large infrastructure developments, including roads and bridges (23%), to food and catering (1.2%).

The spending pillar of CWB uses the spending power of anchor organisations to better support local and regional economies including by growing local spend with SMEs, the third sector and supported businesses through activity such as:

- understanding where spend is going and increase knowledge of local suppliers;
- supporting local businesses bases and third sector to enhance their capacity to bid for public sector contracts;
- creating local supply chains to re-circulate wealth in the local and regional economy, create local jobs and support net zero and environmental ambitions;
- maximising community benefits to ensure they deliver CWB ambitions and the needs of local communities.<sup>21</sup>

A significant amount of work has already taken place in Scotland. The Procurement Reform (Scotland) Act 2014<sup>22</sup>, and the Procurement (Scotland) Regulations 2016<sup>23</sup> built on the work achieved in the reform of public procurement, providing direction to public bodies and setting out procurement responsibilities and accountabilities.<sup>24</sup> Under the terms of that Act, contracting authorities which have significant procurement expenditure need to create and annually review procurement strategies that set out how they intend to use their procurement spend to contribute to a range of national and local priorities and to the sustainable procurement duty. They are also required to publish annual procurement reports describing how their procurements have complied with their organisational procurement strategy.<sup>25</sup>

The sustainable procurement duty<sup>26</sup> requires that before a contracting authority buys anything, it must think about how it can improve the economic, social and environmental wellbeing of the area in which it operates, with a particular focus on reducing inequality – and in carrying out a procurement, act with a view to securing such improvements. It also requires a contracting authority to consider how its procurement processes can facilitate the involvement of SMEs, third sector bodies

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<sup>21</sup> For examples of spending pillar activity see the CWB Guide: link to be inserted following publication

<sup>22</sup> [The Procurement Reform \(Scotland\) Act 2014](#)

<sup>23</sup> [The Procurement \(Scotland\) Regulations 2016](#)

<sup>24</sup> [The Procurement Reform \(Scotland\) Act 2014](#)

<sup>25</sup> [Scottish Government procurement strategy: April 2022 to March 2024](#)

<sup>26</sup> More information on the sustainable procurement duty is available here: [Public sector procurement](#).

and supported businesses, and how public procurement can be used to promote innovation.

Statutory<sup>27</sup> and non-statutory<sup>28</sup> guidance has been published to help public bodies comply with the sustainable procurement duty and support sustainable procurement. The guidance is framed in terms of Scotland's purpose and outcomes meaning that in the process of complying with the sustainable procurement duty, a contracting authority will also be contributing to national priorities including Fair Work, the Economy, the Environment and Human Rights. For example, compliance with the sustainable procurement duty underpins the contribution that a contracting authority makes to addressing climate change in the course of its procurement activity. To reinforce this connection, the Scottish Government encourage contracting authorities to refer to the same information in climate and procurement reporting.<sup>29</sup>

We are working to improve access to public contracts for SMEs, the third sector and supported businesses. This includes business support, splitting larger requirements into smaller lots, making it easier for smaller firms to bid for work. Figures show that 11,025 new contracts were advertised through the national Public Contracts Scotland (PCS) Advertising Portal in 2020-21. Of these, 92% were for low value contracts and 78% were 'Quick Quotes', a simpler method of competing contracts than that required for high value/high risk procurements. Some 15,656 suppliers were awarded public contracts through PCS, of which 76% were SMEs, 73% were Scottish-based, and 59% were Scottish-based SMEs.

Community benefit requirements are defined in the Procurement Reform (Scotland) Act 2014 as contractual requirements imposed by a contracting authority.<sup>30</sup> They are intended to complement other economic, social and environmental considerations in the Act, in particular, the sustainable procurement duty.<sup>31</sup> Guidance on community benefits places an emphasis on tailoring community benefits to the individual procurement and the place-based benefits that might accrue. Detail and examples of this approach are included in the Scottish Government policy note on Measuring Social Impact in Public Procurement.<sup>32</sup>

Fair Work First is the Scottish Government's policy for driving high quality and Fair Work across the labour market in Scotland by applying Fair Work criteria to procurement, grants, other funding and contracts being awarded by and across the public sector. For example, we announced in October 2021 that companies bidding

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<sup>27</sup> [Procurement Reform \(Scotland\) Act 2014: statutory guidance](#)

<sup>28</sup> [Sustainable Procurement Tools](#)

<sup>29</sup> [Public sector leadership on the global climate emergency: guidance](#)

<sup>30</sup> They are defined in the Procurement Reform Act as: a community benefit requirement is a contractual requirement imposed by a contracting authority

(a) relating to:

(i) training and recruitment, or

(ii) the availability of sub-contracting opportunities, or

(b) which is otherwise intended to improve the economic, social or environmental wellbeing of the authority's area in a way additional to the main purpose of the contract in which the requirement is included.

<sup>31</sup> [Public sector procurement: Sustainable Procurement Duty](#)

<sup>32</sup> [Measuring social impact in public procurement: SPPN 10/2020](#)

for Scottish Government contracts will routinely have to pay the real Living Wage (more information on Fair Work First is provided in section 2.3).<sup>33</sup>

Increasing public procurement spend with Scottish companies and SMEs is a long-standing priority for the Scottish Government. Extensive benchmarking has shown Scottish public procurement approaches have made great progress. Whilst we have ambitions to do more, further progress will not be without its challenges. We are continuing to listen to Scottish businesses and third sector through a variety of forums, helping to test and inform public procurement approaches to ensure our approaches are flexible and scalable for SMEs and the third sector.

