

## **Briefing Note Template**

**Elected Member Briefing – *Community Wealth Building***

**Elected Member Briefing Note Ref. No. 2026-16**

### **About this Briefing Note**

Briefing by: Thomas Coutts

Date: 05 March 2026

Subject: Community Wealth Building

**Public / ~~Exempt~~ / ~~Confidential~~**

*if exempt or confidential explain risks and consequences.*

### **Purpose**

This briefing summarises the content of a members seminar to discuss the [Community Wealth Building \(Scotland\) Bill](#), and the implications of this legislation for local authorities and public sector partners. The seminar was led by the [Improvement Service](#) and followed a workshop held on 04 March 2026 with local community planning and employability partners to discuss a local framework for delivering community wealth building in Shetland.

### **Background**

Community wealth building is an approach to economic development which focuses on ensuring that economic wealth is generated, circulated and retained in local communities. The Community Wealth Building Bill was introduced by the Scottish Government on 20 March 2025, and, among other measures, requires each local authority to work with public sector partners in their areas to publish a community wealth building action plan for that area.

### **Key points**

This seminar outlined the concept of Community Wealth Building, the policy context in Scotland, and the implications of the Community Wealth Building (Scotland) Bill for local authorities and public sector partners.

Community Wealth Building (CWB) is a place-based approach to economic development designed to reduce inequality and retain wealth within local economies, which emerged in response to concerns that traditional economic

development models, focused primarily on economic growth, have failed to address persistent poverty and inequality.

CWB seeks to redirect wealth back into communities by ensuring that economic activity benefits local people, businesses and organisations rather than being extracted by external firms, and is based on five key pillars:

- Plural ownership of the economy – expanding diverse ownership models such as cooperatives, employee ownership and community enterprises.
- Making financial power work locally – increasing local investment and keeping financial flows within communities.
- Fair employment and just labour markets – improving job quality, pay and opportunities for local people.
- Progressive procurement – using public sector spending to support local businesses and build local supply chains.
- Socially productive use of land and property – ensuring community benefit from land and asset ownership.

Anchor institutions (e.g., councils, health boards, colleges) play a central role in delivering CWB through procurement, employment practices and investment decisions, and can help to shape local economic outcomes and generate social value. Local authorities act both as anchors themselves and as coordinators of wider local partnerships.

The Bill aims to embed CWB across Scotland by:

- requiring Scottish Ministers to publish a national CWB statement outlining measures to reduce inequality and support local wealth generation;
- placing duties on local authorities and relevant public bodies to establish CWB partnerships;
- requiring these partnerships to produce and implement Community Wealth Building action plans;
- mandating national guidance on how public bodies should apply CWB principles in corporate planning and delivery.

A CWB approach can help councils deliver several national policy objectives, including:

- National Strategy for Economic Transformation (NSET)
- National Planning Framework 4 (NPF4)
- Fair Work agenda
- Community Empowerment and asset transfer

- Tackling poverty and inequality
- Climate action and sustainable procurement.

## **Overview**

Potential impacts of CWB include:

- Reducing economic and wealth inequality
- Improving job quality and local employment opportunities
- Strengthening local supply chains and businesses
- Improving health outcomes by increasing incomes
- Supporting a more democratic and inclusive economy.

Local authorities may need to consider:

- Existing work that already supports CWB
- Where wealth currently leaves the local economy
- Which organisations act as local anchor institutions
- What resources and capacity are needed to meet new statutory duties.

Last modified on: 06 March 2026

### **Contact Details:**

*Thomas Coutts, Executive Manager – Economic Development*

*01595 744 969*

*Thomas.coutts@shetland.gov.uk*

**Please return this form to [memberssupport@shetland.gov.uk](mailto:memberssupport@shetland.gov.uk) to be logged and circulated to all Councillors.**

END