OFFICIAL REPORT
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Economy and Fair Work Committee

Wednesday 4 June 2025

Session 6

The Scottish Parliament
Pàrlamaid na h-Alba

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ECONOMY AND FAIR WORK COMMITTEE
18th Meeting 2025, Session 6

CONVENER

*Colin Smyth (South Scotland) (Lab)

DEPUTY CONVENER

*Michelle Thomson (Falkirk East) (SNP)

COMMITTEE MEMBERS

*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)
*Murdo Fraser (Mid Scotland and Fife) (Con)
Jamie Halcro Johnston (Highlands and Islands) (Con)
*Daniel Johnson (Edinburgh Southern) (Lab)
*Gordon MacDonald (Edinburgh Pentlands) (SNP)
*Lorna Slater (Lothian) (Green)
*Kevin Stewart (Aberdeen Central) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Professor Oliver Escobar (University of Edinburgh)
Councillor Ellen Forson (Clackmannanshire Council)
Neil McInroy (Economic Development Association Scotland)

CLERK TO THE COMMITTEE

Anne Peat

LOCATION

The James Clerk Maxwell Room (CR4)

Scottish Parliament

Economy and Fair Work Committee

Wednesday 4 June 2025

[The Convener opened the meeting at 09:30]

Decision on Taking Business in Private

The Convener (Colin Smyth): Good morning, and welcome to the 18th meeting in 2025 of the Economy and Fair Work Committee. We have apologies from Jamie Halcro Johnston.

Our first item of business is a decision on whether to take item 4, on consideration of evidence, and item 5, on consideration of correspondence, in private. Are members content to take those items in private?

Members *indicated agreement.*

Community Wealth Building (Scotland) Bill: Stage 1

09:30

The Convener: Item 2 is the committee's first evidence session as part of our scrutiny of the Community Wealth Building (Scotland) Bill at stage 1. The bill will place a duty on Scottish ministers to publish a community wealth building statement that sets out the measures that they will take to facilitate community wealth building. It will also require local authorities and relevant public bodies to publish and implement a CWB plan for their area, and it will require specified public bodies to have due regard to CWB guidance when developing their corporate plans and associated delivery strategy.

The committee received 97 responses to its call for written views, and I put on record my thanks to those who took the time to contribute; their input will help us to shape our consideration of the bill.

I note that members of the committee visited Alloa last month, and I thank Clackmannanshire Council for facilitating a positive discussion with local organisations about their experiences of delivering community wealth building in practice. I thank all those who spoke to us during what was a very good session. On Monday, committee members will visit Irvine to meet representatives of local businesses and organisations in order to hear about their experiences of community wealth building in practice and their views on the bill.

This is the first of four oral evidence sessions on the bill. I am pleased to welcome Professor Oliver Escobar, of the University of Edinburgh; Councillor Ellen Forson, leader of Clackmannanshire Council; and Neil McInroy, chair of the Economic Development Association Scotland. I thank you all for joining us.

As always, I appeal to members and witnesses to keep questions and answers as concise as possible. I will kick off with a set of straightforward questions. Do you believe that the bill will achieve its purpose of implementing community wealth building nationwide? If it delivers on that purpose, will it make a difference? Is legislation necessary, given the work that is already taking place in communities?

Neil McInroy (Economic Development Association Scotland): Good morning. I am the chair of EDAS, but I also work for an American think tank called the Democracy Collaborative, which invented the term "community wealth building", based on a model in Cleveland, in Ohio. I helped to develop the five-pillar model that has since been adopted in Scotland and elsewhere around the globe.

Overall, I am positive about the bill. It is a significant change, and it builds on the practice that has already taken place. It is a good thing. In fact, I would go further and say that the bill offers a generational change in economic development, in effect, in that it places a statutory duty on local authorities and other partners and named bodies to undertake community wealth building as an economic development model. At present, economic development is merely the responsibility of local authorities, which means that, although they have the power to undertake economic development activities, it is only a permissive power rather than a statutory duty. The bill ups the ante significantly in relation to the power and ability of local authorities and named bodies to take economic development seriously, and in bringing together the many elements and players in economic development under the ambit of community wealth building.

As things stand, the term “economic development” can be interpreted quite narrowly. It is synonymous with economic growth—there is nothing wrong with that, but it is largely applied to a small range of high-growth sectors in relation to skills and inward investment. Conventional approaches to economic development are often geared towards a top-down approach, whereby wealth is extracted from localities. Conversely, community wealth building directly confronts wealth extraction and, as an economic development model, it is a powerful way to build prosperity in the context of climate crisis, inequality and ingrained and stubborn levels of poverty. That model, as it is applied through the legislation, is focused on the wider factors relating to a buoyant, dynamic, prosperous and fair economy, in which innovation is achieved by looking more broadly at total factor productivity based on place; at human, social and natural capital; and at environmental protection and resilience.

Most significantly, the bill will instil in our economy the importance of plural forms of ownership. We know, from evidence around the world, that employee ownership, community-led organisations, co-operatives and other inclusive business models are central to creating dynamism and innovation in the economy. Community wealth building puts those on a pedestal with regard to their importance to the broader mix that is required for an effective economy.

The bill, with the action plans and the named relevant and specified bodies, will create an obligation to act, which will be a game changer. There are challenges to overcome, but there will be huge positives. The bill will provide a firm enabling platform from which practice and reform can grow. We will secure the gains that have already been made from community wealth building and advance the pace of practice. The relevant and specified public bodies must engage and align corporately with community wealth building as part of community partnerships, which has not previously been the case. The bill solidifies their role and hooks them into local economic development, and they will have to pivot their activities and resources towards community wealth building at local and regional level.

In summary, the bill offers new patterns of wealth and investment flows for greater productivity, dynamism and innovation. It increases opportunities for predistribution and redistribution of wealth and tackling poverty at source. Finally, it creates join-up, cutting across the five pillars of community wealth building. One could say that, while Scotland has a cacophony of good policies and decent strategies, it lacks join-up, which contributes to a perceived and actual gap in implementation at local level. The legislation could turn the cacophony into a symphony, bringing together land reform, the community right to buy, compulsory purchase orders, procurement, fair work, net zero, the circular economy, the just transition, regeneration and local democracy. Community wealth building plans can amalgamate all those things. To take the metaphor a bit further, community wealth building could be the conductor of a new economic orchestra for a Scotland in which we will see greater dynamism, innovation, and fairness and greater wealth for all Scots.

The Convener: The big challenge will come from implementing those duties in practice; we will come back to that.

Who would like to go next?

Councillor Ellen Forson (Clackmannanshire Council): I am happy to go next, convener.

Clackmannanshire Council welcomes the introduction of the bill, which will provide us with a far stronger framework for the development of community wealth building. It will place requirements on other organisations to come to the table. As a council, we have been leading on that work and have found that, at a time of ever-diminishing resources, it is difficult to get others to come to the table if there is no requirement for them to do so.

The idea of having separate plans for every single relevant body is probably a bit ambitious and might lead to the development of more silos, rather than overcoming that issue. A community planning partnership plan would probably be more relevant than having separate community wealth building plans for each agency. In addition, I do not quite understand the difference between the “specified” and the “relevant” bodies. Every body that spends public money in Scotland should be required to come to the table in relation to the community wealth building agenda, and I think that the legislation will help to make that happen.

With the right framework, community wealth building can transform local economies; we have certainly seen that in our area with all the work that we have carried out. I hope that the legislation will provide the framework for that to happen.

The Convener: Should there be a single plan for Clackmannanshire?

Councillor Forson: It should be down to local areas. In Clackmannanshire, we work with NHS Forth Valley and Forth Valley College. It would be a bit much to expect the health board and college to have separate plans in place for Clackmannanshire, Stirling and Falkirk, so there is an argument for developing a regional anchor partnership, which we are exploring locally. We have set up a shadow regional anchor board, which will—I hope—start to bring the plans together. At present, it is difficult enough for the health board and college to cover the three community planning partnerships, so adding an extra layer could be quite difficult. It should be down to local areas to decide what is best for them, although regional area partnerships should certainly be explored.

The Convener: Given the legal obligations that the bill sets out, do you think that a regional approach would be sufficient to tick the boxes?

Councillor Forson: Yes, I do. The regional approach would allow the main anchor partners, such as the health board, college, university and so on, to work across the region while still being flexible enough to allow work to develop on the ground in a locality as needed.

Without the legislation, the bodies would not come to the table and fully engage in that work all. Clackmannanshire is not necessarily a priority for Scottish Enterprise, for example, because we are too small, but the bill would require it to come to the table and work with us. As Neil McInroy said, economic development is not currently a statutory requirement for local authorities. Year on year, we look at areas in which we might have to reduce resources, but putting economic development on the statute book will mean that we will be required to deliver it.

Professor Oliver Escobar (University of Edinburgh): You said that Clackmannanshire is small—it is five times the size of the average local authority in mainland Europe, because we have regional authorities in Scotland. That is part of the challenge when it comes to implementation.

It is great to have the bill, and I am proud that Scotland is leading on what will, as far as we know, be the first piece of legislation of its kind. It is much needed and it will rekindle the community empowerment agenda, which has been a mixed bag over the past 10 years. While there have been some achievements, there have been a lot of broken promises, especially from the perspective of giving communities more opportunities to lead their own agendas. The bill will give the wellbeing economy narrative some legs. All that is good—I will not repeat what has already been said.

For me, the main concern is the implementation gap. There is a large evidence base of failure in the implementation of local government-led partnerships, such as community planning partnerships and health and social care partnerships, although the latter are not quite local government-led. Every time that we put local government in charge of leading in such spaces, that creates a number of issues because there are power inequalities. I am not pointing the finger at local government, because someone needs to lead such partnerships, but they should be co-led. Community wealth building partnerships have the opportunity to take lessons from previous partnership experiences and give community representatives and the community sector a stronger role at the table.