Wider activity underway to grow local spend in Scotland includes:

- funding a spend analysis tool for all local authorities to help them to identify opportunities to develop their local supply base;
- funding the Supplier Development Programme to ensure that SMEs, third sector organisations and supported businesses who wish to bid and win for public contracts have support to increase their competitive capability;
- the Supply Chain Development Programme is a key part of NSET and aims to improve the capacity, capability and development of Scottish supply chains; and
- prime contractors are encouraged to use the PCS advertising portal to facilitate access of subcontracting opportunities to SMEs, the third sector and supported businesses.<sup>34</sup>

This work takes place in an environment where international trade agreements and investment rules, including those governed by the World Trade Organisation, afford reciprocal access to public contracts. Simply preventing foreign firms from bidding for Scotland's public contracts would not only risk breaching international trade rules but could also limit opportunities for Scottish firms to export their goods and services to other countries. Therefore, work to make public contracts accessible to Scottish businesses takes place alongside work to build business capacity and capability to participate in national and international markets.

The Scottish Government recently consulted on a Circular Economy Bill and Waste Route Map which will help advance a zero waste and circular economy. Not only does this benefit the environment, a more circular economy can strengthen communities by providing local employment opportunities and lower cost, more sustainable access to the goods we need. This is also more self-sufficient as it reduces our reliance on imported goods and materials, and provides increased economic resilience.

Additionally, the Scottish Government will update Catering for Change, which will set out principles in relation to sustainable procurement of food and catering services in the public sector to align public procurement behind sustainable, low carbon farming and food.

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<sup>33</sup> [Fair Work First: guidance Fair work and procurement](#)

<sup>34</sup> [Advertising subcontracting opportunities on the Public Contracts Scotland \(PCS\) website: SPPN 5/2019](#)

The Good Food Nation (Scotland) Act provides an over-arching framework for clear, consistent and coherent future Scottish food policy, which applies to the national as well as the local level. The Act places duties on Scottish Ministers and certain public authorities (including local authorities and health boards) to produce plans of their policies in relation to food and set out what they will do to make those plans real. When preparing the plans, Scottish Ministers and relevant authorities will be required to give consideration to a number of high level principles set out in the Good Food Nation (Scotland) Act. This includes the principle ‘that each part of the food system and supply chain plays an important role in the provision of food’.

In order to achieve the ambitions of the spending pillar of CWB, and go beyond existing legislation, policies and guidance, as part of early engagement stakeholders have suggested a focus on the following areas:

- review the national, sectoral, local and regional frameworks and contracts to ensure that the arrangements in place ensure logical groupings that facilitate access to SMEs, the third sector and supported businesses;
- further investment in supplier development capacity and to improve knowledge of local supplier within anchor organisations;
- investment in capacity to support linkages between local procurement teams and economic development;
- explore opportunities for joint procurement between anchor organisations;
- develop the content of annual procurement strategies and reports to demonstrate how the procurement activity of individual public bodies contributes to CWB;
- an improved focus on place-based thinking in the use of community benefits and reporting to reflect how this is being achieved.

### **2.2.2 Questions**

Q3. Are there ways in which the law could be changed to advance the spending pillar of Community Wealth Building?

Yes No Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined above which have arisen from early engagement.



## 2.3 Workforce Pillar

### 2.3.1 Overview

The workforce pillar of CWB is focused on driving Fair Work practices and creating meaningful labour market opportunities in local communities that support wellbeing through actions such as:

- anchor organisations and employers committing to Fair Work practices;
- payment and promotion of the real Living Wage;
- providing appropriate channels for effective voice;
- action to create more diverse and inclusive workplaces;
- seeking to recruit locally and from groups often excluded from the labour market;
- support for skills development, in work progression and employee wellbeing, including for those at risk of potential exclusion from labour market in the future.<sup>35</sup>

Although the Scotland Act 2016 transferred powers to Scotland to provide employment support for disabled people and those at risk of long term unemployment, all other aspects of employment law and industrial relations remain reserved to the UK Parliament, including employment rights, trades unions, equality and health and safety. This means that the Scottish Government is limited in what it can do to influence changes in workplace practices. We are doing all that we can with the levers available to us to encourage employers to adopt fair working practices. The Scottish Government has recently published a refreshed Fair Work Action Plan, incorporating a refresh of the Gender Pay Gap Action Plan, Disability Employment Gap Action Plan and actions derived from Anti-Racist Employment Strategy.

The Fair Work Convention, which independently advises the Scottish Government on Fair Work, published its Fair Work Framework in 2016. It sets a vision that, by 2025, people in Scotland will have a world-leading working life where Fair Work drives success, wellbeing and prosperity for individuals, businesses, organisations and society. The Fair Work Framework defines Fair Work as work that offers effective voice, respect, security, opportunity and fulfilment; it balances the rights and responsibilities of employers and workers, and can generate benefits for individuals, organisations and society.<sup>36</sup> NSET includes a commitment to take further steps to remove barriers to employment and career advancement for disabled people, women, those with care experience and people from minority ethnic groups.

Fair Work means increased financial security, greater independence, and better physical health and mental wellbeing. It means equal opportunities at work, including to learn, develop and progress, and to enjoy a culture and environment free of bullying and discrimination, helping people live more fulfilling lives. Fair Work is also a model for innovation and success, with many employers in Scotland already

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<sup>35</sup> For examples of workforce pillar activity see the [EDAS: CWB Guide](#) and the Refreshed Fair Work Action Plan: [Fair Work action plan: becoming a leading Fair Work nation by 2025](#)

<sup>36</sup> Find our more information here: [Fair Work Convention](#)

implementing Fair Work practices, providing safe and secure working environments and promoting positive workplace cultures where staff are engaged and have their voices heard. There are also a range of business benefits to adopting Fair Work practices. A report published by Carnegie UK and The RSA indicates that higher quality work, like higher pay, can serve as a spur to greater work satisfaction and motivation, thus leading to higher levels of workplace productivity.<sup>37</sup>

While progress has been made to support workers access and sustain Fair Work, more needs to be done to ensure that we remove the barriers so that all workers can experience the benefits of Fair Work and achieve the outcomes as set out in our aims. The key objectives are:

- increasing the number of people paid at least the real Living Wage and on stable contracts;
- work with employers, workers and trade unions to strengthen effective voice, through a range of appropriate channels;
- support employers to adopt flexible working practices;
- reduce the Gender Pay Gap for employees in Scotland by the end of this parliamentary term (May 2026), and to maintain or where possible improve our position relative to the UK as a whole and our international neighbours;
- reducing the Disability Employment Gap to 18.7 percentage points (p.p.) by 2038, therefore halving the gap from the baseline in 2016;
- improving labour market outcomes for racially minoritised people and increase the impact of actions taken forward by employers to address racial inequality.

