



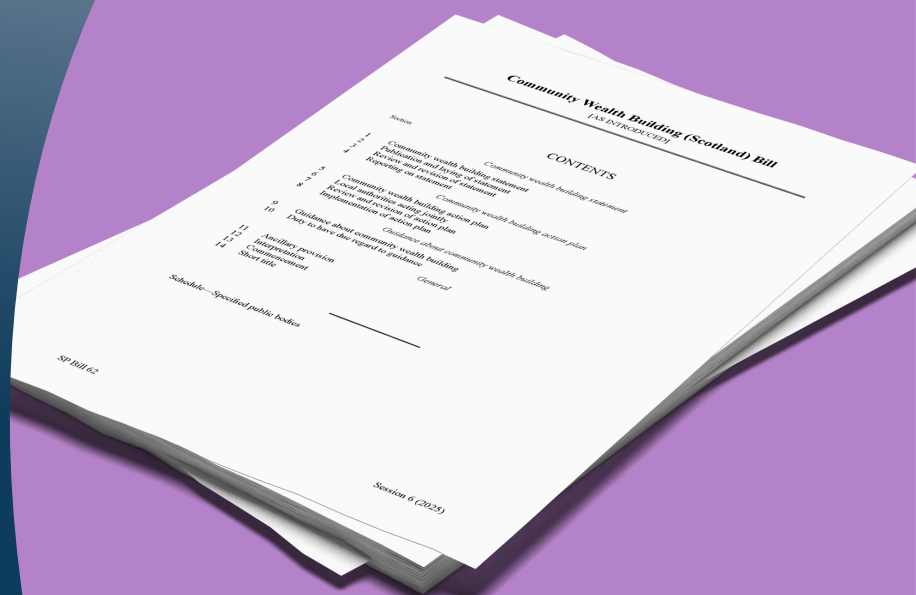
SPICe Briefing

Pàipear-ullachaidh SPICe

Community Wealth Building (Scotland) Bill

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Community wealth building is an approach to economic development. The Community Wealth Building (Scotland) Bill aims to ensure that local authorities and other parts of the public sector implement community wealth building across Scotland. This briefing presents background information and relevant research, before setting out the provisions of the Bill.



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Summary

The Community Wealth Building (Scotland) Bill (herein, 'the Bill') aims to ensure that local authorities and other parts of the public sector implement community wealth building across Scotland.

Community Wealth Building (CWB) is an approach to economic development. It uses the economic power of 'anchor' institutions to try and stimulate and retain economic activity within a local economy.

Anchor institutions are public, private or third sector bodies that have a large enough presence in a local economy to change economic outcomes. The Bill, however, only places duties on public sector organisations.

Practical examples of CWB could include more localised procurement, payment of the real living wage, encouraging business models such as co-operatives, and transferring assets, such as properties or derelict land, to community organisations.

Much of this activity is already happening across Scotland - and with increasing prevalence. However, this is not always underpinned by formal plans, and the extent to which CWB has been implemented varies across Scotland.

This Bill aims to ensure national coverage of CWB as an economic development tool. It does this by placing duties on the Scottish Ministers and various public bodies, particularly local authorities.

Specifically, the Bill would place a duty on the Scottish Ministers to public a CWB statement. The statement must set out what measures the Scottish Ministers will take to:

“ (a) reduce economic and wealth inequality between individuals and communities in and across Scotland, and (b) support economic growth in and across Scotland, by facilitating and supporting the generation, circulation and retention of wealth in local and regional economies.”

Community Wealth Building (Scotland) Bill as introduced, SP Bill 62, Session 6 (2025)

The Bill would also place a duty on local authorities and relevant public bodies in their area to form 'CWB partnerships'. These would be required to publish and, so far as reasonably practicable, implement a CWB action plan. CWB partnerships could act jointly with other local authority areas.

Finally, the Bill also places a duty on the Scottish Ministers to produce guidance in relation to both the production of action plans and the implementation of CWB principles generally. The Bill lists certain public bodies that must have 'due regard' to CWB guidance when developing their own corporate plans and associated delivery strategies.

What is Community Wealth Building?

