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Leas Phrìomh Mhinistear agus Rùnaire a'
Chaibineit airson Eaconamaidh agus Gàidhlig
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Stuart McMillan MSP
Convener
Delegated Powers and Law Reform
Committee
Scottish Parliament
Edinburgh
EH99 1SP

19 June 2025

Community Wealth Building (Scotland) Bill

Dear Stuart,

Thank you for your letter of 6 June. As you will know, Tom Arthur MSP took up a new role as Minister for Social Care and Mental Wellbeing from 11 June. The lead minister for this Bill will now be Ivan McKee, Minister for Public Finance.

I am grateful for the Committee's consideration of the provisions in the Bill. As your letter notes, Section 9(1) 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. Further, Section 9(3) provides that the Scottish Ministers must review the guidance from time to time and may revise it. Under sections 5(7) and 10(1), community wealth building partnerships and "specified public bodies" (contained in the schedule of the Bill) must have due regard to such guidance, including any revised version of it.

Taking each of the Committee's questions in turn:

1. **The reasons for this guidance issuing power, given that the DPM does not address this.**

The Delegated Powers Memorandum is focused on subordinate legislation powers, but I am happy to address the Committee's questions about the guidance issuing power. The Scottish Ministers do not require statutory authority to issue guidance, but section 9 of the Bill *requires* them to do so. A positive obligation to issue guidance was thought desirable to ensure that all of the good practice already developed by local authorities and others is gathered in one central resource for future use by the Community Wealth Building partnerships and other bodies as provided for in the Bill.

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A key element of the Bill is the idea that the Scottish Ministers, through the Community Wealth Building Statement in section 1 and the guidance in section 9, will lead and encourage others to use Community Wealth Building policies.

The intention of the guidance is to assist the Community Wealth Building partnerships and specified public bodies in taking a consistent approach to Community Wealth Building in their action plans and in the development of their corporate plans and associated strategies (as applicable).

2. Why does the Bill not specify the type of content that any guidance might include?

The Bill specifies that the Scottish Ministers must issue guidance about (a) community wealth building action plans, and (b) facilitating and supporting the generation, circulation, and retention of wealth in local and regional economies. As Community Wealth Building is a dynamic and evolving economic strategy, we do not wish to be unduly prescriptive on the face of the Bill as to the content of the guidance. Further, the Scottish Government intends that the detailed guidance will be co-produced with partner organisations and so would not want to prejudge its content. However, the Committee does raise a relevant point.

Early evidence sessions held by the Economy and Fair Work Committee have covered the same matter. While very few of the written submissions to that Committee raised this discrete issue, the importance of clear guidance in more general terms was highlighted by many respondents to that Committee's call for evidence.

As scrutiny of the Bill progresses, this is an area in which the Scottish Government will consider the views and suggestions of Committees and partners.

3. Why there is no parliamentary oversight of such guidance, such as laying it before Parliament, in light of the requirements to have due regard to the guidance under section 5(7) and section 10(1).

The Scottish Government's approach on this matter is guided by an overall desire to take a focused and proportionate approach to legislating for CWB. The Scottish Government anticipates that the guidance will be the product of a practitioner dialogue enabled by the Scottish Government. As such, consideration of an applied guidance document by the Scottish Parliament is not considered to be necessary in this case.

The Scottish Ministers will report to Parliament on their Community Wealth Building Statement, which will cover the measures that the Scottish Ministers are taking or intend to take in this area generally.

4. As the guidance is put on a statutory basis, and because of the duty to have due regard to it, why there is no requirement to consult community wealth building partnerships or specified public bodies before preparing or issuing such guidance.

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The duty is only to have due regard to the guidance, so it will not be mandatory that the relevant bodies follow it to the letter. They will only be required to give the guidance the appropriate weight while taking into account any other relevant considerations. The Scottish Government intends to develop the guidance in partnership with the key delivery bodies and other stakeholders.

Given the intention for an inclusive approach to development, and the degree of discretion that will exist in terms of following the guidance, it is felt that consultation duties being placed upon Scottish Ministers in relation to the guidance are not required. However, in line with my commentary at Question 2 above, the views of Committees and partners will be considered thoroughly on this matter.

I trust this reply is helpful to the Committee.

Yours sincerely,



KATE FORBES

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