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Delegated Powers and Law Reform Committee Comataidh Cumhachdan Tiomnaichte is Ath-leasachadh Lagh

Delegated powers in the Community Wealth Building (Scotland) Bill (as amended at Stage 2)



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Delegated Powers and Law Reform Committee

The remit of the Delegated Powers and Law Reform Committee is to consider and report on the following (and any additional matter added under Rule 6.1.5A)—

(a) any—

(i) subordinate legislation laid before the Parliament or requiring the consent of the Parliament under section 9 of the Public Bodies Act 2011;

(ii) [deleted]

(iii) pension or grants motion as described in Rule 8.11A.1; and, in particular, to determine whether the attention of the Parliament should be drawn to any of the matters mentioned in Rule 10.3.1;

(b) proposed powers to make subordinate legislation in particular Bills or other proposed legislation;

(c) general questions relating to powers to make subordinate legislation;

(d) whether any proposed delegated powers in particular Bills or other legislation should be expressed as a power to make subordinate legislation;

(e) any failure to lay an instrument in accordance with section 28(2), 30(2) or 31 of the 2010 Act;

(f) proposed changes to the procedure to which subordinate legislation laid before the Parliament is subject;

(g) any Scottish Law Commission Bill as defined in Rule 9.17A.1; and

(h) any draft proposal for a Scottish Law Commission Bill as defined in that Rule.

(i) any Consolidation Bill as defined in Rule 9.18.1 referred to it in accordance with Rule 9.18.3.



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Introduction

1. This report considers the delegated powers in the [Community Wealth Building \(Scotland\) Bill](#) ("the Bill") as amended at Stage 2.
2. The Committee previously considered the delegated powers in the Bill at its meetings on 3 and 24 June 2025. Thereafter it published its [Stage 1 report](#) on 24 June 2025 indicating that it was content with the powers in the Bill while recommending to the lead committee that it considers the guidance-making power in section 9(1) further.

Overview of the Bill

3. This Government Bill was introduced on 20 March 2025. The lead committee was the Economy and Fair Work Committee. The Bill completed Stage 2 on 21 January 2026.
4. The Bill aims to generate, circulate and retain wealth within local areas. The Policy Memorandum for the Bill explains that community wealth building is a place-based approach to local economic development, designed to redirect wealth into the local economy.

Delegated Powers

5. At Stage 1, the Bill conferred five delegated powers on the Scottish Ministers – four powers to make subordinate legislation and one to issue guidance. At Stage 2, four new powers were added, and the guidance power was amended.
6. The Scottish Government has prepared a [Supplementary Delegated Powers Memorandum](#) (“SDPM”) which sets out the reasons for taking the new delegated powers in the Bill and the procedure chosen.
7. The Committee is required by Rule 9.7.9(b) of the Standing Orders to consider and report to the Parliament on new or substantially altered delegated powers after Stage 2.

Review of relevant powers

Section 1(4A): Community wealth building statement

Power conferred on: the Scottish Ministers

Power exercisable by: Regulations made by Scottish statutory instrument

Parliamentary procedure: Affirmative

Revised or new power: New

Provision

8. At Stage 2 new section 1(4A) was added which allows the Scottish Ministers to modify the list of measures in section 1(3) to add, remove or amend a measure from that list. Those measures in section 1(3) are ones which must be included in a community wealth building statement under section 1(1) of the Bill.

Committee consideration

9. In the SDPM the Scottish Government highlights that section 1(3) was amended at Stage 2 to require the list of measure to be included in the statement – the Bill as introduced allowed them to be included but did not require it. Because of this change, the Scottish Government considers it necessary to have a power to allow the list to be modified as best practice changes or where any of the measures might require alteration, including whether any of them may no longer be considered relevant or suitable in the future.
10. It is common for a power to be taken to adjust lists such as that in section 1(3). It is important that the Parliament has scrutiny of changes to legislation which it has passed. The affirmative procedure has been applied to the new power in section 1(4A). This gives the Parliament scrutiny at the higher level of any regulations that might be laid under section 1(4A).

11. **The Committee is content with the power in principle, and that regulations made under it would be subject to the affirmative procedure.**

Section 2(1A): Publication and laying of statement

Power conferred on: the Scottish Ministers

Power exercisable by: Regulations made by Scottish statutory instrument

Parliamentary procedure: Affirmative

Revised or new power: New

Provision

12. At Stage 2, new section 2(1A) was added which enables the Scottish Ministers to

specify in regulations further details about the format of the community wealth building statement which must be published and then laid before the Parliament under section 2(1).