As highlighted in section 2.2, Scottish Government has published Fair Work First guidance which supports employers and public sector partners to adopt fair working practices by applying Fair Work criteria to grants, other funding and contracts being awarded by and across the public sector, where it is relevant to do so. Fair Work First asks employers to commit to:

- appropriate channels for effective voice, such as trade union recognition;
- investment in workforce development;
- no inappropriate use of zero hours contracts;
- action to tackle the Gender Pay Gap and create a more diverse and inclusive workplace;
- payment of the real Living Wage;
- offer flexible and family friendly working to all workers from day one of employment;
- oppose the use of fire and rehire practices.

In line with the Bute House Agreement, we have strengthened our approach to conditionality by introducing a requirement on public sector grants recipients to pay at least the real Living Wage to all employees and to provide appropriate channels for effective workers' voice, such as trade union recognition. The requirement will apply from 1 July 2023.

The Scottish Government actively champions the real Living Wage which helps to ensure peoples' basic pay meets the cost of living and is a key area of focus of

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<sup>37</sup> [Can Good Work Solve the Productivity Puzzle](#)

actions to tackle child poverty. We fund the Poverty Alliance to run the Scottish Living Wage Accreditation initiative which includes the Living Wage Places programme.<sup>38</sup> Scottish Enterprise, in conjunction with the Scottish Government, Fair Work Convention and other partners, have developed a Fair Work Employer Support Tool to help employers understand and fully embed the dimensions of Fair Work.<sup>39</sup>

An example of Fair Work in practice is the South of Scotland Enterprise Act 2019 inclusion of a requirement for South of Scotland Enterprise to establish a committee to advise it on what might be done to advance the interests of workers in the South of Scotland.<sup>40</sup>

The Scotland Act 2016 transferred new powers to Scotland to provide employment support for disabled people and those at risk of long term unemployment. The changes took effect in April 2017 and we are taking action to help those facing the greatest barriers to work to find and stay in jobs, through Fair Start Scotland.<sup>41</sup>

The No One Left Behind approach is focused on placing people at the centre of the design and delivery of employability services and aims to deliver a system that is more responsive to the needs of people of all ages who want help and support on their journey towards and into work - particularly people with health conditions, disabled people and others who are disadvantaged in the labour market. To realise our ambitions for No One Left Behind, Scottish and Local Government are working collaboratively and with other partners in the public, private and third sector through Local Employability Partnerships (LEPs) in each local area. LEPs bring together a range of partners to develop a strategic approach to planning, implementation and delivery of employment support in a way that meets the needs of individuals and emerging local labour market demands.<sup>42</sup>

As part of early engagement on CWB legislation stakeholders have suggested a focus on the following areas:

- taking further steps to encourage anchor organisations to pay the real Living Wage and become Living Wage accredited;
- anchor organisations should develop and commit to local or regional fair employment charters, these could include a focus on seeking to recruit locally and from groups that are often excluded from the labour market.

The Scottish Government is limited currently in what it can do in terms of legislation to advance the workforce pillar given that employment law is a reserved area, therefore we make no legislative proposals in relation to this pillar. We launched the Fair Work Nation consultation in 2021 which requested views on the opportunities, challenges and the actions that need to be taken for Scotland to become a Fair Work Nation. Some respondents offered suggestions for what the Scottish Parliament could do with full control of employment law.<sup>43</sup>

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<sup>38</sup> [Living Wage Programme](#)

<sup>39</sup> [Fair Work Employer Support Tool](#)

<sup>40</sup> [South of Scotland Enterprise Act 2019](#)

<sup>41</sup> [Fair Start Scotland](#)

<sup>42</sup> [No One Left Behind: delivery plan](#)

<sup>43</sup> Analysis of Fair Work Nation consultation responses available here: [Becoming a Fair Work Nation: consultation analysis](#)

### 2.3.2 Questions

Q4. Employment law is reserved to the UK Parliament. Are there other devolved areas where the law could be changed to advance the workforce pillar of Community Wealth Building?

Yes No Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined above which have arisen from early engagement. You may also wish to consider areas that the Scottish Government could work with the UK Government on if you have proposals regarding changes to the law which remain reserved to the UK Parliament. We will cross-reference to responses received as part of the Fair Work Nation consultation which was held in 2021.

## 2.4 Land and Property Pillar

### 2.4.1 Overview

The land and property pillar seeks to grow the social, ecological, financial and economic value that local communities gain from land and property assets. This pillar focuses on maximising the use of land and property including through:

- productive and sustainable use of land and assets to support communities and enterprise;
- promoting and enabling diversified ownership and management of land and buildings;
- supporting community capacity building to grow community ownership;
- tackling vacant and derelict land and buildings to support regeneration including within town centres, increase community wellbeing, create employment opportunities, tackle climate change and protect our natural capital.<sup>44</sup>

The use and ownership of Scotland's land is one of the central issues for the future of our environment, our society and our economy. As a result of the Land Reform Acts of 2003 and 2016 and the Community Empowerment Act of 2015, Scotland has taken significant steps forward in supporting and enabling communities to have greater opportunity to own or to influence the use of the land and property on which they live.