Community Wealth Building (CWB) is an approach to economic development. It uses the economic power of 'anchor' institutions to try and stimulate and retain economic activity within a local economy.

Anchor institutions are public, private or third sector bodies that have a large enough presence in a local economy to change economic outcomes.

The ideas behind CWB are not new, but they were first formalised ¹ as a co-ordinated approach to economic development in the early 2000s. This is credited to [The Democracy Collaborative](#) in the US city of Cleveland.

The Bill's [Policy Memorandum](#) describes the five 'pillars' of CWB as:

“

- **Spending:** Maximising community, worker and business benefits through procurement and commissioning, developing impact enterprises, Fair Work, and shorter supply chains. Higher levels of spend with SMEs, micro-businesses and inclusive business models resulting in business growth and improved, resilient local and regional economies.”
- **Workforce:** Increasing Fair Work and developing local labour markets that support the prosperity and wellbeing of communities. Access to local and fair employment opportunities, fairer wages, skills development opportunities and improved wellbeing of employees.”
- **Land and Property:** Growing social, ecological, financial, and economic value that local communities gain from land and property assets. Land and property are used for the common good and benefit communities, SMEs and micro-businesses and the environment.”
- **Inclusive Ownership:** Developing more local and inclusive enterprises which generate community wealth, including social enterprises, employee-owned firms, and cooperatives. More inclusive and democratically owned enterprises and assets which means the wealth created locally and by local people stays in those communities in the form of incomes and profits.”
- **Finance:** Ensuring that flows of investment and financial institutions work for local people, communities, and businesses. Money and investment are retained in a local area and are available to support communities and businesses.”

Community Wealth Building (Scotland) Bill: Policy Memorandum, SP Bill 62, Session 6 (2025)

The idea behind CWB is for it to be co-ordinated and delivered by anchor institutions. In theory, these could include local authorities, the NHS, large private sector employers, universities, and enterprise agencies. This Bill, however, only places duties on public sector organisations.

Anchor institutions can generally deliver CWB by leveraging:

- their spending power (e.g. through procurement),

- their assets, such as land and property,
- their role as an employer,
- legal powers, such as compulsory purchase orders.

Practical examples of CWB could include more localised procurement, payment of the real living wage, encouraging business models such as co-operatives, and transferring assets, such as properties or derelict land, to community organisations.

Much of this activity is already happening across Scotland - and with increasing prevalence. For example, data from the Improvement Service ² shows the proportion of local authority procurement spent on local enterprises has increased from 25% in 2015-16 to 31% in 2023-24. The same data indicates the proportion of employees earning less than the living wage has fallen from 20% in 2015-16 to 10% in 2023-24.

On the face of it, CWB is a set of practical tools that organisations can use to try and generate and recycle wealth in a local economy. However, it also has more ideological underpinnings.

The premise for CWB is that the forces of globalisation and a market-oriented economy can disconnect local economies from the decisions that affect them. The Democracy Collaborative describes the consequences of these forces as:

“ Concentrated ownership, community disinvestment, increasing precarity of labour, environmental degradation, and structural injustices.”

The Democracy Collaborative, 2024³

CWB attempts to address this by generating and retaining more wealth (or ‘capital’) in local economies, rather than relying on international capital, and then sharing ownership of this capital amongst local communities. Evidence is still emerging on the extent to which CWB achieves this.

Community Wealth Building in Scotland

The Scottish Government's interest in CWB is not new. Many of the principles of CWB – fair work, community ownership and procurement as an economic policy lever – have been stated aims of the Scottish Government for at least the past ten years.

The [Scottish Business Pledge](#), the [Fair Work agenda](#), the [Procurement Reform \(Scotland\) Act 2014](#), the [National Planning Framework 4](#), the [Community Empowerment \(Scotland\) Act 2015](#), and the [review of Scotland's inclusive and democratic business models](#) are all examples of policy developments that relate to one or more of the five pillars of CWB in some way.

CWB is also linked to the Scottish Government's objective of building a wellbeing economy. In 2022, it was listed as a policy that helps deliver 'A Fairer and More Equal Society' in the Scottish Government's ten-year [National Strategy for Economic Transformation](#).

