



DEMOCRATIC FINANCE SCOTLAND

Transforming community wealth

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Democratic Finance Scotland

A programme of support for community led organisations to explore alternative methods of raising finance and funding.

Particularly money that is locally sourced.

Ensuring communities have the
financial control and the democratic power
to take **ownership of important community assets**
and run **democratic community led businesses**

What are these **alternative methods**?

Locally sourced money from community members and local organisations:

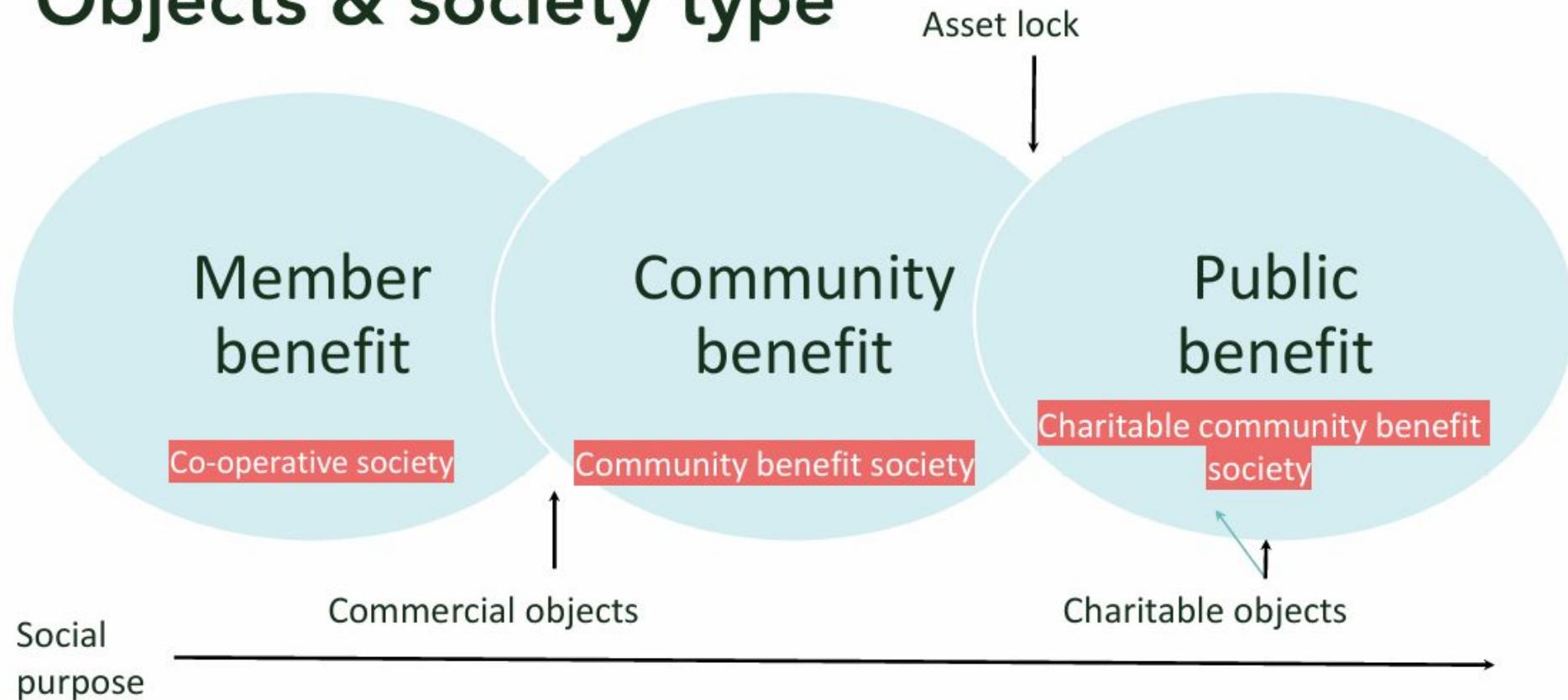
- Community shares
- Community bonds
- Grassroots legacy giving
- Local philanthropy
- Donation based crowdfunding
- One-off community lotteries
- Common Good Funds

What is a BenCom?

Community Benefit Society (CBS or Bencom)

- Similar to a Coop (Cooperative Society)
- Registered with **Financial Conduct Authority** but not regulated by the FCA
- 2 tier, democratic, member-led organisation
- Can also be registered as a charity
- Assets are locked, not for private gain
- **One member one vote**, not one share one vote
- Members collectively own any assets

Objects & society type



What are Community shares?

- a way to raise money for **community enterprises that serve a local need**
- a form of crowdfunding with **community ownership** at the heart
- an **investment**, not a donation

Used to finance:

- pubs and shops
- community hubs and centres
- housing
- renewable energy initiatives
- sports projects
- food and farming enterprises
- a host of other community-based ventures.

The benefits of bencoms/community shares

- **Community governance** and increased involvement
- **Democratic** – everyone gets equal say regardless of scale of investment
- **Social cause** at the heart
- **Flexible finance** – interest and withdrawals don't have to kick in for 3-5 years
- Can attract **further funding** and partnerships
- **92% of orgs** with community shares are still trading

Other Considerations

- ✓ Non transferable
- ✓ Withdrawable
- ✓ Interest to shareholders
- ✓ Tax Relief (potentially)

Action Porty – Bellfield's Big Build - 2025

- ✓ £168,525 raised through community shares
- ✓ Over 1,100 shareholders
- ✓ Match funded by £450,000 Community Ownership Fund and £100,000 Acorns 2 Trees
- Community Benefit Society structure – democratic and community led



- ✓ £25 minimum residents
- ✓ £50 minimum non-residents
- ✓ Investment from local organisations
- ✓ 2% interest and withdrawals from 2029
- ✓ Enterprising business – room and event hire
- ✓ One member one vote
- ✓ Amazing community engagement campaign

Our support is fully funded – we're here to help!

Community Share Offer Development

- Community engagement and consultation
- Governance expertise and training
- Business planning and financial modelling
- Marketing and PR incl. £5k Micro Grant available

Get in Touch



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