My concern is this: will the partnerships be consistent? Formally, they will be, but, in practice, on the ground, it will depend very much on whether a local authority has real leadership that understands the value of partnership in economic development and innovation. The picture is uneven, as we have seen in other areas.

The field of collaborative governance studies, which studies such partnerships, has introduced the concept of collaborative advantage, which means that you partner because you will achieve more together than you will on your own. Often, as we have seen in Scotland with partnerships similar to those that will be instituted through the bill, there is collaborative inertia. People tick the boxes, fill the action plans, talk and hold meetings, but there is a massive implementation gap because there are no levers of power in place to compel certain actors to share resources, think differently or reform their internal structures. My concern is the implementation gap. I imagine that some, or most, committee members will think that implementation can be considered at the guidance stage, but we need to think about what can be done with the legislation so that action is not limited to guidance and goodwill.

09:45

The bill says that local authorities need to consult relevant persons, which is very open ended. In some places, that will mean very little, and community partners—probably the least powerful partners in the area—will be brought in as tokens. We need to consider what the bill can do to give community representatives a stronger footing. That will vary, but it might include community anchor organisations or community development trusts. I think that the bill needs to place community representation and the expectations for community participation on a stronger footing.

The Convener: I was a councillor for 10 years, and when I cleared my desk, one of the biggest pieces of work involved clearing out all the plans and strategies from over the years. Local government has no shortage of plans, and a lot of good work is taking place on those already. Councils need no encouragement to produce more plans, and simply placing on them a statutory obligation to deliver another plan will not be effective.

Do you think that the statutory obligations in the bill that require councils to produce a plan go far enough to ensure that those plans will make a meaningful, tangible difference to community wealth building? Does the bill go far enough to specify what needs to be in those plans in order to ensure that they deliver big changes?

Professor Escobar: I was thinking about that when I was going through the consultation document. There are two aspects: there could be another mechanism for accountability, such as a community audit, which could be done every five years for a national plan and every three years for a local regional plan. We could use innovative participatory ways to involve people from the local community, which would provide an additional incentive for the partnership as it would be held accountable, scrutinised and advised on how to proceed. That element could be helpful.

The other element would be to try to build an expectation of strong community representation in the community wealth building partnership, which would change the architecture of the incentives around the table. If the community wealth building action plan needed to be co-produced and co-designed, that would make it harder for any single actor to produce it in a way that was convenient to them. There would be more countervailing power, as we call it in the research. That would essentially provide a stronger set of incentives for different players to realise that they are interdependent.

I do not want to get too academic, but we have seen all over the world, no matter where we test it, that interdependence is the single factor that makes all kinds of partnerships work. Unless people feel that they are dependent on others in order to achieve what they want, they will not collaborate. Sometimes, the benefits of interdependence are obvious—a person can see that they cannot get a service delivered or take an economic decision without other players. In other cases, however, it needs to be mandated: people need to be made to realise that they are dependent on a range of actors in the local area to collaborate on and deliver an ambitious plan. We need the bill to create incentives for interdependence, which will make it easier to put in place measures in the guidance that do not depend simply on the goodwill of the actors.

The Convener: I pose the same question to other members of the panel. Do you think that the statutory obligations in the bill go far enough to ensure that the plan will deliver a tangible difference?

Neil McInroy: It is a good question. There is a lot running on the guidance that will follow the bill. The bill elevates community wealth building to have a place in the national economic strategy. That power is important. At the moment, without legislation, we have community action plans, but the bill ups the ante, because community wealth building would be significantly placed within the wider economic strategy and the Scottish Government would need to report on it. Ellen Forson will know this better than I do, but in my experience of the community wealth building action plans that we already have in Scotland, each local area that went through the recommendations has done a good job. The action that has been done is meaningful, real and quite granular—it is based on the particular aspects of those places. It is not highfalutin; it is in the detail of what the bodies can do in that place to advance community wealth, and, accordingly, there are actions in that regard.

I am sure that Ellen Forson will come on to this, but it seems that there is a cap and a limit to what councils can do to deepen and amplify those actions, because they need other players to start playing ball. Clackmannanshire, North Ayrshire and Fife are doing a great job with existing plans, which have had quite good outcomes. However, the point is that they cannot get those other players to have the volition and ability to play ball with those plans. The bill will allow for that—it will give councils a bit more of a jemmy and a tie into those other organisations, which means that they can do more actions and in a deeper way. Is that fair, Ellen?

Councillor Forson: I completely agree with that. For example, there are equal statutory obligations on councils and health boards to deliver on the child poverty action plan. The players on that come round the table and there is good collaboration, but would that happen without the statute? I am not sure that it would, because these things are generally seen as a local government function and something for councils to lead on. The legislation needs to be clear about that.

Neil McInroy is right that a lot will ride on the guidance, which is always open to interpretation. There needs to be a strong line and the expectation that everybody who is included as a specified or relevant body will come to the table on that.

On the point about plans, we have plans coming out of our ears. However, in Clackmannanshire, we have recently reduced 30 plans down to one plan. Instead of submitting 30-odd different plans to the Scottish Government every few months, we submit one plan. We got that signed off by the Government and it is providing a more cohesive agenda for people and a clearer view of where all the different plans interact together, because none of them works alone. The community wealth building action plan will be part of the child poverty action plan and it will also be part of the action plan to tackle violence against women and girls. All the plans come together, so they cannot be taken in silos, which is something that I worry about.

The Convener: People will be at the table because they will be legally obliged to come to the table, but will what they deliver and discuss at the table go far enough? You will come up with a plan, and I hear what you say about guidance playing a big part, but does the bill mean that what you will have to deliver will make a tangible difference to community wealth building? Or will it depend on the guidance? Is there anything that we need to consider to strengthen the bill to make sure that there is not just a plan with all the bodies at the table but a plan that will deliver a tangible difference to community wealth building?

Councillor Forson: There has to be accountability. People can come to the table, talk a good talk and deliver a few actions, but, unless there is accountability—that could be once a year; we do our reports biannually—to say what they have delivered, where they have not delivered, what they can do better and what the outcomes have been, legislation and even guidance will be a bit meaningless.

The Convener: That is great. Thank you very much.

Lorna Slater (Lothian) (Green): I have two high-level questions and then a couple more that will get into a bit more detail and expand on your earlier points. The first question is about the second provision in the bill. The top of the bill almost sets out its purpose, which is to

"reduce economic and wealth inequality".

That is great. Its purpose is also to

"support economic growth in and across Scotland".

Is economic growth the right thing for the bill to try to achieve? Is growth, which is presumably measured in gross domestic product, a measure of an effective economy? Is it a measure of a prosperous economy? Is that the right thing to have right at the top of the bill?

Councillor Forson: Economic growth means many different things. It is not just about finances or, as you say, GDP; it is about overall wellbeing. In Clackmannanshire, we have implemented a wellbeing economy, and we have the wellbeing local outcomes improvement plan. Economic growth is a part of that. There are probably different ways in which the purpose could be explained in the bill to make it more all-encompassing, rather than just focusing on economic growth.

Neil McInroy: As Ellen Forson says, it needs to be more nuanced, and what we mean needs to be explained in the bill. We need to reflect on the type of growth that we wish to have. Is it growth of wellbeing? Is it growth in terms of energy or renewables? Aligning growth squarely and solely with the implied idea that it is GDP is a mistake. It is the broader growth of society; it is the broader growth and development of the economy; it is about growing a more wealth-producing Scotland for all. That needs to be more nuanced and subtle. I did not read "economic growth" as necessarily just involving GDP; I see it as growth more broadly. However, it needs to be defined more carefully. As others have said, it would be a mistake to view the bill as advocating for GDP-based economic growth. I do not think that it is; it is subtler than that. That particular statement needs more precision in exactly what it means.

Professor Escobar: If "growth" in this context means GDP, we know that that does not measure what people value, as has been well established, nor does it measure the wealth of a place, country or economy, or its dynamism or capacity to be creative or support economic development. Is GDP what comes to mind when people read "growth"? In the past few years, people have tended to add a qualifier to the term "growth"—hence "inclusive growth" or "sustainable growth", for instance. That is problematic in its own way, because that is sometimes just tokenistic or symbolic.

The way in which we are answering the question illustrates that the word "growth" has different meanings for different people. My sense is that the way in which the term is used in the bill is intended to command cross-party support without nailing down what growth means, then letting people locally define their vision for growth and the meaning of growth. There is a question whether growth should be specified so that there is no mistake in assuming that it means GDP, but that is always the dilemma with legislation: how do you make it pragmatically viable, so that people can take it and run with it, and so that people who might not agree with one of the qualifiers can still run with it?

The best kind of corrective to mistaking the term as referring to GDP is to ensure that local leadership translates it differently. I am not opposed to adding a qualifier, and I do not think that it would be a bad thing. My worry would be whether doing so would remove the cross-party support that is needed for the bill to become an institutional way of thinking about economic development. Community wealth building involves growth, but also redistribution. It is a reconfiguration: it reconfigures the actors of economic development, the priorities, the way in which economic investment flows and the way in which wealth is generated and shared. In some places, that might mean growth, and it might mean green growth. In other places, it might mean doing better the things that we used to do. That does not bring the kind of growth that GDP measures, but it brings other kinds of growth.

I am of two minds. On the one hand, I want the bill to pass and to create the space so that people can go to work on community wealth building. If that means leaving the question of what growth means with ambiguity, so be it. On the other hand, there is a risk that the word is read as meaning GDP, and that is problematic in so many ways—I do not need to tell the committee. GDP is one of the fundamental problems that undermines the way in which we think about economic development.