A consultation on the next Land Reform Bill was launched in July 2022 building on Programme for Government 2021-22 and Bute House Agreement commitments. The next Land Reform Bill will be introduced by the end of 2023 and will make important changes to the framework of law and policy that govern the system of ownership, management and use of land in Scotland.<sup>45</sup>

The Land Reform Bill aims to address long-standing concerns about the highly concentrated pattern of land ownership in rural areas of Scotland. Proposed measures include:

- the introduction of a public interest test for transfers of large-scale landholdings;
- a requirement on owners of large-scale holdings to give prior notice to community bodies of their intention to sell;
- a requirement on those seeking land-based subsidies to have the land registered in the Land Register, to ensure transparency around who benefits from public funding;
- strengthening the Land Rights and Responsibilities Statement<sup>46</sup>.

In addition, the consultation focused on how to ensure communities benefit from future investment in Scotland's natural capital, greater transparency around land and asset ownership and on the future role of taxation in respect of land reform. These proposals all have the potential to contribute to the ambitions of CWB.

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<sup>44</sup> For examples of land and property pillar activity see the [EDAS: CWB Guide](#)

<sup>45</sup> [Land reform in a Net Zero Nation: consultation paper](#)

<sup>46</sup> [Scottish land rights and responsibilities statement](#)

The Community Empowerment (Scotland) Act 2015 has provided a legal framework to promote and encourage community empowerment and participation, creating new rights for community bodies and placing new duties on public authorities. The review of the Community Empowerment Act was launched in July 2022 and will include a focus on community right to buy and asset transfer.

Local authorities already have broad compulsory purchase powers, which can be used for a wide range of purposes – including bringing vacant and derelict land and property back into productive use. We will separately be taking forward work to reform and modernise compulsory purchase legislation in Scotland to establish a fairer, quicker and more effective system for assembling land required to deliver development, regeneration and infrastructure projects in the public interest.

Local authorities also have existing mechanisms for securing financial or in-kind contributions to community facilities and infrastructure (sometimes referred to as ‘developer contributions’) from those undertaking development – for example, through Section 75 planning obligations.<sup>47</sup> As part of the Scottish Government’s ongoing review of existing land value capture mechanisms, we recently published independent research on the effectiveness of using planning obligations for these purposes. The research estimated that approximately £0.5 billion was agreed through existing developer contribution mechanisms in Scotland in 2019/20.<sup>48</sup> The findings from this research will inform our consideration of future reforms in this area, including the introduction of a new infrastructure levy under powers in the Planning (Scotland) Act 2019.

National Planning Framework 4 (NPF4) promotes an ‘infrastructure first’ approach to planning, through which infrastructure needs and developer contribution requirements are robustly evidenced and clearly articulated at the plan-stage. This approach is intended to provide greater certainty for all parties – including communities – about the impacts that new development will have on infrastructure and the contributions developers are expected to make. Front-loading infrastructure considerations through the plan-making process will provide communities with greater opportunity to get involved and ensure their needs are considered.

NPF4 sets out how our approach to planning and development will help to achieve a net zero, sustainable Scotland by 2045. It contains a policy in relation to CWB which outlines that: local development plans should be aligned with any strategy for CWB for the area; spatial strategies should address CWB priorities; identify community assets; set out opportunities to tackle economic disadvantage and inequality; and seek to provide benefits for local communities. Development proposals which contribute to local or regional CWB strategies and are consistent with local economic priorities will be supported, as will proposals linked to community ownership and management of land. NPF4 also includes a policy in relation to brownfield, vacant and derelict land and empty buildings, specifying that local development plans should set out opportunities for the sustainable reuse of brownfield land including vacant and derelict land and empty buildings, which contributes towards the CWB land and property pillar

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<sup>47</sup> [Planning Obligations: Section 75](#)

<sup>48</sup> [Planning - the value, incidence and impact of developer contributions: research](#)

aims. Policy also seeks to direct development to existing city, town local and commercial centres and supports sustainable rural communities, limiting out-of-town and greenfield development.<sup>49</sup>

The Scottish Land Commission has produced guidance for public bodies that own, manage, use, and influence the use of, land and buildings in Scotland, to help organisations to take actions that support CWB.<sup>50</sup>

Scotland benefits from our well established programmes that continue to support place-based community-led regeneration, which enable and create the conditions that can support the delivery of the CWB approach. The Place Based Investment Programme (PBIP) is built on the experience and success of the Regeneration Capital Grant Fund, delivered in partnership with COSLA. The PBIP, underpinned by the Place Principle, seeks to ensure that the investment in our communities and places, such as our town centres and 20 minute neighbourhoods, are community led, making sure that money spent in places has the greatest collective benefit and meets the needs and aspirations of local communities. Our Strengthening Communities Programme helps to develop community capacity and sustainability.

The Scottish Government is also currently carrying out a consultative process to develop a new Agriculture Bill, this includes draft enabling powers for Rural Community Led Development and Rural Networking to advance rural development. The new Agriculture Bill provides the opportunity to deliver both new and further support mechanisms relating to the wider management and utilisation of Scotland's natural assets that further rural development while still remaining aligned with EU outcomes. The new Agriculture Bill will, in particular, allow action and financial support to activities to contribute directly to rural and island communities whilst also enabling and supporting collaboration to allow capacity building and positive change. This potential lever offers an opportunity to build on the existing LEADER network in rural and island areas to increase community and micro enterprise capacity.<sup>51</sup>

As part of early engagement on CWB legislation stakeholders have suggested a focus on the following areas:

- review compulsory purchase powers and the case for introducing alternative land assembly mechanisms such as compulsory sales orders;
- explore the scope of existing mechanisms for securing development contributions, such as Section 75 planning obligations;
- explore new mechanisms for enabling land value uplifts to be reinvested in economic, social and community facilities.