More broadly, economic development powers are devolved to the Scottish Parliament, and CWB can be seen as an approach to economic development. At a local level, local authorities play a key role in co-ordinating and delivering economic development activity. So, on top of the national policy initiatives from the Scottish Government, local authorities are also heavily involved in delivering CWB in Scotland.

Local authorities' role in Community Wealth Building

All 32 local authorities in Scotland support economic development in their area. This includes funding infrastructure, delivering employability and skills support, and providing business support services.

Local authorities currently have permissive powers over economic development. This means that they can undertake economic development activities, but they don't have to. This Bill would place statutory duties on local authorities in relation to how they approach economic development.

For context, economic development spend is currently a relatively small part of most councils' budgets, amounting to £643 million in 2023-24 (from a total net revenue spend of £14.3 billion). The Scottish Local Authority Economic Development group (SLAED) says ⁴ that there were 1,343 FTE staff working in economic development delivery across Scotland in 2023-24. Total local government employment (FTE) stood at around 215,000.

Some Scottish local authorities began integrating CWB into their approach to economic development in the 2010s. North Ayrshire Council is often held up as an example of an early adopter. It launched Scotland's first CWB strategy in May 2020. The subsequent Ayrshire Growth Deal (which also covers East and South Ayrshire) included a £3 million Community Wealth Building Fund.

In 2020, the Scottish Government worked with local authorities to launch five CWB pilots ⁵ in Clackmannanshire, Fife, Glasgow City Region, South of Scotland and the Western Isles.

Alongside this, a [CWB Practitioners Network](#) was set up. Secretarial support is provided by the Improvement Service. This “facilitates knowledge-sharing and collaboration on common challenges” amongst economic development practitioners in local government across Scotland.

In March 2025, the Improvement Service published a [mapping of local authorities’ adoption of CWB](#) to date. It showed a mixed picture of progress and different approaches being adopted in different areas. Overall, however, it noted that CWB has been ‘widely adopted’.

“ By March 2025, two-thirds of local authorities in Scotland had either developed or were actively working on a dedicated CWB action plan. Over half of Scotland’s councils have chosen to incorporate CWB into existing or emerging strategies rather than waiting for forthcoming legislation to dictate the form of their approach. Four councils have already published standalone CWB strategies, while two more have drafts in development.”

The Improvement Service, 2025

Interestingly, the mapping exercise found that the spending pillar was ‘widely seen as the most straightforward area to make progress’, although there is no agreed definition of ‘local’ spend.

It described the finance pillar as the most challenging, with questions over the role of local authorities and pension schemes a common theme.

Other economic development activity in Scotland

How the provisions of this Bill interact with existing economic development structures is an area that Parliament may wish to scrutinise. Some obvious examples include:

- **City Region and Growth Deals.** These are regional multi-year agreements between the UK Government, Scottish Government and local authorities. Funding of £6.2 billion has been committed over 11 years, primarily for infrastructure projects, but also skills development, support for business innovation, and decarbonisation efforts.
- **Regional economic partnerships (REPs).** These are bespoke arrangements across different parts of Scotland that bring together local authorities, enterprise agencies, private sector industry, education providers and the third sector. Their function is to oversee co-ordinated economic development within their region. Some of the partner organisations in REPs would also be included in CWB partnerships under the Bill’s proposals.
- The [Scottish National Investment Bank](#) (SNIB) is the Scottish Government’s development bank. It provides capital to businesses operating in Scotland where commercial finance is unavailable. It aims to generate financial, social and environmental returns in line with its three missions. These are: achieving a just transition to net zero, addressing regional inequality, and enabling innovation to support competitiveness and productivity. It typically invests in businesses requiring between £1 million and £50 million of capital. Under the Bill’s proposals, SNIB would be required to have “due regard” to CWB guidance published by the Scottish Ministers.

- is the Scottish Government’s national enterprise agency. It provides support and advice to businesses via Business Gateway, grant funding, loans, access to property and land, export support and research. It also attracts, and manages relationships with, investors. The Bill would place a duty on Scottish Enterprise to work with local authorities and other partners to publish and, so far as reasonably practicable, implement CWB action plans.
- There are also two regional enterprise agencies – [Highlands and Islands Enterprise](#) and [South of Scotland Enterprise](#). The duties that the Bill proposes for Scottish Enterprise would also apply to these enterprise agencies.