Lorna Slater: My second question is more about local authorities. In the survey that was conducted among local authorities and the community wealth building practitioners network, only eight of Scotland's 32 local authorities said that they were already leading on a community wealth building strategy and action plan. That is a quarter. What is the status of our local authorities in terms of their knowledge, ability, willingness and resources to make progress here?

Councillor Forson: In Clackmannanshire, when we started working with Neil McInroy, who at the time was at the Centre for Local Economic Strategies—CLES—our view was that we had to try something different, so we agreed to become a pilot and take this agenda forward. It depends on the local area and how much of a priority it is to do something different. Sometimes, necessity forces you into a bit of innovation, and that is certainly what has happened with us.

10:00

I cannot speak for other local authorities, but the bill's ambitions will not be met unless it is fully resourced, whether that is human resource or financial resource, because another unfunded statutory requirement on local authorities will just put more pressure on already difficult situations. I can speak only for my local authority, but I think that there is a willingness when it comes to community wealth building. From speaking to colleagues in other areas that have been trialling the community wealth building agenda, I know that it is making a difference, but we need to put it in a more tangible way to get people to understand it. As we have just been expressing, it means slightly different things to each area, and it will mean something different to the leadership who take it forward in each case.

Neil McInroy: The Improvement Service and the Scottish Local Authorities Economic Development Group support a community wealth building practitioners network, which is a sister activity to our centre of excellence for community wealth building at EDAS. There is good coverage across all local authorities in that network. Not all local authorities have community wealth building action plans; it is the pilot areas and those that have grasped the nettle, as Ellen Forson said, that have action plans. However, community wealth building activity is taking place in all areas across Scotland in different forms.

With regard to the resourcing of local authorities, economies of scale can be achieved by creating a unified community wealth building action plan. There is also potential—again, this needs to be in the guidance—for the named bodies and the relevant public bodies to pivot their activities towards this economic activity and community wealth building. Of course we need to resource community wealth building plans effectively, and local authorities are the pre-eminent bodies in that regard, but we need to see the named and relevant bodies pivot their activity and resources to play into the community wealth building action plans.

All those agencies do good work, and they will say that they have a big in-tray of stuff to do, but this is a pivot; it is a reprioritisation of activity and resources in Scotland to community wealth building, because implicit in the bill and in community wealth activity more broadly is the message that this is a good way to deal with the climate crisis, to get wealth for all and to have more innovation and more dynamism—what is not to like? Those agencies should be able to pivot to direct their resource and activity towards community wealth building.

What it cannot be—there is a danger of this—is just another thing for local authorities to do. It is not another thing, and it cannot just add to the cacophony. From an economic development perspective, it is a means with greater social and environmental gains. It is a means for creating a more co-ordinated orchestra of all that stuff, with local authorities and community partnerships at its core. That is not explicit in the bill. It is explicit for many people who are working on community wealth building, but it certainly needs to be explicit in the guidance that this is pre-eminently important in breaking some of the disparate nature of the stakeholder policy and funding landscape in Scotland and bringing that together in a more co-ordinated way.

Professor Escobar: The local government situation in Scotland is very unusual—it is very atypical. International textbooks use the example of Scotland—and England, to some extent—because it is extremely different from most local governments anywhere else. Local government in Scotland operates on a regional rather than local scale—in the sense that others would understand the word "local"—and it has far fewer powers than most local governments. The risk in Scotland is that local government is seen as a delivery arm of national institutions, Government and agencies. Local government then finds itself in a double squeeze: from the top, ever more duties are pushed on to it; from the bottom, communities want more devolved powers.

You cannot really devolve power that you do not have. If a lot of the power that you have is from statutory duties, you can work with it, but you cannot devolve it. That is structural and the bill is not going to touch that because, as I am sure you are aware, it has a broader agenda around the local governance review and "Democracy Matters". All that is going to be important for the bill.

The point is that the capacity of local government is already diminished as it is now. Unless things go the way in which Neil McInroy is suggesting by reconfiguring things rather than adding things on, there is going to be trouble. I am saying that based on the role of practitioners.

Based on one of the things that I saw in the financial memorandum, a very limited level of investment seems to be being put into this. In some places, it is probably going to amount to half a practitioner, while others in larger places will maybe have two or three in a team. What we learn about that kind of approach in community planning partnerships is that larger local authorities end up having two or three actors who are right in the middle of other powerful players in CPPs, the national health service, business interests and other services and so on, but those practitioners have no power to compel anyone to do anything, so they completely depend on soft power.

If you are really lucky and you have practitioners such as Ellen Forson and others I have met who know how to work the system, how to work backstage, and how to negotiate and create space, that is fine, but not all local authorities have that kind of practitioner. A community wealth building practitioner will often be new to the role and will spend a couple of years making sense of the mess that they have to navigate in local governance. In that context, the agenda will suffer in local authorities where the staffing is not there to drive this, and, because practitioners do not have that kind of power and because they depend on softer skills, such as negotiation and mediation and backstage work, things can really go in different directions depending on people.

Is there something that can be done in the bill? Again, I do not have legislative imagination, but others here might. The only thing that I can think of is that we noticed a difference when a community wealth building partnership practitioner is based in a part of council that has power, such as the chief executive's office or the finance department. Where the new staff are based might be one of the ways in which the soft power can become a little bit harder. If they are placed in a remote section of the council that is already on the margins of where the decisions are made, that will be a problem; they are going to have to use even more soft power, and no one is so good at using soft power that they can get big things done.

Lorna Slater: That is useful. I want to delve a bit further into that point and some of the points that Councillor Forson made about how community wealth building partnerships might be made effective and cross the implementation gap, rather than just adding another layer.

Do you want to add anything about the accountability, governance and structure of the partnerships and how to make them effective?

Professor Escobar: I will pass the question on in a second, but I would say that there is a strong case for community audits. We proposed those for CPPs 10 or 15 years ago and they could have changed the game. Having a regular community audit adds new voices and eyes, and means that priorities are more grounded.

Who needs to be sitting around the table? It should not just be the lead actors consulting the relevant people. However, it is difficult to specify that because some areas do not have a community anchor organisation, so how do community interests get represented? Some areas have a good community council, but those are exceptions because, again, they have not been reformed for 50 years.

If the bill was being introduced in a context in which local governance was strong, there would be so much potential to avoid the implementation gap. However, because it is happening in a vacuum and because things like community councils have been left to languish and have not been reformed for years, you are in trouble. How do you build community representation into the bill? It certainly needs to contain stronger wording than "consulting relevant persons", as it contains at the moment; that is part of it.

The expectation is that the action plans are co-produced, but it should not just be about how the plan is produced but the way in which it is developed over time. We should not depend only on local government. In some places, the key actors will be other economic actors. Although it is assumed that local government will be the lead force, in some places local government does not have that much capacity and community anchor organisations have a stronger capacity to drive the agenda, so they should be at the table as partners and as equals.

Neil McInroy: Lessons from outside of Scotland suggest that there are a number of ingredients in the effective implementation of community wealth building and effective partnerships. One ingredient is that a higher body recognises the significance of community wealth building—that is what the legislation does. The partnerships need to report back to Government, but that could be done more regularly than is identified in the bill—they could report back every year. Status is important for a partnership that is sitting around thinking, "People are watching here. People are paying attention."

The second thing that is important from an economic development perspective is that a community partnership has meaningful economic levers that can actually be pulled. The community partnership should have levers to pull, because other bodies have a part to play in community wealth building. There should be connections to wider economic strategy and people who have resources and capacity, so that the levers are actually pulling something and things are connected.

The third important thing is that the place—the communities, the people and the businesses—rallies around the agenda. There is clearly a degree of dissemination of learning from other areas to be done in the wider population and among businesses, but that is pretty much common sense community wealth building. It is not as abstract as economic development; it is about building wealth for businesses and communities. It is about building a bigger constituency, if you like, of people who get behind the agenda. It is about government, having a higher-order economic strategy with levers, and having a wider constituency of people who get it and buy into it.

The action plans are important. Community wealth building action plans are not just a corporate statement of intent; they are action plans. Again, a lot lies in the guidance. EDAS already have a guide for community wealth building, which some local authorities are following. That is key.

The plan that we are talking about is a different sort of plan. It is the kind of plan that has a Gantt chart that says, "You are doing this, you are doing that, and there's the outcome." It is a focused plan. I am not saying that community planning partnership plans are not like that, but some of them have a bit of a nebulous quality and are perhaps not as directional and focused on who is doing what.

It goes back to the guidance, and making sure that the plans are meaningful.

Councillor Forson: I agree. I reiterate the point that having separate plans and people going off and doing their own thing will not work. There needs to be a way to ensure that anchor partnerships work together.

We have talked a lot about public bodies, but I would like to bring in businesses and the private sector, because there has to be an incentive for those organisations to come to the table. We are fortunate in Clackmannanshire that Diageo and OI Manufacturing UK Ltd, which are fairly big employers, attend our anchor partnership. They are already doing many things such as paying the real living wage, and they have good employment practices, so it was easy for them to sign up to our good employment charter.

However, in an area such as Clackmannanshire, where more than 95 per cent of businesses are small and medium-sized enterprises, the difficulty is how you incentivise them to come to the table and get on board with that. The nature of being a small business is that you have far more challenges than a big corporation has. We have struggled to engage with the small and medium-sized enterprises. The challenge is how we incentivise them to come to the table, because public bodies will not make this work on their own. There needs to be buy-in from the private sector.

Lorna Slater: My final question is on the relevant and specified bodies lists, which I have a few issues with, but I wondered about your thoughts. One of my issues is that some of the bodies on the specified public bodies list have vast tracts of land and other assets, but other bodies do not, so they are wildly unequal in terms of what they can bring to the table for community wealth building.