These matters will be considered in detail through separate workstreams. In doing so, it will be important to ensure that any new mechanisms – or changes to existing ones – are fair to all parties, comply with human rights obligations and maintain incentives to make land available for development.

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<sup>49</sup> [Revised Draft NPF4](#)

<sup>50</sup> [The Scottish Land Commission: Guidance](#)

<sup>51</sup> [Delivering our Vision for Scottish Agriculture. Proposals for a new Agriculture Bill](#)

### **2.4.2 Questions**

Q5. Are there ways in which the law could be changed which are not already covered in the proposals for the Land Reform Bill to advance the land and property pillar of Community Wealth Building?

Yes No Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined above which have arisen from early engagement.



## 2.5 Inclusive Ownership Pillar

### 2.5.1 Overview

The inclusive ownership pillar aims to develop models of ownership that enables the wealth generated in a community to stay in that locality, including:

- promotion of more generative forms of business models including locally-owned businesses, employee ownership, co-operatives, social enterprises and community enterprises;
- transition of existing companies to employee ownership;
- transition of existing companies to asset or mission locked social enterprises;
- encouraging citizens, communities and the third sector to play a greater role in ownership and control of assets within the economy;
- public ownership for public good as appropriate.<sup>52</sup>

A numbers of areas regarding the ownership and taxation of companies are reserved to the UK Parliament. The Scottish Parliament has limited powers when it comes to taxation. Under the current devolution settlement, the vast majority of tax powers remain reserved to the UK Parliament. This constrains what the Scottish Government can do in relation to tax policy. In addition, company law is a reserved area as part of the Companies Act.

As part of NSET, we have committed to a review of how best to increase the number of social enterprises, employee-owned businesses and cooperatives in Scotland. This review will help inform the development of a key pillar of CWB and therefore we will consider any legislative proposals arising from that review which will report by the end of 2023.

Scotland already has a strong track record in these areas. The Social Enterprise Strategy, which was co-produced with the sector and launched in 2016, sets out a wide-ranging, ambitious and long term programme to develop the potential of Scotland's social enterprise sector. The strategy sets out 3 key priorities: stimulating social enterprise; developing stronger organisations; and realising market opportunities. The strategy is accompanied by a series of three-year action plans which describe the evolving commitments, initiatives and programmes that will deliver on the long term priorities set out in the strategy. The latest Social Enterprise Action Plan was published in March 2021 and details how we will work across the public sector and with partners to build forward and put the social enterprise model at the heart of Scotland's recovery.

Key achievements to date include:

- establishing an enhanced national intermediary body through Social Enterprise Scotland, to represent the whole of the social enterprise sector across Scotland and provide one clear voice advocating for it;
- significant progress with the national schools programme funded by the Scottish Government and run through the Social Enterprise Academy which will ensure that by 2024 every school child will have the opportunity to engage with a social enterprise project at school;

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<sup>52</sup> For examples of inclusive ownership pillar activity see the [EDAS: CWB Guide](#)

- enhanced tailored business support to the third sector including start up, scaling up, business recovery and leadership development and support through the world-leading Scottish Government funded business support to the third sector currently delivered via Just Enterprise;
- new funding for a range of targeted programmes, established to stimulate and grow social enterprise activity at home and internationally as well as stimulate innovation and test new models of funding including through key delivery partners such as Firstport, Social Investment Scotland, Community Enterprise in Scotland and Social Enterprise Scotland.

The Scottish Government has an ambition for 500 employee-owned business in Scotland by 2030. The Scottish Government has supported the establishment of an employee ownership Industry Leadership Group – Scotland for Employee Ownership (SfEO) – which will empower the employee ownership sector to direct its own development. Scottish Enterprise delivers ownership succession support to companies, where employee ownership is significantly highlighted as a fairer, more inclusive option. Research findings published by Co-operative Development Scotland in 2021 (conducted by the University of St Andrews) showed that employee owned businesses were more resilient than non-employee owned businesses during the Covid-19 pandemic. A significant focus on people, job security, health, equality and wellbeing led to increased business turnover and improved staff retention at a time when many businesses experienced the opposite.<sup>53</sup>

Co-operative business models can play a critical role in economic recovery, supporting the Scottish Government’s aim to create a fairer, stronger and more democratic economy. We will continue to work through Co-operative Development Scotland and the enterprise agencies to support the growth of co-operatives, employee-owned businesses and other inclusive business models.

Support for co-operative development is delivered by Co-operative Development Scotland and is focused on:

- the promotion of the co-operative model, including employee ownership models;
- the direct provision of advice and information to start up co-operatives and others seeking growth opportunities;
- the dissemination of best practice in relation to business development;
- the provision of training in co-operative business skills; and
- a source of research and data on the scale and impact of the co-operative enterprise activity in Scotland.

Key recent Co-operative Development Scotland achievements include:

- in financial year 2021-22, Co-operative Development Scotland reached 128 attendees via four succession masterclasses, held two professional adviser webinars and hosted a webinar exploring platform co-operatives in partnership with Co-operatives UK as well as a partnership event dedicated to community co-operatives;
- in financial year 2022-23, Co-operative Development Scotland has extended its programme of partnership events dedicated to community co-operatives

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<sup>53</sup> [Scottish Enterprise: Employee Owned Business](#)

including two events providing CPD (Continuing Professional Development) to upskill development officers and businesses advisors;

- Co-operative Development Scotland have supported 20 new co-operatives in both 2020-21 and 2021-22. To date this year (2022-23) 11 co-operatives are receiving support across the spectrum of community, consortia and platform co-operatives;
- Co-operative Development Scotland have support 39 employee ownership feasibility studies in 2021-22 with 25 adopting employee ownership (2020-21 figures are 29 taken to feasibility and 22 adopting employee ownership);
- Co-operative Development Scotland have responded to 78 employee ownership enquiries this year (2022-23) to date, taking 25 to feasibility stage so far.<sup>54</sup>

