

Call for Views – Community Wealth Building (Scotland) Bill – May 2025

Introduction

Colleges Scotland welcomes the opportunity to provide views on the Community Wealth Building (Scotland) Bill on behalf of the college sector. We are pleased that the Bill as currently presented recognises the role of colleges as one of the key anchor institutions core to the wellbeing of local and regional communities and economies.

Each year, colleges equip hundreds of thousands of students with education and training, creating a crucial pipeline of future talent and a skilled workforce that meets industry demands.

Throughout Scotland, from our towns and cities to the rural Highlands and Islands, the 24 colleges act as civic anchors within their local communities. They serve as important hubs, helping to mitigate poverty and offering life-changing opportunities. Additionally, they collaborate with businesses within their regions, including SMEs, and contribute to the broader economy.

Colleges are crucial to Scotland's future, producing the skilled graduates that the economy depends on. They will play a key role in training and upskilling the future workforce in emerging technologies and key growth sectors such as AI, renewable energy, creative industries, tourism, and digital health and care. Colleges offer excellent learning opportunities for people of all ages and stages of life.

Colleges across Scotland play a significant role in community wealth building initiatives, aimed at promoting economic stability and increasing local assets, within the following themes and in alignment with Scottish Government policy priorities:

- 1. Education and Workforce Development:** Colleges help in upskilling the local workforce by offering tailored training programs, vocational courses, and adult education. These efforts align with the needs of local industries, increasing employment opportunities.
- 2. Accessibility and Inclusivity:** Colleges work to make education more accessible to marginalised populations, enhancing social mobility and reducing inequality within the community.
- 3. Community Engagement:** Colleges strengthen their commitment to the community by encouraging students and faculty to participate in local service projects, internships, and volunteerism, fostering a culture of civic engagement.
- 4. Partnerships with Local Governments and Organisations:** By collaborating with local governments, third sector, and other organisations, colleges help to align efforts toward sustainable community development goals.
- 5. Civic Leadership and Advocacy:** Colleges leverage their platforms to advocate for policies that promote economic inclusion, sustainability, and social justice, aligning with the principles of community wealth building.

6. **Local Purchasing and Economic Development:** Colleges spend a considerable amount on goods and services. By prioritising local vendors and suppliers in their purchasing decisions, they contribute to local economic stability.
7. **Support for Entrepreneurship:** Colleges establish incubators, accelerators, or innovation centres to support local entrepreneurs, providing mentorship, resources, and access to funding.
8. **Innovation:** Colleges foster innovation by collaborating with local businesses and startups.

Key Points

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?

Colleges Scotland recognises the intention of the proposed Bill in ensuring that Community Wealth Building is implemented consistently across Scotland as an economic development tool, but would question whether additional legislation is required to deliver this in practice, given the role that colleges and other relevant public bodies will already be playing through their membership of both Regional Economic Partnerships (REP) and Community Planning Partnerships (CPP) in delivering against Local Outcome Improvement Plans, working with relevant public bodies, including enterprise and skills agencies in doing so.

We recognise the focus on ensuring that economic wealth is generated, circulated and retained in local communities through Community Wealth Building. However, it is not yet clear whether the Bill will ensure consistent implementation of Community Wealth Building, or whether this should in fact be directed through existing REP and CPP routes, with regional collaboration already underway, as highlighted in the policy memorandum. The Bill proposes a top-down approach, led by Scottish Government, but we would suggest that the ultimate objectives of the Bill are better delivered by bottom-up approaches.

There needs to be greater distinction made between the roles and responsibilities of REPs, CPPs and Community Wealth Building partnerships to avoid duplication of activity. In doing so, the Bill needs to establish how Community Wealth Building measures will be focused, proportionate and genuinely enabling of Community Wealth Building activity.

Similarly, there also needs to be further clarity regarding how the implementation of Community Wealth Building measures will interact with other existing strategies and frameworks, including the National Strategy for Economic Transformation, the National Performance Framework, UN Sustainable Development Goals and the Just Transition.

The Bill would benefit from offering a clearer single national model or framework for community wealth building or access to data or methodology for creating institutional wealth building plans, alongside the focus on process and related obligations.

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

The Bill currently includes a provision to encourage local authorities and public bodies to prioritize local suppliers when making procurement decisions, thereby supporting local economies. We recognise the principle behind the Bill of ensuring that more money spent in Scotland stays in Scotland and would suggest that this principle be applied through the "Colleges-First" approach.

Colleges Scotland has completed an FOI based investigation into the Education and Skills related spending by local authorities and other public bodies, which has evidenced there is scope to significantly increase the level of this spending going towards colleges, delivering maximum value of the public pound within the public sector.

The research found that over 75% of staff training at public organisations in 2023 was carried out by private training providers, with only 5% of that training taking place at a college. The total spend across 14 organisations was around £8.5 million.

The Scottish Government, on this basis, can achieve the aims of this Bill by directing local authorities and public bodies to adopt the “Colleges-First” approach and prioritise their local colleges when making decisions around education and skills training requirements, supporting their local institutions in doing so.

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?

Under the proposals in the Bill, each local authority would need to work with certain public bodies in their areas to publish a community wealth building action plan for that area.

We recognise that colleges are currently identified as relevant public bodies, which would require them to publish and implement a CWB Plan alongside other partners for their area. Within this context and given the overlap between the 32 local authorities and 13 existing college regions, there needs to be clarity provided for those colleges with campuses across local authority areas as to which areas they would be required to publish and implement a CWB Plan for. For example, Ayrshire College works across the three Ayrshire local authorities, whilst North East Scotland college serves communities within both Aberdeen City and Aberdeenshire.