Committee consideration

13. In the SDPM the Scottish Government explains that the power will enable the imposition of requirements upon themselves as to the format of the statement to address issues such as its accessibility.
14. The Scottish Government accepts that the accessibility of public documents is an important issue and has accordingly applied the affirmative procedure to the power. This appears to be a reasonable position to adopt as the community wealth building statement is at the centre of the duties that will flow from this Bill.

15. The Committee is content with the power in principle, and that regulations made under it would be subject to the affirmative procedure.

Section 4(1A): Reporting on statement

Power conferred on: the Scottish Ministers

Power exercisable by: Regulations made by Scottish statutory instrument

Parliamentary procedure: Affirmative

Revised or new power: New

Provision

16. At Stage 2 new section 4(1A) was added to give the Scottish Ministers the power to specify in regulations further details about the format of the report to be published under section 4(1)(b).

Committee consideration

17. Section 4(1)(a) requires the Scottish Ministers to prepare a report setting out the steps they have taken in each reporting period of 5 years in respect of each measure included in the community wealth building statement, the impact of the community wealth building statement and the measures set out in the statement in delivering the aims specified in section 1(2), and the steps they have taken in the reporting period to keep the community wealth building statement under review.
18. That report must be published under section 4(1)(b) and laid before the Parliament under section 4(1)(c). Section 4(1)(b) already provides that the Scottish Ministers can publish the report “in such manner as they consider appropriate”. The new power to make regulations in section 4(1A) would put requirements about the format of the report on a statutory basis. The Scottish Government acknowledges this in the SDPM where it explains that “if it is deemed necessary or appropriate” the Scottish Ministers could impose requirements upon themselves.
19. Any regulations made under the new power would come before the Parliament subject to the affirmative procedure.

- 20. The Committee is content with the power in principle, and that regulations made under it would be subject to the affirmative procedure.**

Section 5(2A): Community wealth building action plan

Power conferred on: the Scottish Ministers

Power exercisable by: Regulations made by Scottish statutory instrument

Parliamentary procedure: Affirmative

Revised or new power: New

Provision

21. At Stage 2 new section 5(2A) was added to give the Scottish Ministers the power to specify in regulations further details about the format of the community wealth building action plan or a revised plan.

Committee consideration

22. A community wealth building action plan must be prepared by each local authority, working jointly with the relevant public bodies relating to it, under section 5(1). This must be done within 3 years from when section 5 comes into force. Section 5(2) requires each local authority to publish their plans.
23. Plans must be kept under review in terms of section 7 of the Bill, and if a revised plan is prepared it must be published under section 7(3). The power in section 5(2A) applies to plans published under section 5(2) and also those re-published under section 7(3).
24. The power will allow the Scottish Ministers to impose requirements on local authorities and community wealth building partnerships about the format of the plans. The SDPM explains the power might be used to address accessibility issues, for example.
25. If regulations are made under the powers, the affirmative procedure will apply.

- 26. The Committee is content with the power in principle, and that regulations made under it would be subject to the affirmative procedure.**

Section 9(1): Guidance about community wealth building

Power conferred on: Scottish Ministers

Power exercisable by: Guidance

Parliamentary procedure: None

Revised or new power: revised

Provision

27. Section 9(1) of the Bill requires the Scottish Ministers to issue guidance about community wealth building action plans, and about facilitating and supporting the generation, circulation and retention of wealth in local and regional economies.
28. At Stage 2 section 9(1) was amended so that guidance must now also address all measures listed under section 5(5) of the Bill (measures that must be included in a community wealth building action plan). Section 9(1)(b) has been extended to include reference to “the development of community-owned renewable energy, and skills and supply chains associated with renewable energy” which guidance under section 9(1) must address.
29. There is also a new requirement in section 9(2A) for the Scottish Ministers to consult relevant and specified public bodies before issuing any guidance. They may also consult any other persons they consider appropriate.

Committee consideration

30. At Stage 1 of the Bill, the Committee asked the Scottish Government a series of questions about this power. The Committee made some recommendations to the lead committee about the detail to be included in the guidance and that a consultation requirement before issuing the guidance would seem appropriate. The changes to section 9 appear to address the concerns of the Committee while maintaining a flexibility for the Scottish Ministers to issue guidance, which is a duty placed upon them, which can reflect changing circumstances.

31. **The Committee notes the changes to the power in section 9, and that it adequately reflects the recommendations made by the Committee at Stage 1.**

