

Development Trusts Association Scotland

Consultation Response: Community Wealth Building (Scotland) Bill

Introduction

About Development Trusts Association Scotland

Development Trusts Association Scotland (DTAS) is Scotland's national membership organisation for development trusts, representing and supporting a network of over 350 community-owned, place-based organisations across the country. Established in 2003, DTAS champions community ownership, empowerment and enterprise for positive social, economic, environmental and cultural change.

Development trusts are community owned and led organisations that use asset ownership, enterprise and creativity to regenerate their communities. Our members range from small community initiatives to large rural, island and urban regeneration organisations. They are working across Scotland's diverse communities—including many of its most fragile and disadvantaged areas.

DTAS provides **member support** through training, resources, and guidance to help communities establish and grow these organisations. We advocate for policies that enable greater community empowerment and ownership, while facilitating peer learning and knowledge exchange across our network.

DTAS also delivers targeted support to communities through two specialist programmes:

1) Community Ownership Support Service (COSS) provides dedicated advice, resources and expertise to communities interested in taking ownership of land and buildings. Since 2009, COSS has supported hundreds of asset transfers across Scotland, helping communities navigate community asset transfer and community right to buy legislation and transition successfully to community ownership.

2) Democratic Finance Scotland helps communities develop appropriate financial mechanisms to support their ambitions. This programme provides expertise on community shares, crowdfunding and other democratic finance models that enable communities to raise capital while maintaining local control and ownership. The service offers tailored support to groups seeking to finance asset purchases, enterprise development and regeneration projects.

Development trusts exemplify community wealth building principles in practice by:

- Creating local ownership of assets that anchor wealth in communities
- Generating income through entrepreneurial activities that respond to local needs
- Developing local supply chains and supporting local businesses
- Creating quality employment opportunities with fair work practices
- Reinvesting financial surpluses to deliver additional community benefit
- Building skills, confidence and capacity within communities
- Democratising decision-making about local economic, social, cultural and environmental development

Our members demonstrate daily how community-led action can transform local economies and infrastructure, creating more equitable, sustainable and resilient communities across Scotland.

As Scotland seeks to build a wellbeing economy, development trusts offer a proven, scalable model for delivering community wealth building objectives and ensuring that economic development genuinely benefits local communities.

Consultation Questions

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 aim?

The Bill represents a critical opportunity to mainstream Community Wealth Building (CWB) across Scotland. We welcome the intent and ambition of the legislation. However, its potential to deliver transformational outcomes will depend on the extent to which it embeds community ownership and the formal role of community anchor organisations—including development trusts—as delivery partners.

While the requirement for CWB Statements, national guidance and local action plans provides a framework, this must not become a tick-box exercise led solely by public sector institutions. The community sector has long been a driving force behind CWB but needs the CWB Bill and proposed actions to take it to the next level. For the legislation to succeed, it must ensure that CWB is not done **to** communities, but **with** and **by** them.

We recommend that the Bill, its associated guidance, and all subsequent action planning:

- Recognise the leadership role of communities in designing and delivering CWB
- Utilise the rich body of existing practice from community-led organisations
- Embed community anchor organisations as strategic partners, not just consultees

Without these changes, the risk is a public sector led, institution-led model that bypasses the very communities the Bill is designed to empower; utilise existing learning and good practice; and embed communities as critical partners in delivering CWB.

We also strongly recommend that the Bill works with the Scottish Government Local Governance Review work. It is hugely important to recognise that new local democratic structures in Scotland could and would strengthen and support the goals of CWB.

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

Yes. While the Bill sets a strong foundation, there are further legislative opportunities in devolved areas that could enhance the delivery of Community Wealth Building:

a) Strengthen the Community Empowerment (Scotland) Act 2015

- Introduce a "Community First" disposal principle: Public bodies should be required to offer surplus land and assets to community organisations before seeking commercial disposal.

- Includes commercial assets potentially available for community energy asset transfer within the mandatory annual audit and publication of assets by public bodies.
- Clarify the right to acquire leases on public land for renewable energy generation and community infrastructure.

b) Reform procurement legislation

- Amend procurement regulations to prioritise community benefit, local economic multipliers, and social value in scoring criteria.
- Enable public-community energy purchasing agreements, allowing local authorities and public bodies to purchase energy from community energy projects.