In addition, Co-operative Development Scotland have partnered with Youth Enterprise Scotland (YE Scotland) on a new initiative which provides the first comprehensive source of information on inclusive, values-led business models for young people. Together they aim to inspire young entrepreneurs to set up companies with a social or environmental purpose. YE Scotland have reported that the young people they work with are increasingly interested in developing businesses with a social and/or environmental purpose.<sup>55</sup>

NSET includes a commitment to build on the findings from the Business Purpose Commission<sup>56</sup>, to inform how businesses can deliver positive impacts on prosperity, wellbeing and environmental sustainability. This will recognise that businesses which take a long term (inter-generational) view of their stakeholder commitments fare better in times of crisis, including during the pandemic. The Business Purpose Commission proposed recommendations aimed at business, the Scottish Government and the UK Government. The Scottish Government is primarily interested in ways it can, within its devolved competencies, promote purposeful business and support companies to develop purpose driven approaches.

The Community Empowerment Act 2015 covers eleven different topics including areas concerned with community ownership such as community right to buy and asset transfer. As highlighted in section 1.4 and 2.4, the review of this Act will have a particular focus on community ownership and strengthening decision-making to improve outcomes for the local community. We recognise the need for community capacity building, particularly in more fragile communities, to support communities to participate in or lead CWB activities.

As part of early engagement on CWB legislation stakeholders have suggested a focus on the following areas (please note: a number of these suggestions, for example employee right to buy, Marcora Law and exploring incentives are proposals in which the Scottish Government is limited where it can act given they cover reserved matters):

- greater recognition of the role of inclusive business models in the economy;

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<sup>54</sup> Figures from November 2022

<sup>55</sup> [YE Scotland: Young people developing businesses with a social and/or environmental purpose](#)

<sup>56</sup> [Business Purpose Commission](#)

- availability and accessibility of start-up support for the establishment of inclusive business models;
- greater acknowledgement of the role of support organisations and the need to ensure they are adequately resourced to maintain and grow outputs;
- a duty for business support services to consider the distinct needs of inclusive business models and to promote these models;
- preparatory work with public sector bodies to improve understanding of inclusive business models in advance of supporting the development of CWB plans and their subsequent implementation;
- a need to increase the knowledge and improve the culture around cooperatives to support new cooperative enterprises or transitions across Scotland;
- supplier development support for inclusive business models including social enterprises to build capacity;
- explore incentives to encourage the establishment of inclusive business models;
- an ‘employee right to buy’ when a business is put up for sale which allows a window for employees to consider developing a bid and raising the finances;
- a ‘Marcora law’<sup>57</sup> which would give workers support to organise a co-operative buyout or rescue when a business is up for sale or under threat. Whilst the Scottish Government would be keen to further explore suggestions around employee right to buy and Marcora law, these proposals are heavily focused on reserved matters.

## 2.5.2 Questions

Q6. Are there ways in which the law could be changed to advance the inclusive ownership pillar of Community Wealth Building?

Yes No Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined above which have arisen from early engagement. You may also wish to consider areas that the Scottish Government could work with the UK Government on if you have proposals regarding changes to the law which remain reserved to the UK Parliament.

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<sup>57</sup> The ‘Marcora Law’ is named after an Italian law introduced in 1985 and gives workers support to organise a co-operative buyout or rescue when a business is up for sale or under threat. The Marcora Law legislates for the state to utilise specific powers to redirect welfare expenditure towards worker buy-outs – specifically, via a fund which invests in the share capital of a ‘phoenix’ co-operative, matching up to three times what the employees invest, by capitalising up to three years’ unemployment benefit. The employees forgo the right to unemployment benefit during that period, should the co-operative fail. With powers over welfare expenditure, employment, and industrial relations not within the devolved competence of the Scottish Government, the Marcora Law is not directly replicable in the Scottish context. (Source: [Owning the workplace, securing the future](#) )

## 2.6 Finance Pillar

### 2.6.1 Overview

The finance pillar of CWB aims to increase flows of investment within local economies by harnessing the wealth that exists locally and directing wealth to tackle inequality, including through:

- promoting the development and use of progressive forms of finance including credit unions and Community Development Finance Institutions (CDFIs);
- ensuring micro-businesses and SMEs have access to finance;
- promoting and harnessing social investment;
- value-led responsible investment;
- incorporating clear CWB criteria into public forms of investment and business cases.<sup>58</sup>

It should be noted that financial regulation is a reserved matter and therefore we do not make legislative proposals in relation to financial regulation. The Financial Conduct Authority (FCA) regulates the financial services industry in the UK.

There is already a wealth of activity across Scotland in support of the above. This includes:

- the Affordable Credit Loan Fund which supports the affordable credit sector by enabling social lenders, such as CDFIs, to provide access to affordable credit to low income households;
- in response to a recommendation from the Carnegie UK Trust's Advancing Affordable Credit report in February 2022, Scottish Government launched a national affordable credit marketing campaign to promote awareness of the community lending sector;
- the Scottish Community Lenders Fund supported both credit unions and CDFIs to promote the availability of affordable credit and strengthen the balance sheet of affordable credit providers;
- Social Investment Scotland offers loan funding and business support for social enterprises, charities and community groups looking to make a positive impact on people's lives, society or the environment;
- the Catalyst Fund delivered through Firstport offers ambitious social enterprises who have potential to deliver significant social impact but are unable to access existing social investment products;
- access to finance for SMEs including through Business Loans Scotland and DSL Business Finance Ltd;
- the Scottish National Investment Bank (the Bank) provides long term patient capital to help crowd in private investment into Scottish businesses and projects. The Bank's missions are to; address net zero, improve places and harness innovation while also promoting equality, diversity and fair work across its partners and investees;
- NSET includes a commitment to develop a values-led high-integrity market for responsible investment in natural capital. This commitment, including more detail on Government's expectation on community engagement and

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<sup>58</sup> For examples of finance pillar activity see the [EDAS: CWB Guide](#)

community benefit from this market, is set out in more detail in the Interim Principles for Responsible Investment in Natural Capital published in March 2022<sup>59</sup>, and is supported by the Government's Land Rights and Responsibilities Statement<sup>60</sup> and related Scottish Land Commission guidance;

- the Scottish Taskforce for Green and Sustainable Financial Services launched in February 2022 will focus on capitalising on the opportunities of financing the global shift to net zero;
- the Scotland Loves Local programme aims to help revitalise communities and town centres, increasing footfall and activity by encouraging people to shop locally.