What are your thoughts on that and on whether all the right organisations are included? I notice that although regional colleges are on the relevant bodies list, local colleges, community councils and other organisations such as health boards are not. Are the enterprise agencies in the right place on the list? Do you have any thoughts about the lists?

10:15

Councillor Forson: I do not see the need for the specified and relevant bodies lists, quite frankly, because if there is going to be a duty on public organisations, it should be an equal duty.

Your point about the distribution of land is quite interesting. Only councils seem to be doing community asset transfers and land transfers at the moment. None of the other public bodies seems to be coming to the table on those, for whatever reason. It might be that local groups and organisations do not appreciate that they can approach other public bodies. There is a bit of work to be done on that.

I would get a bit worried if a national agency such as Police Scotland is only on the specified list, rather than being a relevant body, because it has huge financial, procurement and employment powers behind it. I think that the requirements on all public bodies should be the same.

Neil McInroy: Ellen made good points there. There are different buckets, or categories, of organisations, and the phrases “relevant public bodies” and “named bodies” are used, but the question is what will they be doing, and why?

Some bodies are pre-eminently important for economic development. There are economic development organisations that are quite keen, because this is an economic development model, so they are pre-eminently important in the constellation of organisations. They need to be there and, as I said before, they need to be active and think about everything that is in their strategies and resources for an activity at a local level.

Then there are larger players—bodies that do things that are related across the five powers. They are either big holders of land, big spenders, financial organisations, big purchasers of goods and services or, perhaps, significant players in increasing the number of inclusive and democratic business models. There are key economic development agencies and there are also big players. Therefore—and this could be in the guidance—there should be something about why each body is included and what it is meant to be doing.

From an economic development perspective, the big economic development agencies are key, as are the larger players that have a big economic footprint—albeit a public one—as purchasers, land holders or financial institutions. They are very important, so they need to be woven into community wealth building action plans.

Professor Escobar: I do not have a lot to say on that. I am of two minds. On one hand, in compelling more bodies to come on to the named list, the worry is that, as happens in other Government agency spaces, a lot of powerful people are sitting around a table that is actually powerless. On the other hand, I have seen the consultation document from the Development Trusts Association Scotland, which includes some ideas about who else should be there, and it seems reasonable to have some more on the list.

I wish that we had a functional system of community councils because, if we did, I would go full-on in favour of naming them and having them included. However, at the moment, some are exceptional, but the majority could not do this work. That is the reason why, often, the most tactical ones build a community development trust, so that it can act.

I would probably defer to others who know more about the agenda, and I would take the advice in the consultation document from DTAS.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): Good morning. I am excited to hear the passion with which you speak about this subject. I have heard it before from some of you, and it is very encouraging.

I will stick to the community dimension and the participation element. I have seen community wealth building working in North Ayrshire and East Ayrshire, and I am encouraged to hear from Councillor Forson about what is happening in Clackmannanshire. I have seen it work in practice, and that was before the bill appeared.

I invite you to share some views about what is actually making community wealth building work. Is it committed and passionate staff and community members who drive it? We could have more strategies and guidance notes than we have ever seen, but that is not what makes this thing tick; it is down to the commitment and passion of local officials to drive it forward and gain participation from the community.

Do you recognise that? Can you see that happening in your own authority and elsewhere? Do you see it reflected in the proposals in the bill to try to encourage other authorities to embrace it?

Councillor Forson: I can speak only for my local authority, but that is absolutely the case for us. We have one officer who has pretty much driven the agenda from the start and has a great understanding and passion for community wealth building. Again, we have one procurement officer for the whole of Clackmannanshire, and community wealth building is just a little bit of his job, but he bought into the idea of increasing local procurement and ensuring that wealth was spent locally. Without that, we might not have made as much progress, so we absolutely recognise that.

I point out that, when we see community wealth building in action, we realise that it takes committed and dedicated communities to bring it forward. For example, last week, I chaired the annual general meeting of Sauchie Community Group in Clackmannanshire. The group is based in what used to be a public toilet—15 years ago, it took on the ownership of the toilet and transformed it into an absolutely fantastic community facility. At first, that was driven by just one man, and then more people came on board and the group has really come together.

As a result, the group now employs three people and has significant financial backing behind it. It brings in many extra resources into the Clackmannanshire community that would not be there if the building was still a public toilet.

Without communities coming on board and getting behind such an initiative, I am not sure how successful it would be. We have a job to explain to communities exactly what community wealth building is and what part they can play in it. I take on board the points about who else should be included in anchor partnerships; I am very conscious that it is organisations that are involved in those, and there is probably little direct input from the community.

Neil McInroy: Last week, I had the pleasure of meeting some American visitors who had come over from the USA, and I spent a week and a half taking them round to look at community wealth building projects across Scotland. They were amazed by the community energy that we have here in Scotland—there are many communities that are doing great stuff, often in spite of the system. Community wealth building is tapping into that energy.

There is in Scotland, in many ways, a social solidarity—for want of a better term—and we need to tap into that. That is the source of our wealth, innovation and dynamism, and we have a lot of it in Scotland. Community wealth building brings that together.

The Democracy Collaborative has produced a paper entitled “Enabling Conditions for Community Wealth Building”, which talks about the various factors that create successful community wealth building; those include people, places and organisations. Where it has been a great success, there have been committed communities, staff and people doing stuff. In some cases, people have grabbed the agenda and are zealous about it, but we cannot just have those people involved—we need to get it mainstreamed, and the bill allows for that.

Community wealth building is not just up to the zealous people who are really up for it—it is universal, if you like. I think that the bill amplifies it, because it makes it universal and mainstreams it. In addition, it says to the great people who have already been doing great work in community wealth building, “Hey, you’ve done a good job, and now you’re going to get other people to help you”—hopefully, if other organisations pivot their resources and capacity.

I agree with what has been said, but we need to capture the energy in communities and amplify it more. I have just one more point—

Willie Coffey: How do we do that? How do we transform that wonderful local experience of community wealth building in some parts of Scotland to other parts that might be yet to embrace it? What is the key to that? It is not about writing strategies and guidance notes—we need to do something else, do we not?

Neil McInroy: Yes—it is about the culture. Community wealth building is, in part, about addressing the culture.

In addition, in Scotland, community development tends to be on the active citizenship side of things—it is about community stuff. The key to the amplification of community wealth building, as we have seen already, is that it is about not just community development, but community economic development. It is about doing more economic things such as owning more assets and land, and linking in with employee-owned businesses and other community-led enterprises such as development trusts.

That gives sustenance to the agenda, so that it is not simply about having community development with the community over there—instead, it puts the community at the centre of our economic future. That enables us all, in a sense, as members of communities, to feel that we are not just workers, but that we can actually own more and have more economic control over our lives.

Willie Coffey: We are doing things with people, not to them.

Neil McInroy: Absolutely.

Willie Coffey: Professor Escobar, how do we share that experience across the rest of Scotland?

Professor Escobar: You posed an important question: why is it working where it seems to be working, and what are the key ingredients that seem to click in some places?

A lot of places have been craving a catalyst to give real legs to the community empowerment agenda. We cannot have community empowerment without economic development and an economic strategy. Some of us in the room will have been there when the community empowerment and renewal bill, as it was originally known, was proposed in 2012—it took three years to develop into the Community Empowerment (Scotland) Act 2015. It was always thought of as a first step—it was never meant to be standing on its own 10 years later.

For me, what we are discussing is part of, and builds on, that story. A lot of people on the ground have been waiting for something that gives them the space, the environment of authorisation and the language to work in new ways. That is part of why the agenda is clicking in some places.

Ultimately, people understand that the real economies are made of people, not just as employees but as drivers of economic development in all kinds of capacities. That builds on what Ellen Forson and Neil McInroy said. There is a strong element of leadership, but it is not traditional leadership—it is what we call collective leadership. People do not always grasp that—there are still plenty of people, especially in formal and official positions, who have a very narrow notion of hierarchical, individual, visionary leadership. That is not the type of leadership that drives an agenda such as community wealth building—it has to be collective leadership.

How we build that culture is a part of it, but culture is often pushed by capacity building. That is why I was concerned about the financial memorandum to the bill, because I think that it underestimates the resources that are needed. The people who are going to be driving the agenda are not just going to be driving the development of a plan and bringing together partners—they will be at the forefront of spearheading a massive culture change programme that changes the way in which public administration works and thinks; the way in which communities operate; and the way in which businesses of all kinds are brought into the picture of economic policy development. That is massive, and it requires capacity building. That means doing specific things; I could tell you about the training programmes that we have at the University of Edinburgh to support that kind of stuff. It is not impossible—it can be done, but it requires investment.

I have one final point—this is something that is hard to accept, especially for legislators. I have been in Scotland for 20 years—literally; it is 20 years this month since I arrived, and I find that one of the striking things about it is the obsession that things need to be absolutely the same everywhere. We struggle to live with difference and asymmetry across the country. There are some good reasons for that—certain elements should be as fair and equal as possible, and consistent, across the board, and that is fine. However agendas such as the community wealth building agenda cannot be measured according to that yardstick, because different places will go at different paces, so we need to live with difference and asymmetry. We must accept that some places might take longer—they might wait until Clackmannanshire has shown what the outcomes are, and then, all of a sudden, they think, “We want a little bit of that”. We will then see how quickly people pivot, but we need to hang in there and not expect everyone to go at the same pace.

In some places, some of the foundations are not there; they will have to be developed first. That is why the collective leadership element is crucial, which goes back to the point that I keep making about not putting all the burden on the shoulders of local government.

Councillor Forson: Can I come in on that?