(See Community Energy Scotland evidence on missed opportunity in the Cowal Peninsula.)

c) Support for democratic finance mechanisms

- Provide legal and fiscal support for community share issues and revolving loan funds for community energy and other community wealth creating purposes

These changes would unlock practical opportunities for communities to build wealth locally and participate fully in Scotland's transition to a wellbeing economy.

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

Yes. In addition to legislative changes, the following would support successful implementation of CWB:

- **Establish a Scottish Community Wealth Fund**, funded through developer contributions (e.g., from offshore renewables or transmission infrastructure), to support community acquisition of income-generating assets. See the Scottish Community Coalition on Energy proposal.

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?

DTAS supports placing a statutory duty on specified public bodies to prepare and implement Community Wealth Building (CWB) action plans. This is an important step toward mainstreaming CWB as a core function of public sector activity rather than an optional initiative.

However, we urge the Scottish Government to go further by embedding **community anchor organisations**, including development trusts, as **delivery partners** within this duty. The success of local CWB action plans will rely on the capacity, leadership and innovation of these organisations, which are already delivering CWB outcomes on the ground.

We recommend the following additions to strengthen the duty:

- **Co-design and co-delivery:** Public bodies should be required to work in partnership with community anchor organisations when developing and implementing action plans.
- **Place-based alignment:** Action plans should be rooted in community priorities, aligned with Community Action Plans (by communities), Local Place Plans (LPPs), and Local Development Plans (LDPs).
- **Accountability:** Reporting on action plan progress should include measurable indicators of community involvement, asset ownership and local reinvestment.
- **Support for participation:** Public bodies should be the enablers and build trusting, long-term relationships with communities and resourced to develop the skills and capacity needed for effective co-production.

In short, a public sector duty to prepare CWB action plans is necessary but the legislation must also embed the community sector as an equal partner in shaping and delivering those plans.

DTAS welcomes the five Community Wealth Building principles outlined in the Bill—spending, workforce, land and property, inclusive ownership, and finance—as a coherent and ambitious framework for action.

We particularly support the recognition of **inclusive ownership** and **democratic finance** as key levers for delivering a wellbeing economy. These are core to the work of our members and represent an important shift from transactional to transformational economic development.

However, we believe the framework can be strengthened in two areas:

a) Embed community ownership more explicitly

- The principle of "inclusive ownership" should explicitly reference **community ownership of land, assets and enterprises** as a distinct and strategic form of ownership (including community energy assets/developments).
- Guidance should clarify that public bodies have a role in enabling community ownership including through asset transfer and land disposal

b) Expand the principle of finance to include democratic and patient capital

- The finance principle should include a commitment to **long-term, community-led investment** and the development of **community-controlled finance mechanisms** (e.g. community shares, participatory budgeting).
- The framework should support the use of **community benefit clauses and reinvestment mechanisms** to retain wealth in local communities, especially in sectors like renewables and housing.

We also recommend that the CWB principles be **reviewed and updated regularly**, with input from community anchor organisations, to reflect evolving practice and ambition.

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

We broadly support the public bodies identified and the duties proposed. However, we recommend clearer distinctions between institutional and community-based actors in the CWB ecosystem, and stronger requirements for meaningful community engagement in CWB planning processes.

In addition to the proposed list of relevant public bodies, we recommend including:

- Forestry and Land Scotland
- National park authorities
- Crown Estate Scotland
- Scottish National Investment Bank

These bodies should be added due to their scale, the amount of land they own and/or their direct impact on economic development.

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

DTAS supports the inclusion of specified public bodies in the Bill, as these institutions hold significant influence over local economies through their landholdings, procurement activity, infrastructure development and workforce.

However, we recommend three additions to the proposed list:

a) Marine Scotland, Scottish Forestry, and Transport Scotland should be explicitly named.

These agencies play critical roles in land use, infrastructure, and economic planning. Their inclusion would ensure that community wealth building principles are embedded in decisions that directly impact local development and community wellbeing. Specifically:

- **Marine Scotland** oversees significant marine planning and licensing decisions that influence coastal and island communities.
- **Scottish Forestry** holds and manages substantial land assets, especially in rural areas, with increasing relevance to climate and community resilience.
- **Transport Scotland** makes major infrastructure investment decisions that shape access, mobility, and local economic opportunity.