Another relevant structure is Community Planning Partnerships (CPPs). These are partnerships between different public sector bodies, often working closely with the third sector and local communities. Their remit is to design and co-ordinate services that improve outcomes in an area. They produce [Local Outcomes Improvement Plans and Locality Plans](#).

CPPs are not mentioned in the Bill. However, most of the organisations that are involved in CPPs are listed in the Bill as relevant or specified public bodies. These would be subject to certain duties under the Bill’s proposals.

The road to legislation

The Scottish Government’s [2021-22 Programme for Government](#) included a commitment to “take forward a Community Wealth Building Bill in this Parliament, helping create and protect jobs and enable greater community and third sector ownership of assets”.

Whilst this was a signal of the Scottish Government’s backing for the idea of CWB, it was not clear at this point what the scope of a Bill would be, and why legislation was needed to advance CWB in Scotland. After all, many local authorities were already adopting CWB in their economic development functions.

A [CWB Bill Steering Group](#) was then established with a range of members, including representatives from local authorities, enterprise agencies, the third sector, trade unions and business.

After a [consultation period \(see next section\)](#), a Bill was introduced in March 2025.

Scottish Government consultation

A [consultation](#) was launched in January 2023, which encouraged respondents to “offer suggestions for legislative change across all five pillars of CWB and from a general CWB perspective”. The Scottish Government was particularly keen to “gather views on a proposal for a new duty to advance CWB”.

The consultation received 185 responses, of which 148 were from groups or organisations and 37 from individual members of the public. In addition, the Government ran a public webinar, with more than 150 attendees.

A [summary of these responses](#) was published in October 2023. It found that 63% of respondents favoured a duty requiring Scottish Ministers and prescribed public sector bodies to embed the CWB model of economic development into their corporate plans and wider strategies.

As well as some consensus being apparent among respondents on the need for public body duties, the consultation exercise highlighted other areas which could support CWB. For example:

- There were calls for a rebalancing of the priorities and criteria used in **public procurement**, e.g. to prioritise CWB over cost and other considerations. Respondents also called for the thresholds at which public procurement rules apply to be reviewed (the Scottish Government has since committed to doing this).⁶
- Building capacity within **local supply bases**, including private sector micro and small businesses, social enterprises, community owned businesses and the third sector, was seen as key.
- CWB was seen as offering a significant opportunity to achieve better recognition and protection for **Scotland's workforce**. There was widespread support for efforts to encourage more employers – including specifically anchor organisations – to pay at least the real Living Wage.
- Proposals to **review compulsory purchase powers** were welcomed, with suggestions that the present Compulsory Purchase Order process needs to be streamlined or modernised.
- It was argued that further action will be required if tackling **vacant and derelict land** is to contribute to CWB objectives and there were calls for enhanced powers and funding.
- Some respondents called for clear alignment of CWB legislation with the **Community Empowerment Act (Scotland) 2015 and/or the Land Reform (Scotland) Bill**.
- Some respondents indicated support for an **employee right to buy**, calling on the Scottish Government to work with the UK Government to enable its introduction.
- There was some support of the use of **funding criteria and conditionality of public funding**.
- Respondents proposed a range of ways in which **pension funds, other public funds and social investment** could better support CWB.

The Bill does not propose legislative changes to any of these areas, some of which are at least partly reserved.

The evidence base on Community Wealth Building

As CWB becomes more established, evidence around its impacts is emerging.

Evidence from Preston

The first local authority area in the UK to adopt CWB was Preston in 2011. The city council partnered with 12 anchor institutions, including the county council, university, police, housing associations, colleges and a local hospital. These organisations had a combined spending power of £800 million, most of which was not spent in Preston or Lancashire.

Research by the Centre for Local Economic Strategies (CLES) ⁷ found that over the five years from 2012-13:

“ Locally retained [public sector] spend had increased within Preston from 5% to 18.2% and within Lancashire from 39% to 79.2%, representing a rise of £74m in Preston and £200m in Lancashire.”