Willie Coffey: Go ahead.

Councillor Forson: The point about capacity building is key. As a local authority, we have invested quite a lot in capacity building, both through our officers in communities and with community planning partnerships. We have done a lot of work with the Hunter Foundation and Columba 1400 to focus on culture change because, over the past five years, it has been a huge step to move away from traditional ways of delivering local government services to the new ways that community wealth building offers.

10:30

It has taken a long time to get there, and significant investment has been required to allow us to do that, but we are now on the cusp of something. It is quite hard—we are at the point where we need to take our hands off and let the communities themselves take control of it. We are doing a lot of work around that. It is quite an uncomfortable position for an elected member to be in.

Willie Coffey: There are some great answers there—thank you.

The Convener: Councillor Forson, you will be pleased to know that Gordon MacDonald and I, as part of our visit to Alloa, visited the former public toilet that is now a fantastic community hub to meet the team there and to look at the tapestry, which is fantastic. That is a really good example of a big change in the community. It is the nicest former public toilet that I have ever seen.

I bring in Gordon MacDonald.

Gordon MacDonald (Edinburgh Pentlands) (SNP): Good morning. I have a couple of questions. We have pretty much covered one of them, but I will recap, in case there is anything to be added. It is basically about how the bill can be improved. I have been taking notes of the suggestions so far, which include addressing the implementation gap, looking at the requirement for financial resources, co-designing the action plan, recognising the importance of interdependence, and undertaking a community audit. Are there any areas that I have not listed but that we should look at in order to improve the bill?

Neil McInroy: The point about join-up and how it links to other stuff is important, and a strong connection needs to be made. We have talked about a range of things around how community wealth building joins up with policies and so forth, but the key is perhaps the public sector reform agenda. In simple terms, if we improve the economy and get wealth working more virtuously in Scotland, that will reduce the demand on public services and put mair money in people's pockets. There is a key connection to be made there. Community wealth building is not simply about community activity and economic development; it plays into the wider wealth and health of our populations.

I feel that legislation should situate the community wealth building agenda within the broader context of not only its importance to the economic strategy for Scotland, but the public sector reform agenda, too. The Christie commission—which members will, no doubt, be familiar with—was a strong piece of work back in the day, but it missed the connection with the economic dimensions of Scotland. It was very much focused on public services themselves, rather than looking much more at reducing demand.

The economic destiny of Scotland is key to reducing demand on public services. We are not going to deal with rising demand on public services if we do not improve the economy and ensure that more people have a genuine stake in it and have more wealth going into their pockets.

Councillor Forson: From my perspective, we have to be careful that pieces of legislation do not cut across each other and create barriers. For example, current procurement legislation is a barrier to community wealth building, particularly for smaller groups and contracts. Personally, I would like to see a bit of relaxation, or a bit more flexibility, in that area.

When funding comes from Government—from both Governments, I should say—it would be good to have the flexibility to use that to support community wealth building agendas. Very often when funding comes, there are strict criteria attached and it has to be spent in one way by a certain time. That does not suit this agenda at all, so a bit more flexibility in that regard would be especially helpful.

We are clear that we do not want bits of legislation to cut across other bits and cause more issues instead of creating solutions.

Professor Escobar: I would stress the community representation aspect—I am not sure whether that was on Gordon MacDonald's list. It is difficult to articulate in legislative terms, but a stronger nod to that, and not just an expectation, would be good.

Connection to other agendas is really important. This has not been said before, and I do not think that it means that you need to change things in the bill, but one of the key motivations for my strong support of this agenda is that it can be one of the catalysts for building the economies that we need for a climate-changed world, which will require stronger, locally based, community-based economies that can adapt, be flexible and evolve. I just wanted to stress that.

From a practical point of view, I wonder whether more could be said about the investment in finance, because the places that work well will reach their ceiling pretty soon, and they will think, "Where can we access £50 million to invest in this critical development that is going to turbocharge our local economy, according to the values that we feel are relevant and according to our priorities and local needs?" It is good to see the Scottish National Investment Bank on the list, although there are question marks about what it is doing and how well it is working. At the moment, there is a ceiling that means you will be doing well if you have an action plan, things are being reported and you are implementing and driving. It is not enough to say, "By the way, here are the channels. There will be a way of connecting to large-scale financing and of gaining more capacity as you keep evolving this agenda."

I do not know what can be done. I am not a lawyer or legislator. I always find it really difficult to decide whether an issue is relevant for the bill or something for later. However, I think that there is something to note about financing and investment.

Gordon MacDonald: On that point, when we were in Alloa, we heard from one of the credit unions, which said that it had money and would like to invest in community wealth building but that the legislation that governs credit unions ties their hands. Of course, that issue is reserved to Westminster. Perhaps pension funds could be unlocked as well, but there would be the same difficulty in doing that. Is anybody aware of whether the United Kingdom Government has been talking about encouraging pension funds to invest in infrastructure? Is there any feedback about whether it is looking at community wealth building, or is that not even on the agenda?

Professor Escobar: I am looking to Neil to answer that.

Neil McInroy: The UK Government might not call it community wealth building, but that is certainly on the agenda in relation to pensions. It also uses the dormant bank assets scheme as a community wealth fund that looks primarily to support communities to grow their economic dimension. There are things that link with pushes in UK Government policy. In previous times, the UK Government was perhaps more supportive of community wealth building, and it is maybe less so at this point in time.

I have just one other thing to add to the point about what is not in the legislation. For me, the guidance is key, as I said. A lot of the things on Mr MacDonald's list relate to guidance—for example, how people will be working, what will be in the plans, what the targets are, how we make people actually do what they say they will do, and how resources will be pivoted. It seems to me that the bill could be a bit more detailed. It says that the Government will produce guidance, but could the bill set down particular criteria for what would be in that guidance? Without going into detail, could the bill give some direction of travel for what that guidance will do? That would answer some of the questions that not only the committee but others have been asking, such as "Where's the detail?" If there was a little more sketching out of what the guidance will tell us, that would help with some of the issues that you raised.

Gordon MacDonald: One of the questions that I was going to ask was about how we measure success.

Neil McInroy: Across the five pillars of community wealth building, there is usually a range of outcomes and targets. On one level, particular targets need to be set inside the community action plans. Linking to my earlier point about wider economic strategy and what the Government is committing to, it should weave community wealth building into its economic strategy and its economic, social and environmental aims and objectives for the country.

Professor Escobar: I return to the point about financing and investment. Again, I do not know whether this would be for the bill or the guidance, but you should look at things such as community shares schemes, which are still small but quite promising. With those, communities literally have a stake invested in the community wealth building agenda locally, which drives a lot of incentives. Community shares should be emphasised in one way or another.

In addition—dare I say this? Every time I mention it, I get stern looks—we need to keep asking hard questions about the limited borrowing powers for this kind of investment that local government in Scotland has in comparison to local government in other countries. It is no wonder that local government in Scotland cannot see itself as a stronger engine for economic development.

The fiscal powers here are very limited, which has hindered other agendas, too. Participatory budgeting, for example, still has legs in some places, but it has not reached the potential that we were hoping for when it was introduced. A lot of it has to do with grasping the nettle. An example of a place where participatory budgeting works is Curitiba, in Brazil, where the local government raises 80 per cent of its own revenue. It has tremendous fiscal powers and it can channel things. We do not have that here, so we need to work within those constraints.

The bill is what it is, and there are elements that can be considered to improve it, but I just want to signal that we need to keep making connections to other agendas such as local governance reform and taxation reform, because all those things need to work in tandem. That is the bit that we have not quite done enough on. My hope is that the bill gets us thinking in that way. We need to keep all the balls in the air at the same time, because the bill, the good stuff that is already there and the changes that can be made are dependent on all those other things.

Neil McInroy: I disagree slightly with Oliver. I agree on the macro context and the framing, but it is important to say that the Community Wealth Building (Scotland) Bill and the practice around it are about a reconfiguration of how we do things and how institutions, including the named bodies, operate and function in Scotland.

Although I accept Oliver's points, we should not be saying that we cannot do it because of this or that. This is a realisable opportunity, and some stuff is already happening through community wealth building activity. The bill will solidify that and give more grunt to it, if I can use that word. We should not be thinking, "We're never going to manage it, because the financial envelope is too small." The bill will reconfigure and pivot the way we think about economic and social development in Scotland, which, if we get the bill right, could really be amplified and make some differences, as it already is doing.

Professor Escobar: Actually, I think we agree. It is just a matter of the timeline. I am thinking about the long term. If this is not to be doomed to be something that we try only to realise, after 10 years, that we have reached the ceiling, and if we are thinking of it as a reconfiguration of economic development in Scotland over 20 or 50 years, the big issues that need to be grappled with are the power of local authorities to borrow and invest, our taxation system and all those kinds of things.

I think that it was pointed out earlier that a lot of this stuff is already working in practice. That reminds me of one of the first research projects I did, when I spoke to someone who was a really active doer—a policy worker who got a lot of stuff done. She told me, "I know that what we are doing here works. Now it's your job to go and see if it works in theory." It worked in practice, but did it work in theory? Here, we are at risk of thinking, "It's working in practice, but can we make it work in legislation?" However, as long as the bill does not get in the way of the good stuff that is happening and builds on it—it sounds, from the testimony of Ellen Forson and others who work on the ground, that it will not get in the way and will help—it will take us forward. I am confident that there are no major gaps, but some improvements could be made.

Gordon MacDonald: Councillor Forson, you have experience of the action plans, as Clackmannanshire was one of the pilot areas. Should there be targets within the action plans for local procurement, asset transfer times and so on? Should there be penalties for non-compliance?

