

# Response from the Scottish Community Alliance

## Information about your Organisation

Scottish Community Alliance (SCA) is a coalition of 28 national community-based networks and umbrella organisations<sup>1</sup> each one representing a different aspect of Scotland's diverse community sector. Collectively, we engage with local and national government to influence policy development, build a wider understanding of the community sector in Scotland and create more opportunities for collaboration to maximise our contributions.

In 2023, we published Our Vision for Scotland<sup>2</sup>: a bold and ambitious plan to empower communities to tackle the nature and climate emergencies whilst addressing the crises in service and housing provision. We also published our Manifesto for Action<sup>3</sup> with over 80 recommendations for action by the Scottish Government and local authorities to deliver our vision.

We believe that communities throughout Scotland must be front and centre in delivering locally appropriate services and solutions; achieving this requires that community-led intermediaries and community organisations are supported and enabled to play a full part in helping to deliver a resilient, sustainable Scotland.

## General Overview

Scottish Community Alliance (SCA) welcomes the opportunity to respond to the Community Wealth Building (Scotland) Bill Call for Views. We view the concept of Community Wealth Building (CWB) and its application as fundamental to transitioning to a wellbeing economy delivering sustainable economic, social, cultural and environmental development that enhances the prosperity of all of Scotland's people and places on an equitable basis.

We continue to support the Government's previous consultation assertion that "CWB is focused on growing the influence communities have on the economy and ensuring communities receive more of the benefits from the wealth they help to generate." SCA also continues to agree that the transition to a wellbeing economy requires a "whole system transformation", of which CWB needs to be a core component.

However, SCA maintains that to truly 'tackle long-standing economic challenges and transform local and regional economies', the legislation must clearly recognise that CWB encompasses more than just economic growth - it also includes social, cultural

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<sup>1</sup> [Members - Scottish Community Alliance](#)

<sup>2</sup> [SCA001\\_The-Vision\\_8pp\\_A4\\_S5\\_V2.pdf](#)

<sup>3</sup> [SCA002\\_The-Manifesto\\_18pp\\_S4\\_V1.pdf](#)

and environmental wealth. Acknowledging this broader definition would better position Scotland to achieve sustainable and equitable wealth for the benefit of everyone. Without it, there is a risk of deepening existing imbalances and increasing inequality across our communities.

Equally, we would contend that the measures to support '*economic growth*', should be revised to '*sustainable economic growth*' – that is growth in sectors and activities that do not compromise the ability of future generations to meet their own needs. We therefore request an amendment to Section 1 (2)(b) of the Bill, so it reads '*support sustainable economic growth in and across Scotland*'. Additionally, we propose the clause directly below Section 1 (2)(b) to explicitly note the inclusion of communities and small businesses. This would read '*by facilitating and supporting the generation, circulation and retention of wealth by local community organisations and small businesses in local and regional economies.*' These amendments would help further embed the principles of CWB, with a clear focus 'on growing the benefit households and communities derive from economic development and growth'.

As with land and other assets, there is equally an opportunity for communities in the diversification of ownership of energy assets. We would request an amendment to Section 1 (3)(c) and Section 5 (5)(d) to read '*diversifying ownership of land, energy assets or other assets by facilitating or supporting community ownership*'.

As noted in our previous consultation submission<sup>4</sup>, in the longer term, SCA argues that if there is to be a genuinely community-led wellbeing economy, there must be a:

- sixth pillar focussing on culture and heritage as contributors to enhanced social capital within communities.
- seventh 'Subsidiarity' pillar, devolving power, responsibility and budgets to a more localised level of governance.

## **1. The Scottish Government's objective is to ensure consistent implementation of Community Wealth Building across Scotland.**

### **a) Do you think the proposed Bill will achieve this object?**

We consider this Bill – in tandem with non-legislative policy initiatives – offers an opportunity to permanently embed and mainstream CWB principles within and across the wide range of public policy spheres is crucial to achieving the fairer, wealthier, and greener wellbeing economy to which we all collectively aspire.

The requirement to produce a CWB Statement, Guidance and Actions Plans offers an opportunity to ensure consistency across Scotland. However, a fundamental element missing is the inclusion of community-led intermediaries and community organisations. The community sector has long been a driving force behind CWB and without meaningful involvement of communities, there is a risk this legislation could default to a top down public sector led approach - which we understand is not the intention. To prevent this, we urge that the Bill, Statement, Guidance and Action

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<sup>4</sup> [Microsoft Word - SCA Response to SG Consultation Paper - 'Building Community Wealth in Scotland'.docx](#)

Plans recognise the vital role, experience and expertise of communities; utilise existing learning and good practice; and embed communities as critical partners in delivering CWB.