Centre for Local Economic Strategies, 2025⁷

This spending is likely to generate multiplier effects for the local economy as it circulates, particularly if it helps develop local supply chains.

Note that other aspects of CWB’s five pillars have also been deployed in Preston. For example:

- Finance pillar: Since 2013, the Lancashire Local Government Pension Fund has allocated £100 million for investment in Preston and South Ribble.
- Land and property pillar: To maximise the value of land use to the local economy, it is now mandatory that developers attach a skills and employment plan to any planning application for over 30 houses and/or 1,000m² of commercial floor space. This should demonstrate how they will provide training, skills and employment opportunities for Lancashire residents.
- Workforce pillar: Preston City Council pays all staff the real living wage.

A [study in the Lancet](#) ⁸ found that in the four years after CWB was adopted in Preston, the city experienced reductions in the prescribing of antidepressants and the prevalence of depression, relative to control group areas. The local population also experienced a 9% improvement in life satisfaction and 11% increase in median wages, relative to expected trends. Associations with employment and mental health related hospital attendance outcomes did not reach statistical significance.

An important limitation of the study is that it did not investigate the cause of these improved health outcomes.

“ We cannot necessarily conclude that these [improved health outcomes] are entirely related to the Community Wealth Building programme.”

Rose, 2023⁸

Scottish pilot areas

Following the publication of Scotland's first CWB strategy in 2020 in North Ayrshire, the Scottish Government established CWB pilots. These were launched across five areas: Clackmannanshire, Fife, Glasgow City Region, South of Scotland and the Western Isles.

[A review of these pilots](#)⁹ was published in 2024 by Scotland's Rural College (SRUC).

It found that different approaches were taken to CWB in each of the pilot areas. It noted that in the three local authority areas (Clackmannanshire, Fife and the Western Isles), action plans were published across all aspects of CWB's five pillars, with the most obvious actions being taken on procurement. In the two other regions, specific actions related to existing regional priorities - sustainable procurement and vacant and derelict land in Glasgow City Region, and retrofitting social housing in South of Scotland.

The study identified challenging financial conditions, particularly for local authorities, as a critical barrier to progressing CWB.

It found that:

“ Where Community Wealth Building has gained traction as a practical way to implement a more inclusive approach to economic development, this research found that certain factors are common. These include:”

1. An appetite for Community Wealth Building within leadership roles.”
2. A culture of Community Wealth Building and an understanding throughout the organisation of its potential for building local economies.”
3. Practical and collaborative approaches which build on existing priorities and collaborations such as with other public bodies, private industry and community organisations.”
4. Policy integration and inclusion of Community Wealth Building across plans and policies, from strategic to local levels (e.g. regional economic plan, Community Planning Partnership plan).”
5. Explicit Funding for Community Wealth Building such as through the inclusion of Community Wealth Building approaches in funding opportunities, such as Growth Deals.”
6. Resource, including dedicated staff to champion and implement Community Wealth Building.”
7. Ensuring accountability for delivery through governance structures, including ongoing reviews.”

Brodie, 2024⁹

This study also compiled examples of CWB being adopted internationally, although it did not analyse their effectiveness or impact.

[In another study](#)¹⁰, economists at IPPR modelled the potential economic impact of a CWB approach to retrofitting housing stock. This work was commissioned by CLES.

The study modelled the economic impact of a £62.5 million investment in retrofitting housing stock by registered social landlords (RSLs) in the South of Scotland. The model indicated that this could add 2,239 direct jobs and £112.5 million in direct GVA to the local economy by 2030 if a CWB approach were taken. This would mean RSLs co-ordinating and channelling procurement to local firms. In this example, RSLs would play the role of anchor institutions.

Public Health Scotland Health Impact Assessment

Public Health Scotland published a [Health Impact Assessment of CWB](#)¹¹. This sets out different pathways through which CWB could potentially improve health outcomes. However, this approach does not in itself analyse how effective CWB has been at improving health outcomes to date.

Limitations of the evidence base

Overall, the evidence presented above presents, in varying detail, some of the impacts of CWB on a case-by-case basis. However, there is less evidence on CWB's long-term impacts, trade-offs or possible unintended consequences, if it were applied nationwide over a sustained period.