10:45

Councillor Forson: There should definitely be targets. You should not have any plan without a target and without knowing what you are striving to achieve. They would, though, have to be realistic targets.

Should there be penalties? I think that that would be a bit punitive. What would the penalties be? We are not going to penalise ourselves for not reaching something. We should always be striving to meet the targets, however. If you are not doing so, you should realise why you have not met them and you should reassess and re-target your efforts. I would be a bit worried about penalties. Who would do the penalising?

Murdo Fraser (Mid Scotland and Fife) (Con): Good morning. I will follow up my colleague Gordon MacDonald's line of questioning. Let me start at a fairly high level, as that is where you were. You are all enthusiastic about the benefits of community wealth building, and you all make a persuasive case in selling those to us.

Setting that aside, however, the committee is considering the bill, which effectively requires public bodies to produce action plans. As Neil McInroy hinted earlier, there is concern that people in local authorities are stressed, their budgets are squeezed and they have 101 other things to do. An officer gets the job of drafting the action plan, even though they might not be dedicated to doing the job. They prepare the action plan, it goes to a committee of councillors, they nod it through, it gets put on a shelf and nothing happens. Is there a danger that you are overselling the bill to us regarding what it will actually deliver? If that is the case, what do we need to do to the bill to ensure that it actually delivers?

Professor Escobar: That relates to the accountability element—how to build things in. That is why I mentioned a community audit—not just because it is a nice thing to have, but because it changes things. If the local authority is seen as being the key driver, and if key duties are placed on it, while everyone else is going to play along, more or less, the incentives for the local authority to drive community wealth building strongly will depend on local factors such as the right people being in the right places and having the right leadership. If there is more co-production, with a range of community and business interests represented and expected to be there, that changes the game.

You might ask whether there needs to be some kind of channel whereby people can say that their local authority is not living up to the challenge. Could there be a channel to the minister, or a recourse of some kind, so that a community group or community organisation could point out that something happening in their area seems to be a tokenistic exercise? They might say, "We have done the work. We have developed the plan," but pointing out that it is dependent on certain measures, that certain targets are not being met and that the work has taken two or three years. They might want further pressure to be applied. Having something like that might not be a bad idea. I do not see the proposal as punitive; I see it as a mechanism through which people in the community could exercise their right to say, "If I am investing my time in this, I want it to accomplish something."

The provisions could be stronger when it comes to accountability. A problem that we see with other partnerships is that there are different players with different lines of accountability, and each player in the community wealth-building partnership will have a different line of accountability to a different public body or a different level of governance. Unless you build in internal mechanisms such as a community audit or a recourse of ministerial appeal—I do not know what the name of that would be—so that communities on the ground have that mechanism, the process will be at the mercy of factors that are external to the locality.

Neil McInroy: I am probably not overselling, although I am certainly giving the pitch here, Mr Fraser. That is partly born of experience: I have been working in community wealth building for 15 years or so now, and I can see the benefits that it can bring in the maturing of economic development. It can play into the many strategies that do not land.

It plays into the failings of regeneration—or revitalisation, as they say in the USA—whereby you throw money at the problem but it does not solve the underlying causes. It plays into the economy that is not working for everyone. It plays into the idea that there is a global economy and a global financial system that are difficult, in some ways, for places and small countries to play into. It also plays into the idea that, although we are seeing economic growth and success, some people are thinking, "How am I benefiting from that?" It also plays into the world that we are in, the climate crisis that we are in, and how we need to build greater resilience locally and as a nation.

Late last year, I was in South Korea, which is a country with a successful economy. It has the innovation and dynamism that we, in Scotland, would like. Why are they interested in community wealth building? They have a problem with some of the revitalisation and regeneration not working. Not everyone is really benefiting from some of that economic growth. They have some depopulation in certain parts, and they see community wealth building as an antidote to that.

I am doing a selling job here. It is up to Scotland and the Scottish Government to fully take the bill on board. It is not simply another piece of legislation to add to all the others; it is pre-eminently important, and it needs to be seen as such. The bill provides that the Scottish Government must make a statement about what is happening, and it needs to see that statement as a very important thing that it is delivering. I would say that that statement about the progress that we are making on community wealth building should probably be made every year.

The agencies and named bodies are really important to that, and we need a cultural shift in them. They also need to be seen as being really important. Communities and local authorities, which are already perhaps more into the space, need to elevate the significance. There is a danger that it becomes simply a piece of legislation. Wider activity within the guidance and around the legislation needs to take place, so that it is seen as being of pre-eminent importance.

Implicit in what I am saying is that community wealth building—including the bill that has come about—still does not have a status in the national economic strategy for Scotland. It is seen as perhaps not having that centrality, but I think that it should have that centrality and that it can bring together much of the good policy in Scotland into one central action plan at a local level.

Murdo Fraser: Councillor Forson, I will ask you a specific question about procurement, which Gordon MacDonald touched on. Clackmannanshire Council has done very well in opening up procurement to local companies; it has a very good track record in that regard. How have you been able to deliver that? Is there anything that prevents other local councils from doing what you have been able to do?

Councillor Forson: From our perspective, we are small, we know our local businesses, and we have a real focus on engaging with them. We regularly—three or four times a year—hold meet-the-buyer events, when we invite local businesses to come in and engage with the council. We also support them in relation to all the different frameworks that they have to go through, which can be quite onerous for a small business that does not have dedicated people who are focused on procurement or on chasing contracts. We have been very focused on that.

There is nothing stopping other local authorities doing that at the moment; I suppose that it simply comes down to priorities. However, because our contracts are fairly small in size, we are able to do that. On the whole, we do not deal with the multimillion-pound contracts that councils such as Glasgow City Council deal with. When you are looking at contracts of £50,000 or £100,000, as we are, it is much easier to open up procurement to local companies.

There has also been real buy-in from elected members. A procurement report comes to our audit and scrutiny committee every six months, which enables us to keep an eye on where we are going with that and what we can do better. When we see contracts being let outside the area, we ask the question, "Why has that happened?" Very often, it is because the locality of Clackmannanshire simply does not provide that service. In such cases, we extend the process to the Forth Valley. Our Forth Valley stats are heading towards 40 per cent. In a region such as ours, which is so interdependent, that can only be a good thing.

There is probably nothing stopping other local authorities doing that; it simply comes down to their focus and priority.

Murdo Fraser: Is there anything that the bill could do that would help with that process? For example, it has been suggested that the procurement threshold of £50,000 could be raised. Do you have a view on that or on anything else?

Councillor Forson: I would like the procurement rules to be flexed to meet local needs and priorities. There are limits at the moment, which are quite arbitrary. In somewhere such as Clackmannanshire, which has smaller contracts, the limits knock a lot of local people out. It is a question of having the ability to flex and to be less prescriptive and, I suppose, of trusting local areas to take the decisions that are best for them.

Neil McInroy: It strikes me that there could be a range of other legislative or policy changes across the five pillars that Ellen Forson just touched on. I think that that could be done through secondary legislation. You do not want to have a big super bill that has all that secondary stuff in it, but it needs to be acknowledged somewhere that, to have effective community wealth action plans, there will have to be policy shifts as well as shifts from the named bodies. There will potentially also need to be some legislative tweaks at the secondary level to achieve the true benefit of community wealth building. Those might include changes in relation to land reform, procurement and so forth. Those things are not in the bill that we are considering, which is a piece of primary legislation, but they need to be flagged up as changes that might be needed further down the line.

Michelle Thomson (Falkirk East) (SNP): Good morning, and thank you for joining us. You have started to touch on this already in the various comments that you have all made, but I am interested in your assessment of whether, if the bill is right, the money will come. There are elements that we are already doing—I am thinking about community asset transfer, and procurement has also been mentioned. Theoretically, the bill should enable additional things. I appreciate Oliver Escobar's comment about local councils, although they have more borrowing powers than the Scottish Government does, because they have the prudential borrowing scheme.

Based on the experience that you all have, do you think that the bill, in and of itself, will help to facilitate clearer lines of sight on funding? Perhaps Councillor Forson might like to come in first, because Clackmannanshire Council has already been doing some of this work, so she will be acutely aware of the funding challenges that exist in the work that the council has under way.

Councillor Forson: With community asset transfers, an asset has to be transferred before groups can apply for funding. However, the viability of the transfer and whether it will work often depend on whether the funding is there. For example, there is a men's shed group that wants to take on a building, but the Scottish land fund requires it to have the building before it can apply for funding. However, the group needs to know whether it will have the funding in place before it can do that.

That is a very specific example, but that situation is borne out across the piece. There are lots of other examples where it is probably the guidance that comes with the funding that prevents people from moving the agenda forward.

Neil McInroy: Your question was a good one. In looking at some of the action plans that have been produced, not just in Scotland but elsewhere, my experience—which might be shared by Ellen Forson—is that, to realise the ambition in an action plan, there needs to be a pivot of resources and capacity. At the moment, that pivot is not happening to a great extent, because the bodies that have the resourcing capacity are not round the table and there is no duty on them to be there. We should see the bill as a means to shift the priorities of the named bodies that have resources.

I recently came across an example—I will not name it, but it was in Scotland—of a viable, on-going, good-sized bakery in a town. The owners were retiring, and they wanted their employees to take ownership of the business. The employees did not have the capacity or the skill set to take on an employee-owned firm, so the owners were caught in a bit of a bind and were looking around for support. That would have been a classic case of community wealth building, in that it would have created an employee-owned firm and spread wealth to its workers, but the owners had to go to the market and sell the property, which is no longer a bakery.

11:00

That bakery was a key going concern that employed a number of people, had a number of local suppliers and was central to the town's vibrancy, but it did not receive adequate support, because employee ownership is not seen as particularly significant—it is viewed as being marginal by some of the big agencies, which are more focused on big-ticket investment.