The transformative approach of CWB in delivering local wealth can only be sustainable through decentralised decision making power devolved into the hand of communities, not public sector bodies. We recommend this legislation recognises the work of the Local Governance Review<sup>5</sup>, which is currently considering how diverse communities and places have greater democratic control and influence over decisions that affect them most.

Additional considerations should also be given to:

- The range of plans developed in response to both non legislative and legislative changes can create a confusing and sometimes conflicting landscape. We therefore ask that, prior to developing CWB Action Plans, full consideration is given to existing community based plans such as Community Action Plans, Locality Plans, Community Climate Action Plans and Local Place Plans.
- The private sector is currently not included. As with the community sector, its involvement is essential - engaging the private sector as a key component is crucial to effectively achieving CWB.
- The Guidance will be critical to CWB being effectively and consistently implemented; however, the detail on this is currently unknown and therefore, questions remain on how CWB action plans will be monitored and delivered effectively.
- We recognise, from experience with other policy areas such as Community Asset Transfer, that success and implementation can vary significantly across Scotland. We encourage the use of learning from these existing policies to inform and strengthen the consistent and effective delivery of CWB.
- We acknowledge that a one-size-fits-all approach may not be suitable, and we welcome a degree of flexibility to ensure the approach is effective within individual communities. However, clear Guidance that outlines core standards or expectations to ensure all communities benefit equitably from the implementation would be valuable.

**b) Does the Scottish Government need to change the law to achieve this objective?**

Yes, we believe there is a need to change the law to achieve CWB, primarily to ensure consistent implementation and support from public sector bodies across Scotland.

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<sup>5</sup> [Local Governance Review - Improving public services - gov.scot](https://www.gov.scot/publications/local-governance-review/pages/1-introduction.aspx)

As noted earlier, CWB is already being driven by communities. Therefore, the legislation need not be extensive nor introduce new mechanisms where effective ones already exist. However, to enhance the impact and consistency of implementation across Scotland, we recommend the following:

- inclusion of both community and private sector as key collaborators
- recognition of the principles of CWB to include economic, social, environmental and cultural wealth
- robust and effective monitoring of CWB action plans

We believe that changes are required to other laws in devolved areas in order to facilitate CWB. Please see our answer to Question 5.

**c) Are there other ways in which the Scottish Government could achieve this objective?**

In addition to the CWB Statement, Guidance and Local Actions Plans, one of the most impactful ways to achieve the objectives of CWB is through sustainable investment in community-led intermediaries and community organisations. With CWB models already well established in many communities, securing the long-term success of this approach requires consistent funding and resourcing. Without investment, the implementation of CWB will remain imbalanced across Scotland.

Additional ways the Scottish Government could support the effective delivery of CWB include:

- issuing stronger guidance on the implementation of existing legislation relevant to CWB for example strengthening the Community Empowerment Act to ensure consistent compliance with asset transfer provisions.
- expanding existing legislation to enhance CWB for instance, extending Community Asset Transfer provisions to include renewable energy leases as assets.
- changing the Scottish procurement framework for electricity to enable local authorities to buy from community energy generators, and resource the Scottish Government's procurement service to facilitate electricity sales from community bodies to local authorities and the Scottish Government.
- reframing current legislation to reflect the aim of building sustainable and equitable wealth for all, such as reviewing public sector procurement rules to better support small businesses.
- expanding Compulsory Purchase Order (CPO) powers to support community-led development.
- ensuring CWB principles are embedded in emerging legislative and non-legislative policy, including the local Governance Review work

referred to earlier and the role of Inclusive and Democratic Business Models<sup>6</sup>

- championing the community sector by providing long term support and resources it needs to continue delivering CWB.
- advocating for and supporting community-led intermediaries who play a crucial role in guiding and empowering communities to advance CWB.

We refer to our member network responses for details on additional public sector powers and reform that could further strengthen the delivery of CWB.

**2. The Bill would place extra duties\* on some public sector organisations. Are these duties proportionate? Do these organisations have the capacity and resources to meet the duties placed on them?**

While the additional duties placed on public sector organisations appear proportionate, we acknowledge potential challenges around capacity and resources to effectively meet these responsibilities.