The SFC’s report, [Financial Sustainability of Colleges in Scotland 2020-21 to 2025-26](#), recognises the worsening financial health of Scottish colleges. [Audit Scotland](#) has also evidenced that the college sector has seen a 17% reduction in real-terms funding in the three years between 2021/22 to 2024/25, that has resulted in colleges now having to deliver significant annual recurrent savings that will have a material impact on learners.

In the absence of additional funding for the college sector, and the continuing impact of funding pressures on both learning and teaching, and student support services, there will be real challenges for colleges to hold both the capacity and resources to meet the duties placed on them.

There needs to be further clarity around the level of change required for colleges as relevant public bodies to build the skills and capacity, and the associated resource that will be needed for colleges to engage with the design and delivery of Community Wealth Building within their regions.

The disproportionate impact on the smallest colleges of having to produce a Community Wealth Building plan must also be considered. These institutions have small senior management teams with limited capacity to produce and implement these plans alongside existing commitments to college operations and educational delivery, and any extra duties pose the risk of reducing their ability to deliver for their communities and maintain financial sustainability. To avoid placing additional reporting requirements on these colleges, we would recommend the option must be made available for smaller institutions to contribute to Community Wealth Building Plans through their regional strategic bodies.

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

We recognise that colleges are included within the list of relevant public bodies proposed in the Bill.

Given the work being progressed by the Education, Children and Young People Committee in considering the Tertiary Education and Training (Funding and Governance) (Scotland) Bill, there needs to be further clarity provided regarding what changes would have to be made by Skills Development Scotland given the proposed transition of responsibility for Scottish apprenticeships and work-based learning to the Scottish Funding Council.

There needs to be further clarity provided regarding the role of Regional Strategic Bodies (RSB) in the college sector and their status in relation to this Bill. UHI colleges (incorporated and non-incorporated), as the last remaining colleges assigned to an RSB in Scotland, (*subject to Parliamentary approval regarding the Glasgow and Lanarkshire Regions*) seem to be excluded from the public bodies in scope for the bill; yet these colleges cover eight local authorities in Scotland and by their very nature, and the nature of the Highlands and Islands region, are most deeply embedded in their rural and island communities (and critical to people, places and prosperity) covering more than half of Scotland's land mass.

The University of the Highlands and Islands (UHI) as an RSB is not a public body and has not been listed in the list of bodies who would have a duty to report in the bill. It needs to be established whether the duty to engage in development of Community Wealth Building Plans would lie with the colleges within UHI in the same way as for colleges outwith UHI.

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

We recognise the inclusion of the Scottish Funding Council (SFC) as a proposed specified public body within the Bill, as the non-departmental public body charged with funding Scotland's colleges, and that they would potentially have to have due regard to CWB guidance when developing their corporate plans and associated delivery strategies.

There needs to be clarity provided regarding whether this due regard would apply to the Outcome Framework Agreement process wherein the SFC establishes the activities that colleges plan to deliver in return for their funding, or whether this would merely apply to the SFC as an organisation in developing its own corporate plan and delivery strategy.

Through the SFC's Tertiary Quality Enhancement Framework (TQEF) along with a new Outcomes Framework and Assurance Model, these are both replacing current inspection and review methods and are being implemented across the tertiary sector. Assurance needs to be given that any CWB activity is incorporated into these processes as it could impact thematic reviews which are ongoing and conducted by different public bodies such as QAA, sparqs and Education Scotland.

Given the work being progressed by the Education, Children and Young People Committee in considering the Tertiary Education and Training (Funding and Governance) (Scotland) Bill, it has to be made clear as to what changes would have to be made in terms of due regard for the SFC as the single funding agency for Scottish apprenticeships and work-based learning as well as tertiary education.

Are there any potential unintended consequences to the proposed Bill?

The Bill outlines that Ministers must prepare a community wealth building statement, which will set out the steps Ministers will be taking, or will intend to take, to reduce regional economic inequality and support economic growth, and the measures by which they will do so.

These community wealth building statements must take into account the Minister letters of guidance which are issued to the Scottish Funding Council establishing the priorities for colleges in Scotland. In the absence of alignment between these documents there is a risk of duplication of activity, and associated resource costs for colleges, at a time of significant financial sustainability pressures for the sector.

Greater clarity is also required from Scottish Government Ministers as to how this Bill aligns with the ambitions set out in the National Strategy for Economic Transformation, with this document currently being subject to a refresh. Community Wealth Building was named as an approach within this document originally, so it would be helpful for the connection between this Bill and NSET to be clarified to avoid duplication of activity.

To what extent will small businesses benefit from this Bill?

Small business could benefit from this Bill if the Scottish Government readopts the model similar to the delivery of the Flexible Workforce Development Fund (FWDF), which could then enable SMEs to access upskilling and reskilling opportunities delivered through colleges.

FWDF demonstrated the integrated nature of colleges and local business and industry, and a similar model could be used as part of this Community Wealth Building. There was a significant list of employers who took part in the fund to upskill and retrain staff, and there were also long waiting lists which demonstrated its popularity. However, caution would need to be exercised as the fund was taken away in an untimely manner and this has left some SMEs reluctant to engage in similar activity.

Colleges Scotland
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