As part of early engagement, some stakeholders have suggested a focus on the following areas:

- exploring if CWB principles and standard criteria could be built into funding and funding assessment criteria;
- encouraging investment funds including, for example, pension funds, to be directed to build local wealth;
- greater recognition of the role of credit unions and CDFIs and explore the establishment of community banks.

## 2.6.2 Questions

Q7. Are there ways in which the law could be changed to advance the finance pillar of CWB?

Yes No Don't Know

Please provide a reason for your answer. In your response you may wish to consider the stakeholder suggestions outlined above which have arisen from early engagement. You may also wish to consider areas that the Scottish Government could work with the UK Government on if you have proposals regarding changes to the law which remain reserved to the UK Parliament.

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<sup>59</sup> [Interim Principles for Responsible Investment in Natural Capital](#)

<sup>60</sup> [Scottish land rights and responsibilities statement](#)

## **Part 3. Next Steps**

### **3.1 Responding to this consultation**

We are inviting responses to this consultation by 25 April 2023.

Please respond to this consultation using the Scottish Government's consultation hub, Citizen Space (<http://consult.gov.scot>). Access and respond to this consultation online at [Scot Gov-Citizen Space-CWB](#). You can save and return to your responses while the consultation is still open. Please ensure that consultation responses are submitted before the closing date of 25 April 2023.

If you are unable to respond using our consultation hub, please complete the Respondent Information Form, and send it with your response:

By email to: [communitywealthbuildingconsultation@gov.scot](mailto:communitywealthbuildingconsultation@gov.scot)

Or by post to:

Community Wealth Building  
Directorate for Economic Development  
Third Floor  
5 Atlantic Quay  
150 Broomielaw  
Glasgow  
G2 8LU

### **3.2 Handling your response**

If you respond using the consultation hub, you will be directed to the About You page before submitting your response. Please indicate how you wish your response to be handled and, in particular, whether you are content for your response to be published. If you ask for your response not to be published, we will regard it as confidential, and we will treat it accordingly.

All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

If you are unable to respond via Citizen Space, please complete and return the Respondent Information Form included in this document.

To find out how we handle your personal data, please see our privacy policy: <https://www.gov.scot/privacy>

### **3.3 Next steps in the process**

Where respondents have given permission for their response to be made public, and after we have checked that they contain no potentially defamatory material, responses will be made available to the public at <http://consult.gov.scot>. If you use the consultation hub to respond, you will receive a copy of your response via email.

Following the closing date, all responses will be analysed and considered along with any other available evidence to help us. Responses will be published where we have been given permission to do so. An analysis report will also be made available.

### **3.4 Comments and complaints**

If you have any comments about how this consultation exercise has been conducted, please send them to the contact address above or at: [communitywealthbuildingconsultation@gov.scot](mailto:communitywealthbuildingconsultation@gov.scot)

### **3.5 Scottish Government consultation process**

Scottish Government consultation process Consultation is an essential part of the policy-making process. It gives us the opportunity to consider your opinion and expertise on a proposed area of work.

You can find all our consultations online: <http://consult.scotland.gov.uk>. Each consultation details the issues under consideration, as well as a way for you to give us your views, either online, by email or by post.

Responses will be analysed and used as part of the decision-making process, along with a range of other available information and evidence. We will publish a report of this analysis for every consultation. Depending on the nature of the consultation exercise the responses received may:

- indicate the need for policy development or review;
- inform the development of a particular policy;
- help decisions to be made between alternative policy proposals;
- and be used to finalise legislation before it is implemented.

While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments, which should be directed to the relevant public body.



## Annex A – Overview of CWB Activity in Scotland

There has been significant progress in implementing CWB in Scotland over the past few years. The purpose of this Annex is to provide a high level overview of examples of CWB activity in Scotland and it is not intended to be exhaustive.<sup>61</sup>

The Scottish Government has supported five pilot areas to develop bespoke CWB action plans, covering a range of actions across the five pillars of CWB.<sup>62</sup>

### CWB Pilots

#### Clackmannanshire

Clackmannanshire are progressing CWB activity including in relation to the Gender Pay Gap and real Living Wage, ownership considerations in high street regeneration, growing local supply chains and a community benefits wish list.

#### Fife/Tay Cities

Fife are focusing on a number of areas including growing local spend, delivering employability funding through a CWB lens to support lone parents, deepening the role of community finance and using land as a tool to achieve net zero. The learning will be shared with the wider Tay Cities region.

#### Glasgow City Region

Glasgow City Region are focused on bringing vacant and derelict land into more productive use and are pursuing sustainable procurement within the construction sector aiming to develop benefits for Scottish firms with a securer pipeline for apprenticeships and more local jobs. Glasgow City Region are now developing plans to advance CWB across all five pillars of the approach.

#### South of Scotland

The South of Scotland Regional Economic Partnership are incorporating CWB across its regional economic strategy, and South of Scotland Enterprise, working with partners, have a deep dive focus on the role of housing sector in developing South of Scotland supply chains, particularly in green retrofitting of housing stock.

#### Western Isles

Western Isles have focused on areas such as enhancing awareness and application of land rights and responsibilities for greener and more locally productive use and deepening the links between employability programmes and local skills needs, in addition to activity across other CWB pillars.