As previously highlighted, there is already a well-established network of community-led intermediaries and community organisations actively supporting and advancing CWB. Given their vital role, it is essential that all public sector bodies are explicitly required to:

- draw on the knowledge, experience, and expertise already embedded within communities;
- invest in community-led intermediaries and community organisations; and
- work collaboratively with these partners to shape and deliver robust CWB Action Plans.

Failing to embed this collaborative approach - especially at a time when public finances are under pressure - would be short-sighted. The evidence is clear: keeping wealth, in all its forms, within local communities delivers widespread and long-term benefits.

**3. Do you agree with the list of relevant public bodies\* proposed in the Bill? If not, how should these be changed?**

We agree with the list of relevant public bodies and recommend extending this to every public body, irrespective of their arms length association with Scottish Government.

Given their scale, the amount of land they own and/or their direct impact on economic development, we specifically recommend the inclusion of:

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<sup>6</sup> [Developing Scotland's Economy: Increasing The Role Of Inclusive And Democratic Business Models - gov.scot](https://www.gov.scot/publications/developing-scotland-s-economy/increasing-the-role-of-inclusive-and-democratic-business-models/pages/12/index.aspx)

- Crofting Commission
- Forestry and Land Scotland
- The Scottish Government's Marine Directorate
- Transport Scotland

Additionally, we believe the following should be recategorised from 'specified bodies' to 'relevant bodies':

- Crown Estate Scotland
- National Park Authority
- Scottish National Investment Bank

**4. Do you agree with the list of specified public bodies\* proposed in the Bill? If not, how should these be changed?**

In previous submissions, we highlighted the importance of embedding CWB as a permanent, cross cutting priority for all Scottish Government portfolios. To reflect this, we recommend that the Scottish Government itself be added to the list of specified bodies.

We also propose the following should be recategorised from 'specified bodies' to 'relevant bodies', due to the amount of land they own and/or their direct impact on economic development.

- Crown Estate Scotland
- National Park Authority
- Scottish National Investment Bank

**5. Are there any ways the law in devolved areas could be changed to facilitate Community Wealth Building that are currently not proposed in the Bill?**

We refer to our response in Question 1c for further details, but key recommendations include:

- championing and directly investing in community-led intermediaries and community organisations
- strengthening existing legislation to support CWB for example expanding Community Asset Transfer provisions to include renewable energy leases as assets.
- reforming public sector procurement rules to enhance opportunities for community organisations and small businesses
- expanding CPO powers
- ensuring the CWB principles are embedded in new or developing policies

As noted in Question 1c, we also refer to our member network responses, which provide further detail on the additional public sector powers and reforms required to fully realise the potential of Community Wealth Building.

## **6. Are there any potential unintended consequences to the proposed Bill?**

Potential unintended consequences include:

- The legislation being perceived as a top-down approach if it does not meaningfully involve community-led intermediaries, community organisations, communities themselves, and the private sector.
- A lack of recognition for the existing experience and expertise within community and grassroots initiatives, risking duplication, displacement, or loss of established work.
- The complexity of broader policy and legislative landscape, particularly in the absence of consistent linkages with current work such as:
  - Local Governance Review
  - Inclusive Democratic Business Models
  - Land Reform
  - Community Right to Buy
  - Community Empowerment Act
  - Community Asset Transfer
  - Local Place Plans
- Insufficient flexibility in application, which may unintentionally hinder the implementation of CWB in certain areas where a more adaptable approach is required.

## **7. To what extent will small businesses benefit from this Bill?**

It is challenging to determine the full extent to which small businesses will benefit from this Bill given the current level of detail. We believe that the benefits will largely depend on the strength of the Statement, Guidance, and Action Plans, as well as the degree of collaboration with the community and private sector, and the effectiveness of implementation.

As mentioned earlier, changes to public procurement rules would be a welcome addition, particularly raising the thresholds for small businesses, including social enterprises.

We would seek clarity on the definition of a "local business." We would advocate that a local business should be defined as one that is based and actively trading within the area in which it operates, rather than simply the location of its headquarters.

## **8. To what extent will local community organisations benefit from this Bill?**

It is difficult to assess the full impact this Bill will have on local community organisations due to the current level of detail. As previously mentioned, we urge that community-led intermediaries and community organisations be recognised and included as essential delivery partners for CWB.