Taking the spending pillar as an example:

- Trade-offs – prioritising local firms in public procurement comes with an opportunity cost when the same good or service could have been procured from a non-local firm for a cheaper price. Not prioritising local firms could free up public money that could be spent in other ways. There is little evidence on whether this is indeed the case, and if so, whether any additional cost of prioritising local firms in procurement is the best way to spend public money in supporting local economies.
- Unintended consequences – if public bodies prioritise local procurement, jobs could be displaced from elsewhere. If every local authority in Scotland does this, what impact could it have on economic activity in Scotland overall? Evidence presented above does not explore this.

What Works Centre for Local Economic Growth evidence review

A systematic review of CWB was conducted by the What Works Centre for Local Economic Growth. This involved a review of existing evidence that roughly aligns with each of the five pillars of CWB.

Overall, its findings suggest that how CWB is implemented in practice can have a big impact on the outcomes it achieves.

The authors point out the need for further evidence and, in [response to the Scottish](#)

[Government's consultation](#), called for CWB guidance to include:

“ a reference to the importance of monitoring and evaluation strategies. Local authorities should consider how they can monitor the implementation of CWB approaches and be encouraged to evaluate interventions as part of this where possible and with appropriate support. ”

The What Works Centre for Local Economic Growth, 2023

Spending pillar

Overall, [the evidence review](#) ¹² was unable to find robust evidence around the impact of public procurement on local employment and wages.

When using public procurement to support local employment, the authors note that public bodies should consider displacement, crowding out and additionality. This highlights some potential unintended consequences of this pillar of CWB – namely, that jobs created in one locality simply move jobs from elsewhere or replace private sector economic activity, and that jobs associated with public procurement contracts are not new or additional jobs.

However, the authors also note opportunities for multiplier effects, for example, where there are local supply chains linked to public procurement.

Workforce pillar

[The evidence review](#) ¹³ looked at the impact of local minimum wages on employment outcomes, business performance, and health and social outcomes. Specifically, these are local minimum wages that go beyond the national statutory minimum wage. Evidence primarily came from the US.

The evidence review found a positive impact on the wages of low paid workers. However, most of the evidence relates to mandatory local minimum wages. The authors say that more evidence is needed on the impact of voluntary minimum wages, such as the [real living wage scheme](#).

Land and property pillar

[The authors looked for evidence](#) on the impact of public spaces, including green spaces and active travel infrastructure. The evidence review ¹⁴ found that access to green spaces can improve health outcomes and perceptions of health. However, it found limited evidence on the economic and distributional impact of investment in public spaces and active travel infrastructure.

Inclusive ownership pillar

[The evidence review](#) ¹⁵ explored whether plurally- and locally-owned businesses behave differently to conventional ownership models, and what impact they have on economic outcomes, such as employment and productivity.

Ownership of plurally-owned businesses is distributed among a variety of stakeholders. Co-operatives are an example. Conventional ownership models are businesses owned by shareholders, with the aim of maximising profit.

“ The evidence suggests that ownership models can affect firm outcomes – but there is no clear pattern, limited evidence, and most studies look at co-operatives. Overall, there is no strong evidence for or against claims about the importance of plural ownership for firm performance.”

The What Works Centre for Local Economic Growth, 2024¹⁵

The review also found limited evidence on what public sector interventions best support plural ownership models.

Finance pillar

[The evidence review](#) ¹⁶ explored the impact of community finance institutions (CFIs), such as credit unions and co-operative banks.

“ This evidence suggests CFIs may be more willing to lend to local businesses and that lending may be more stable than from commercial providers, and that CFIs have a positive effect on employment stability and reducing income inequality. There is also evidence that CFIs may help increase economic growth. However, care should be taken because the method used in these studies to deal with ‘reverse causality’ – from higher economic growth to more CFIs – is problematic for outcomes that evolve slowly over time (such as economic growth).”

The What Works Centre for Local Economic Growth, 2024¹⁶

The Bill

Purpose of the Bill

All of Scotland's local authority areas are progressing CWB in some form. However, this is not always underpinned by formal plans, and the extent to which CWB has been implemented varies across Scotland.