We could imagine that, for such an organisation to support employee ownership, that would involve a pivot of resources and capacity. The bakery was small—we are not talking about a 200-job factory—but there are many firms of that size around Scotland. That is the sort of thing that we should be thinking about—there needs to be a reprioritisation of existing resources towards that kind of stuff.

Michelle Thomson: I will bring in Professor Escobar shortly. I completely agree that, arguably, our entire financial system is geared to the bigger, the clearer and the perception of less risk, which means that something needs to be tried and tested. That seems counterintuitive to some of the changes that could be effected at community level by the bill, but we are where we are.

Neil McInroy: I work across economic development in the USA and elsewhere across the world. In general, in order to create resilience and local, place-based economic development, there is a move away from big-ticket investment towards thinking about building from within and from the creativity, imagination and innovation that are all around us. Scotland has many small places and many small businesses that relate to place. Our economic development strategy should be based on that; that should be a key component of how we build a prosperous and fair Scotland. What happens in our towns, cities and local entities, and what happens when people want to be entrepreneurs and set up businesses, should be central to our economic strategy. In many places across the world, there is a pivot away from big inward investment to building from within.

California has the California Employee Ownership Act 2022. Why is the land of the free, California, interested in employee ownership? The reason is that people there understand that, because of the large global corporates that make up a lot of California's economy, much of the wealth is extracted and disappears to far-off shores. Some of the shareholder-driven organisations tend to misallocate capital and do not reinvest in research and development or skills, whereas smaller firms and employee-owned firms do. It has been proven that employee-owned firms are 9 per cent more productive than others. That form of entity will be key to Scotland's economic destiny, and I believe that the Community Wealth Building (Scotland) Bill could place a torch under and add a pre-eminence to that type of economic activity.

Michelle Thomson: I keep promising to bring in Professor Escobar.

Neil McInroy: I apologise—I went on a bit there. Sorry, Oliver.

Michelle Thomson: It is really interesting for me to understand what the blockers are and to what extent the bill can be an enabler. Economic strategy, in and of itself, can indicate intent, but it does not necessarily bring all the pots of money to the table. We have some control over various things in the public sector, some of which Councillor Forson mentioned, but we also talked earlier about small and medium-sized enterprises. Primarily, much of their funding will come from banks, which will take a completely different view of the matter, given their attitude to risk, and they may not be at the table.

I am trying to get a sense of how much of a shunt the bill could provide, although, in my assessment, there would still be considerable blockers. As Councillor Forson said, as a minimum, we do not want the bill to get in the way.

Neil McInroy: We cannot boil the ocean. We are putting a ripple—a big one, I hope—in the pond here. There is a type of global investment that is very cognisant of the climate crisis and the need for resilience. It is cognisant that there is a fragility to the way that people used to invest in things, because of the global economic picture. I am aware that, in the US, finance houses are pivoting towards doing community wealth building activities, such as setting up employee-owned firms and co-operatives. They think that those firms will make good business decisions, that they will be there for the long haul and that they will allocate investment effectively to research and development. Quite big private equity houses are moving towards that sort of stuff.

By having good legislation in place that promotes community wealth, plural ownership and inclusive ownership models, Scotland will see different investment types and a pivot of investment towards such entities, which do not land simply for the sake of economic growth but relate to the place and bring investment in it on the part of the community and the local authority. I am talking the bill up, because we are at the beginning of the creation of a new economy, and Scotland should be at the forefront of creating a more inclusive and democratic business model. Community wealth building is a way of achieving that.

It depends on our world view and where we see Scotland going. Will Scotland's economy be predicated on attracting investment from traditional mainstream global corporates, or will it pivot much more to building from within, which is what community wealth building is about?

Michelle Thomson: I am not disputing that; I am simply trying to gain from you an understanding of where we are at. Even if—assuming that the bill goes through—the Government sends out a clear indication of its intention, in and of itself, that will not necessarily attract the range of funding that would be required to enable projects. Even if we completely agree that community wealth building is good and should attract funding, it will not do so in and of itself. I am trying to get a better understanding of where we are at.

Neil McInroy: I am sorry for coming in again. I think that that is right. Policy and legislation are not the whole music, but they set the beat. Clearly, there are particular named bodies that set the tone for financial investment and inward investment in Scotland, and that have conversations with a range of financial bodies. The legislation sets the beat on that, and some of those organisations should be around the table of the community partnerships. It is a case of setting a different tone and culture.

Councillor Forson: The legislation sets an intent and a direction of travel. It empowers specified or relevant bodies to take decisions that are backed by legislation and that can support community wealth building.

I will give another example from our local area. We are looking at a different way of funding public services, which we call the funding transformation vehicle. The council will put in significant amounts of money, alongside funders such as the Robertson Trust and the Hunter Foundation, which are willing to do so because we are looking at funding in a different way and are embracing community wealth building. They are matching the public sector investment almost pound for pound, and it is only the focus on and commitment to community wealth building, wellbeing and community empowerment that are allowing that to happen.

Over the next few years, we will be delivering public services in a significantly different way, which will be driven by communities and partly funded by other organisations that, in the past, would not necessarily have come to the table. It is community wealth building that has enabled that to happen. Having something in legislation to back that up and signify a wider direction of travel can only help.

Michelle Thomson: Professor Escobar, do you have any final comments on the issue?

Professor Escobar: I have less to say on that, so I am glad that Ellen Forson and Neil McInroy spoke about it. I liked the fact that your opening question was, "If the bill is right, will the money come?" That is part of it, and I will say something about that, but as Neil McInroy said, the assets, the resources and the creativity are already in communities, but they are blocked or do not have the channels that they need. The bill creates a space for that stuff to be unleashed, which matters. That includes things such as community shares, which have potential in that space.

When it comes to mobilising money, accessing resources and investment, and considering the risk question, we would do well—this might be for the bill's next stage or the guidance—to learn from models such as the public-common partnership model that cities such as Barcelona are following. There, the risk is reduced because the power of a local authority is leveraged in collaboration with a community that is going nowhere—it will be there for as long as that place exists—in order to attract slow and patient but secure investment. We have not yet exploited such models here. The public-common partnership model is the antidote to public-private partnerships; it is the very opposite of those, because the architecture of incentives is completely different. Those things need to be explored.

However, the bigger point is about the agenda's visibility and how that matters if you are to change the broader conversation about banking and the role of borrowing and lending. In the longer term, if the agenda of mutuals and ethical banking becomes more visible in a space that is attractive to those actors that are rewiring that side of the financial system, there will be a broader shift.

We need to consider the practicalities and to build on the stuff that we will learn from the first generation over the next five to 10 years. However, the bigger picture is the level of public support, because that will change the conversation about the way that financing and lending works and will create political incentives for our political leaders to think, "Okay—we need to keep making these reforms, and we need to keep adjusting things."

There is strong support for community wealth building. That conclusion is based not only on population surveys—there have been such surveys—but on the two national citizens assemblies that we have had in Scotland. Those included a cross-section of the public, including some of the poorest, some of the richest, people of all ages and so on. Both the first assembly and the second one—the climate assembly—strongly supported not only the ethos of community wealth building but some of the practices that it can bring. We should not underestimate that.

In parallel to that, opinion surveys were carried out to look at whether the rest of Scotland's population was on board with a shift towards a wellbeing economy—a less extractive, more community-based economy that takes a longer-term view and is more climate aware. The answer was yes. In a way, we are playing catch-up with our communities. That connects to financing, because if the broader public imagination, conversation and political discourse shift, investment and finance—at least the parts of it that are sensitive to where the world needs to go—will shift as well.

Michelle Thomson: Thank you very much.

The Convener: Kevin, do you wish to add anything or ask any questions?

Kevin Stewart (Aberdeen Central) (SNP): Yes. This morning's discussion has been very interesting, so I thank the witnesses. You have touched on the fact that the bill alone will not make the difference—I think that it was Neil McInroy who said that policy and legislation set the beat.

The bill touches on a number of different policy areas, such as compulsory purchase powers. Compulsory sale orders should also come into play. There has been discussion of asset transfer, and Ellen Forson highlighted some of the existing difficulties. What do changes do we need to make to compulsory purchase orders, compulsory sale orders and asset transfer legislation?

11:15

Neil McInroy: I am not familiar with where the debate on land and property has got to in Scotland, but from a community wealth building perspective, we have a situation in which owners are sitting on land or property that could be put to productive use for community or private sector activity, but they are waiting for a rainy day before they do anything. We need to think about using compulsory sales orders in order to force that land or property on to the market.

When we travel around Scotland or our own towns, we all know of a building that has been sitting unused for too long, and we all ask who owns the building and whether it is somebody offshore or somewhere else. We think, “Can we no do something aboot that?” Oban, my own town, has buildings like that, which often seem to be signature buildings. Compulsory sales orders definitely need to be looked at, and we need to be bold and brave in introducing them. Many communities in Scotland would welcome the use of that power.

On asset transfer, there is a lot of talk about the transfer of public assets to communities. Although that is good and perhaps more resources need to be given to communities and so forth, we are ultimately talking about a bigger prize, which is for communities to own more assets, so that they are not only in public ownership or in private ownership, particularly in rural Scotland. By using community wealth building action plans, we should see, across the land and property pillar, actions that give municipal and local authority sustenance and abilities to local businesses and communities to enable them to purchase local assets for the benefit of themselves, their communities and the economy more broadly.

That goes back to the point about our wider ecosystem. Is there really enough support for local businesses, communities, local authorities or whoever to purchase assets in their locality? Perhaps we allow the market too much leeway and do not intervene in it enough to allow more entrants into the marketplace. We should be thinking about a freer market, if you like, so that we allow more people to have the opportunity to take up those land and property assets. Asset transfer from the public sector is in place, but the bigger prize is much wider ownership of assets in Scotland and giving people more local control over them.