Omitting these agencies risks leaving substantial levers for wealth building outside the scope of the Bill.

b) The Crofting Commission should be added.

The Crofting Commission plays a unique and central role in land management and rural governance across much of the Highlands and Islands. Crofting is a form of tenure and community land use that supports population retention, local food production, biodiversity, and cultural heritage (covered within agricultural legislation). The Commission's decisions affect the viability and sustainability of some of Scotland's most fragile rural communities .

Including the Crofting Commission would:

- Acknowledge the importance of small-scale, community-rooted land stewardship.
- Enable crofting communities to benefit from and contribute to CWB strategies. The potential for wealth to be created through natural capital initiatives, wind farms on crofts and the common grazing
- Align land use and economic planning in areas where traditional estate models dominate.

These additions would enhance the Bill's coherence and ensure that key national agencies are contributing to community wealth in a coordinated way.

3. Are there any potential unintended consequences to the proposed Bill?

Yes. While the intent of the Bill is strongly supported, several unintended consequences could arise if the legislation is not amended and implemented with care:

a) A top-down approach to CWB planning

If public bodies are solely responsible for drafting CWB strategies, without a statutory requirement for community co-design, there is a risk that communities will be consulted late—or not at all. This would undermine both the legitimacy and effectiveness of CWB plans.

b) Confusion between institutional and community actors

The lack of clarity between “community anchor institutions” (large public or private bodies) and “community anchor organisations” (community-led bodies like development trusts) may dilute the role of grassroots organisations and sideline their contribution to local wealth building.

c) Missed opportunity to transfer wealth and power

Without stronger provisions on community ownership of land, energy and infrastructure, the Bill may fail to shift economic power meaningfully to communities. There is a risk that wealth will continue to leak out of local economies through external ownership, extractive investment and centralised decision-making. The commitment by Scottish Government on the Local Governance Review is important and should be aligned here. The introduction of new local democratic structures and also the NSET inclusive democratic business models provide the ability to achieve and potentially exceed CWB goals.

1. To what extent will small businesses benefit from this Bill?

If implemented effectively, small businesses—especially locally rooted and socially responsible ones—stand to benefit significantly from a reformed economic landscape.

The Bill could support small businesses through:

- Increased local procurement: By encouraging public bodies to contract with local suppliers, especially SMEs and social enterprises.

- Better use of public assets: Small businesses could gain access to affordable workspaces, retail premises or land through collaboration with communities or local authorities.
- Supportive finance mechanisms: Community investment tools could help channel local capital into small-scale enterprises with community benefit.
- Partnership with community organisations: Development trusts and other community bodies often work with local businesses to deliver services, regenerate areas and support inclusive employment.

To maximise this potential, the Bill should include explicit measures to support community-business partnerships, social enterprise development and fair access to procurement opportunities.

2. To what extent will local community organisations benefit from this Bill?

Local community organisations will benefit most from the Bill **if their role is clearly defined, supported and embedded** in both legislation and guidance.

Development trusts, in particular, are already delivering many of the desired CWB outcomes:

- **Owning and managing assets** that generate local income.
- **Creating quality jobs**, often for people excluded from traditional labour markets.
- **Running local enterprises** rooted in place and purpose.
- **Supporting local supply chains**, including food, energy, and tourism.
- **Facilitating participatory governance**, where communities help shape local services and development priorities.

However, without the proposed amendments and resourcing, the Bill risks becoming a missed opportunity.

To ensure meaningful benefit for community organisations, the Bill should:

- Recognise development trusts and similar organisations as **key delivery partners**.
- Provide dedicated **investment in capacity building**, organisational development, and long-term sustainability.
- Guarantee **access to land, finance and influence**—the building blocks of community wealth.

Conclusion

DTAS is committed to supporting the successful implementation of Community Wealth Building across Scotland. Development Trusts across the country already demonstrate how community-led organisations can generate and retain wealth locally, create jobs, and improve quality of life. Providing the evidence that when the CWB Bill is implemented what can be built on and strengthened.

We welcome the opportunity to discuss these proposals further with the Scottish Government and to contribute our members' extensive experience in community-led economic development to strengthen this important legislation.