This Bill aims to ensure national coverage of CWB as an economic development tool. It does this by placing duties on the Scottish Ministers and various public bodies. These duties primarily relate to the publication and implementation of strategies (or 'action plans') and national statutory guidance.

The Bill's provisions

Specifically, the Bill contains three provisions.

Part 1: Community wealth building statement

This part of the Bill places a duty on the Scottish Ministers to publish a CWB statement.

Specifically, the statement must set out what measures the Scottish Ministers will take to:

“ (a) reduce economic and wealth inequality between individuals and communities in and across Scotland, and (b) support economic growth in and across Scotland, by facilitating and supporting the generation, circulation and retention of wealth in local and regional economies.”

Community Wealth Building (Scotland) Bill as introduced, SP Bill 62, Session 6 (2025)

The Bill lists examples of measures that the Scottish Ministers could take:

“

- using public procurement to facilitate or support such generation, circulation and retention, ”
- promoting (i) employment opportunity, (ii) workforce development, (iii) equality in the workplace, ”
- diversifying ownership of land or other assets by facilitating or supporting community ownership, ”
- bringing vacant and derelict land back into use in a way that provides financial, social or environmental benefit to the community, ”
- encouraging local business start-ups or entrepreneurship, ”
- promoting or supporting the development of employee-owned businesses, co-operatives or social enterprises, ”
- such other measures as the Scottish Ministers consider appropriate.”

Community Wealth Building (Scotland) Bill as introduced, SP Bill 62, Session 6 (2025)

Under the Bill’s proposals, the CWB statement must be reviewed every five years. The Scottish Ministers would be required to publish a report that details the steps taken in respect of each measure in the CWB statement.

Part 2: Community wealth building action plan

This part of the Bill places a duty on local authorities and ‘relevant public bodies’ to publish and, so far as reasonably practicable, implement a CWB action plan. This must be revised at least every five years.

Under the provisions of the Bill, a local authority and relevant public bodies in its area would form ‘CWB partnerships’, and can act jointly with other local authority areas.

Relevant public bodies are

- colleges
- health boards
- Scottish Enterprise
- South of Scotland Enterprise
- Highlands and Islands Enterprise
- Skills Development Scotland
- regional transport partnerships.

Interestingly, universities are not included in the list of relevant public bodies, despite acting as anchor institutions in CWB elsewhere.

The Scottish Ministers would have the power to modify the list of relevant public bodies by regulation.

The action plans:

“ must set out the measures the community wealth building partnership is taking, or intends to take, to facilitate and support the generation, circulation and retention of wealth in the local economy.”

Community Wealth Building (Scotland) Bill as introduced, SP Bill 62, Session 6 (2025)

Part 3: Guidance about community wealth building

This part of the Bill places a duty on the Scottish Ministers to produce guidance in relation to both the production of action plans and the implementation of CWB principles generally.

‘Specified public bodies’ must have ‘due regard’ to CWB guidance when developing their own corporate plans and associated delivery strategies.

Specified public bodies are:

- Creative Scotland Crown
- Estate Scotland
- Highlands and Islands Airports Ltd
- Historic Environment Scotland
- Integration Joint Boards
- National Park Authority
- NatureScot
- Scottish Police Service
- Scottish Canals
- Scottish Courts and Tribunals Service
- SEPA
- Scottish Fire and Rescue Service
- Scottish Forestry
- Scottish Funding Council
- Scottish Futures Trust Ltd
- Scottish Land Commission
- SNIB

- Special Health Boards
- Sportscotland
- Scottish Water
- VisitScotland

The Scottish Ministers would have the power to modify the list of specified public bodies by regulation.

What's not in the Bill?

Given that the Bill doesn't change the law in any area that directly affects the five pillars of CWB, Parliament might be interested in what is *not* in the Bill.

For example, no legislative changes are proposed around compulsory purchase or sales orders, public procurement, or land use. [Responses to the government's consultation](#) included suggestions for direct policy actions that the Scottish Government could take to facilitate CWB.

The scope of this Bill is not to change the law in any area that directly affects the five pillars of CWB. Instead, it seeks to provide a framework to ensure nationwide implementation of CWB by local authorities and partner organisations.