Councillor Forson: As Neil McInroy said, we can all probably identify such buildings in our town centres. At the moment, I am dealing with one in Alloa town centre that is a bit of an eyesore and impacting the businesses next door to it. The council is limited in the actions that it can take.

Some of those buildings are owned by pension funds, but we are talking about one building out of 10,000 that a fund owns, and it does not really care about the impact on Alloa town centre or its businesses. To have some ability around compulsory purchase or sale orders would really help. From a council perspective—I can speak only about what I have been told by my officers—the compulsory purchase route is a very protracted process. It costs a lot of money and takes a lot of capacity and intense resource to move it forward, so barriers are in place.

When it comes to community assets—

Kevin Stewart: Can I stop you there, Ellen? In a previous ministerial role, I played a part in making CPOs easier and changing the guidance. However, many people’s perception seems to be that using CPOs is still really difficult. Is that the case, or do we need to break down those perceptions and give folk more of a helping hand to use CPOs?

Councillor Forson: It is probably a bit of both. I can go only by what my officers tell me. You ask them why it is taking so long and they give you the answer, but the reality is probably in the middle. We have a job to do, but, again, that comes down to capacity and the ability to pick something up and run with it. We need to take that on board.

We have dealt with quite a few asset transfers in Clackmannanshire recently. The process is not made easy for community groups that want to take an asset on with regard to the council or funding sources. I recently spoke to an organisation that had to build a business case to demonstrate that the purpose for which it wanted the asset transfer was sustainable and so on. It got funding of £7,000 to do that, and promptly handed the money over to a consultant to develop the business case on its behalf. It seems almost circular: an organisation gets public money to develop a business case, it hands the money to another public organisation, the process goes round and round, and, eventually, more often than not, the asset transfer goes through. The process could be simplified. We should not expect a community organisation to develop a business case that costs £7,000. There should be a template that allows community groups to come forward and to take on assets without those restrictions.

Kevin Stewart: I do not know whether this has been discussed at the Convention of Scottish Local Authorities, but it seems that there are some areas where it is much easier to complete a community asset transfer, with a lot of support provided to community groups to help them to achieve that. Have we done enough on exporting best practice across Scotland? Are council officials getting together often enough to look at best practice and whether we can improve across the board?

Councillor Forson: Probably not. Conversations probably take place between near neighbours, but there are some areas that are much more proficient than others. Third sector interfaces also have a big role to play. In Clackmannanshire, our local TSI is fantastic and puts a lot of support into community groups. TSIs also have limited resources, so there are always competing priorities. However, a lot more joined-up work could happen in that regard.

Professor Escobar: I do not have a lot to add. Compulsory sales orders will be important, because they could unlock a lot of access on the community side. In addition to that, the policies need to be simplified. We know where the problems are. In some places, the agenda is being used to transfer liabilities rather than assets. We are getting better, and people have become wiser, but I repeat the point that, in some places, communities might not be ready to take over an asset, which is where the intermediate step of the public-common partnership comes in. In Granton in north Edinburgh, an area on a former industrial estate is being regenerated. The council is partnering with the local community on a project to create a really impressive plan for a circular economy, with lots of community-owned businesses, social enterprises and all kinds of interesting things happening.

Making that possible is not just about transferring the asset. In that case, it is about the local estate—the local authority—holding the space, providing a 20-year lease and partnering with the local community to develop the asset and make it sustainable, putting it on a strong footing before it lets it go.

There are steps of different gradients if we want to take into account the fact that different communities in Scotland have different levels of social capital, capacity and so on. We always knew that there was a risk that the community empowerment agenda would empower the already powerful. There are local differences in the fabric of civil society and in the capacity to get these things done, and we need to accommodate those. There is a role for the local estate to step in with the public-common partnership model to enable that.

Kevin Stewart: You talked about the visibility of the agenda and the fact that, if all this becomes much more visible, others who are not really interested in community wealth building at the moment might come to the table. You also talked about community shares. With regard to the visibility of the agenda and promoting community share holding, have we done enough to relate some of the successes to the public—to communities at large? An example from my constituency is that of Donside village in Tillydrone, which financed its own community hydro project through community bonds. It was so successful that—silly me—I did not get any bonds as I did not apply at the very beginning. Do we do enough to promote those successes and to show communities throughout the country that this can be done with a little bit of help?

Professor Escobar: I feel really strongly about this, as it is a key piece of this agenda, the community empowerment agenda and the democratic renewal and innovation agenda. We are not doing enough to capture the public’s imagination and to change the narratives in the media, which feed us a diet of doom. There is a lot to worry about, but there is also a lot going on and a lot of people who are working to change things. If we do not create that visibility, we will enter a circle of despair, in which a lot of the narratives about political life and economic development are negative and bring down and narrow the public imagination.

What does that work look like? It is difficult to accomplish, because it is sometimes difficult for political leaders to turn this into a compelling narrative. I do not know how many of you will talk about this on people’s doorsteps—you will talk about other things, right?—so we still need to develop compelling narratives that feed into and change media narratives. It is not just about political leadership; it is also about the broader cultural landscape. We are trapped in a vicious circle in which we tell ourselves how doomed we are. It is true that the stakes are high and that we are facing multiple crises, which are coming at us fast, but we are negating and rendering invisible all the hard work that is going on to turn things around. Unless we make that work visible, we will not mobilise the critical mass that is needed for that side of the equation to succeed, so there is a big role to be played in changing narratives, communicating this work, building a collective vision and so on. Political leadership is part of it, but, culturally, developing the public imagination through the media is another big piece of the picture.

Kevin Stewart: You talked about a narrative of doom. If we allow communities to build better communities and to feel more positive about their day-to-day lives because they have done that, will that help to diss some of the narrative of doom?

Neil McInroy: There are visibility issues and we need to shout from the rooftops about the great examples, such as the one that you gave, Mr Stewart. However, community wealth building plays into a bigger problem than that. There is convention around how economic development focuses more on big business—the big corporates, the big players and the big finance. Community wealth building is saying that our economic plans need to be much more nuanced, subtle and bespoke and that we need to place more emphasis on things such as community ownership and investment from the public and private sectors in those entities.

Energy renewables are a particular focus in that regard. There is enough visibility of community ownership of wind and hydro projects, but that is swamped by a particular type of cadence in relation to economic investment and the big boys coming in. I imagine that all or most of the community wealth building action plans would include some form of local shared ownership or community ownership of energy. That needs to be supported by our big public agencies as well as by our public-private financial arrangements. We should try to set a tone or a beat by which private investment moves much more to those forms of ownership.

11:30

Kevin Stewart: In your experience of the United States and elsewhere, is community ownership through community bonds much bigger in other places than it is in Scotland? Do we need to build on that in the bill and beyond?

Neil McInroy: We have a huge renewable energy bounty in Scotland—particularly from wind—but I feel that we are not leading on how to accrue wealth and further investment funds from that bounty. In Canada, and particularly in British Columbia, there is a more significant state or regional Government approach, and local authorities link with communities to take more significant ownership stakes in energy renewable activity.

The economic strategies of British Columbia are more in tune with the question of ownership. It is not just about creating wind turbines and renewable energy and so forth, although those are great. They also understand the importance of moving to forms of ownership other than just private ownership in order to have true resilience and gain true economic return. Through community wealth building action plans, community wealth building could help to spearhead a much greater consideration of inclusive forms of ownership in that economic sector.

Kevin Stewart: My final question is for Professor Escobar and is about his suggestions on citizen review mechanisms and accountability to citizens. In what we are doing with the bill and the other bits and pieces around it, do we need to have a citizens' review mechanism in place, as well as our own post-legislative scrutiny, to make sure that it is all working well for communities across Scotland?

Professor Escobar: Just to clarify, do you mean in the context of parliamentary work?

Kevin Stewart: Yes, particularly when it comes to the bill, which is so important for communities.

Professor Escobar: I do not think that it will surprise you to hear me say that I agree with that. By the way, the Scottish Parliament is pioneering citizens panels. That is not going unnoticed. Many people around the world looking at what we are doing here.

This is a quintessential example of an area and a piece of legislation that would be ideal for a citizens panel to grapple with and to help with. I do not know at what stage in the process that should happen, but it is an example of an area where citizens panels can engage with something that they care about. That is the best-case scenario.

Citizens panels can also connect things such as the everyday quality of people's lives and the everyday building of their communities, which really matter to people, to the broader vision and thinking economically about the century ahead, which has to be a very different type of economic thinking from that of the century that is behind us.

So, I say yes to citizens panels in Parliament and at the local level. I strongly think that a community audit or a citizens' review built into the cycle at the local level would add a layer of accountability and incentives that would be really helpful. It is not just about accountability; it could generally help to improve the next cycle and the next plan. Instead of doing all kinds of diffuse and unfocused consultations, we can do something hard hitting, focused and deliberative.

The Convener: That brings us to the end of the evidence session. I say a big thank you to our witnesses for your insights. You have been incredibly helpful in kicking off our scrutiny, and it is very much appreciated.

I suspend the meeting very briefly before we move on to the next item.

11:35

Meeting suspended.

11:40

On resuming—

Subordinate Legislation

Bankruptcy and Diligence (Scotland) Act 2024 (Consequential Amendments and Forms) Regulations 2025 (SSI 2025/145)

The Convener: Item 3 is consideration of a negative Scottish statutory instrument. No member has lodged a motion to annul the instrument, and no one has indicated that they wish to speak.

The committee is invited simply to note the instrument. Are members happy to do so?

Members *indicated agreement.*

11:41

Meeting continued in private until 11:52.

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