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<sup>61</sup> Further examples are available here: insert links to CWB Guide

<sup>62</sup> [Scottish Hub for Regional Economic Development](#)

## North Ayrshire Council and Ayrshire Growth Deal

North Ayrshire Council launched Scotland's first CWB strategy in May 2020 committing the Council to deliver an ambitious range of CWB activity at a local level and through collaboration with regional partners.<sup>63</sup>

Scottish Government committed £3 million through the Ayrshire Growth Deal to advance CWB across the region. The funding is supporting new Community Wealth Building officers to support local businesses and community organisations deliver Community Wealth Building ambitions; a regional CWB Fund to advance this activity; and a dedicated Fair Work Ayrshire team who will work closely with Ayrshire anchor organisations and major employers to establish Ayrshire as a Fair Work region.<sup>64</sup>

This builds on wider CWB activity in the Ayrshire region including: an Ayrshire-wide Community Wealth Building Commission containing key anchor organisations including health, further education, police, fire, Scottish Enterprise and the third sector; and the launch of an Ayrshire Anchor Charter which commits local and regional anchor organisations to a range of pledges across the five CWB pillars and a sixth pillar of 'Climate Action'.

Though CWB is often implemented on a local scale, as highlighted above there are examples where the approach has been expanded across whole regions, with Glasgow City Region and Ayrshire leading the way by embedding CWB within their Regional Economic Strategies. The value of this scale of ambition and shared endeavour has been recognised by the Regional Economic Policy Advisory Group, who noted the benefit that could come from this intentional use of public and private investment scaled up across regions in their Regional Economic Policy Review<sup>65</sup>, and included it as one of the policies that could be considered by all Regional Economic Partnerships across Scotland.

Beyond local authorities, a number of other sectors are working to integrate CWB principles into their work, embracing their role as 'anchors' and the wider contribution they can make to reduce inequalities.

As part of the Place and Wellbeing Programme within Health and Social Care, Scottish Government is working with Public Health Scotland to support health and social care providers to contribute to the CWB agenda including supporting territorial health boards (which operate at a regional level) to become active anchor organisations. Health boards and other health and social care providers can make a valuable economic contribution within their region by increasing access to local employment, purchasing from local suppliers and ensuring communities can make greater use of NHS land and buildings.

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<sup>63</sup> [SHRED - North Ayrshire](#). See North Ayrshire Council CWB case studies here: [Case Study: North Ayrshire](#)

<sup>64</sup> [Ayrshire Growth Deal - Community Wealth Building](#)

<sup>65</sup> [Fair Work action plan: becoming a leading Fair Work nation by 2025](#)

Scotland's Housing to 2040 strategy contains a focus on strengthening the role of social housing providers as key anchor organisations. Social housing providers are ideally placed not only to work with tenants and residents, but also to develop the wider local and regional economies in which they are based and help tackle poverty in these areas by providing work and training opportunities. The strategy sets out that by 2025, CWB will be embedded in the approach and practices of social housing providers across Scotland.<sup>66</sup>

There is also a plethora of activity and innovation within each of the five pillars of CWB. Within the spending pillar, the Supplier Development Programme is supporting Scottish SMEs and third sector organisations who are interested in bidding for public sector contracts through a range of resources and events.<sup>67</sup> In the workforce pillar, Fair Work First is driving high quality and fair work across the labour market in Scotland by applying fair work criteria to grants, other funding and contracts being awarded by and across the public sector, where it is relevant to do so.<sup>68</sup> In 2019 over 50 local employers – including Dundee City Council – developed an action plan to make Dundee the UK's first 'Living Wage City'.<sup>69</sup> Within the land and property pillar, the Scottish Land Commission have produced guidance on CWB and land and identified good practice case studies.<sup>70</sup> To support inclusive ownership, Co-operative Development Scotland (CDS) has partnered with Youth Enterprise Scotland (YE Scotland) on a new initiative which provides the first comprehensive source of information on inclusive, values-led business models for young people.<sup>71</sup> Within the finance pillar, Social Investment Scotland offer loan funding and business support for social enterprises, charities and community groups looking to make a positive impact on people's lives, society or the environment.<sup>72</sup>

These examples are not exhaustive however illustrate that CWB can deliver more and better jobs, business growth, more productive use of land and assets, plural ownership models and shorter supply chains.

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<sup>66</sup> [Scotland's Housing to 2040 strategy](#)

<sup>67</sup> Find out more about the support on offer at: [Supplier Development Programme](#)

<sup>68</sup> [Fair Work First: guidance](#)

<sup>69</sup> [Living Wage Places](#)

<sup>70</sup> [The Scottish Land Commission: Case Studies](#)

<sup>71</sup> [Co-operative Development Scotland \(CDS\) and Youth Enterprise Scotland \(YE Scotland\): Inclusive Business](#)

<sup>72</sup> [Social Investment Scotland](#)

## **Annex B – CWB Bill Steering Group Membership**

- Balfour Beatty
- Business Services Association (BSA) Scotland
- Clackmannanshire Council
- Clackmannanshire Third Sector Interface (TSI)
- Clyde Gateway
- Comhairlie nan Eilean Siar
- Community Enterprise in Scotland (CEIS)
- Cooperative Development Scotland/Scottish Enterprise
- COSLA
- Federation of Small Businesses (FSB) Scotland
- Fife Council
- Glasgow City Council/Glasgow City Region
- Highlands and Islands Enterprise
- NHS Lothian
- North Ayrshire Council
- Scotland's Regeneration Forum (SURF)
- Scottish Council for Voluntary Organisations (SCVO)
- Scottish Funding Council
- Scottish Renewables
- Social Enterprise Scotland
- South of Scotland Enterprise
- Supplier Development Programme
- Sustainable Procurement Ltd
- STUC
- University of Glasgow



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