The Policy Memorandum argues that the Bill will ensure:

“ Consistency of understanding, application and implementation of the CWB approach as well as ensuring the long-term commitment of the Scottish Ministers.”

Community Wealth Building (Scotland) Bill: Policy Memorandum, SP Bill 62, Session 6 (2025)

Local autonomy versus national implementation – a trade-off

Proponents of CWB sometimes describe it as a 'bottom up' ¹⁷ or 'grassroots' ¹⁸ approach to economic development. Imposing requirements on local authorities and relevant public bodies to adopt CWB might arguably go against this.

Here, there is a trade-off between providing local authorities and partner organisations with flexibility, whilst ensuring the duties in the Bill are meaningful enough to change outcomes and ensure nationwide implementation of CWB.

Financial implications of the Bill

The [Financial Memorandum](#) demonstrates that, in practice, the duties within this Bill primarily fall on local authorities.

The estimated financial implications for local authorities are predominantly staff costs associated with:

“

- Requirement to work with local anchors to develop and implement a CWB action plan (timeline 3 years following the commencement of the relevant provision). ”
- Requirement to consult on and publish the CWB action plan. ”
- Requirement to review and update CWB action plans (timeline within 5 years of the most recently published version). ”
- Requirement to take account of any associated guidance produced as part of the legislation.”

Community Wealth Building (Scotland) Bill: Policy Memorandum, SP Bill 62, Session 6 (2025)

There are also some relatively small publication and consultation costs.

In total, the Scottish Government estimates that the provisions of this Bill would incur annual costs for local authorities in the region of £4.4 million.

Importantly, the Financial Memorandum assumes that each local authority meets their obligations under this Bill individually. In practice, local authorities could combine to form CWB partnerships with neighbouring authorities, and therefore share costs between them.

The estimated costs for the Scottish Government itself are staff costs associated with developing the CWB statement and statutory guidance. On top of this, there are also the costs of consulting on, and publishing, these documents.

It is envisaged that most of these costs would be met within existing resources, as staff already deployed on developing this Bill would pivot towards discharging the government’s duties.

The total estimated additional cost to the Scottish Government is around £36,000 per year, with an additional £16,000 every five years for consultation and publication of the CWB statement. These costs are expected to rise in line with staff cost inflation.

The Financial Memorandum estimates that relevant public bodies listed in the Bill will also incur costs as a result of the duties the Bill would place on them:

“ The relevant public bodies will benefit from and contribute to the work undertaken by the local authorities, but the new duties may incur recurring costs associated with the preparing and implementing, and subsequent review and update processes of local CWB action plans. These possible costs are likely to take the form of partnership working and liaison, development of new / additional processes and procedures, and implementation of new ways of working and cultural change activity.”

Community Wealth Building (Scotland) Bill: Policy Memorandum, SP Bill 62, Session 6 (2025)

These costs are estimated to be around 2 days per week of staff at an equivalent grade to those in local authorities who would work on implementing CWB. These staff would facilitate culture change and partnership working. The estimated cost totals around £1.5 million per year across health boards, regional colleges, South of Scotland Enterprise, Highlands and Islands Enterprise, Scottish Enterprise, Skills Development Scotland and regional transport partnerships (i.e. the relevant public bodies in the Bill).

There are smaller costs estimated for specified public bodies, who would be required to have due regard to CWB guidance when developing their corporate plans and strategies. These total around £180,000 per year across the specified public bodies listed in the Bill.

Finally, the Financial Memorandum estimates no additional costs for businesses.

Abbreviations

CFI: Community finance institution

CLES: Centre for Local Economic Strategies

CPP: Community Planning Partnership

CWB: Community Wealth Building

FTE: Full time equivalent

GVA: Gross value added

IPPR: Institute for Public Policy Research

NHS: National Health Service

REP: Regional Economic Partnership

RSL: Registered social landlord

SEPA: Scottish Environment Protection Agency

SLAED: Scottish Local Authorities Economic Development Group

SME: Small and medium sized enterprise

SNIB: Scottish National Investment Bank

SRUC: Scotland's Rural College

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