



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:

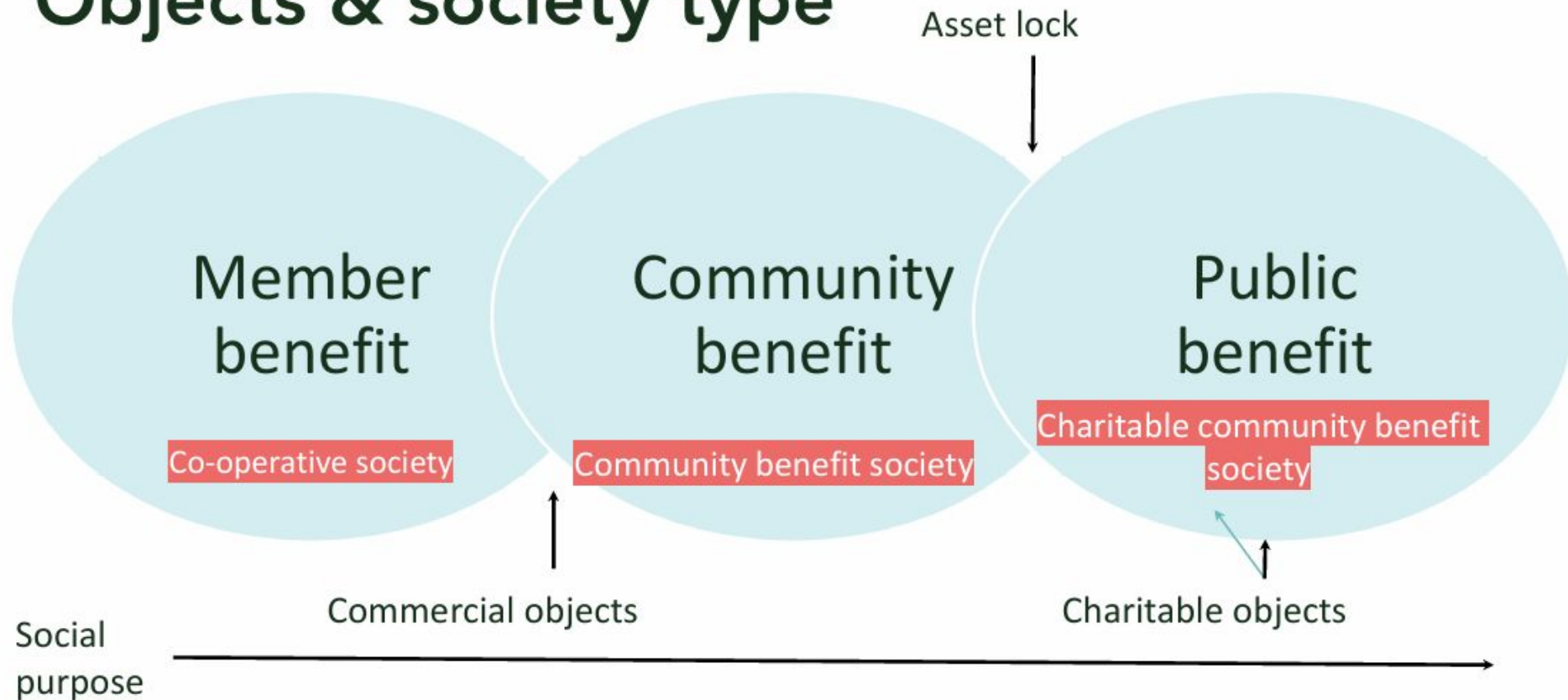
- Community shares
- Community bonds
- Grassroots legacy giving
- Local philanthropy
- Donation based crowdfunding
- One-off community lotteries
- Common Good Funds

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 Party – 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



<https://www.bellfield.scot/>

- ✓ £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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