

DTA Scotland - Democratic Finance Scotland Programme

Impact Survey Report

Oct 2024 – Sept 2025

OUTCOME 1 - RESILIENT, DEMOCRATIC COMMUNITY ORGANISATIONS	
Create resilient, democratic communities with more financial confidence and control through use of democratic finance models and approaches	
Annual Outcome Indicator	Annual Progress
100 community organisations per year supported to explore and use democratic finance sources or tools.	215 Early stage: 116 In depth: 99
Research and baseline data to evidence increase in community organisation resilience and confidence.	See Question 4 below.
OUTCOME 2 - INFORMED AND ENGAGED CITIZEN INVESTORS	
Create a network of locally informed 'Citizen Investors' making investments directly into their communities	
Annual Outcome Indicator	Annual Progress
1500 citizen investors per year investing into community organisations.	2189
Citizen investment is driving greater engagement with and building social capital in local communities.	See Questions 1, 2, 3, 8 and 9 below.

Summarised responses to survey completed by groups supported in depth by Democratic Finance Scotland with a democratic finance offer in the period Oct 2024 – Sept 2025:

Q1 - Why did you choose to run a democratic finance offer? What did you perceive as the key benefits?

Summarised response:

The decision to run a democratic finance offer is driven by both practical financial needs and the desire to build strong community involvement and ownership.

1. Community Engagement and Ownership

Our groups noted that a core motivation was to foster a sense of ownership among locals by directly involving them. This was expected to lead to stronger, long-term engagement and support – including a means to secure future leadership by recruiting committed office bearers who would help sustain the project.

"We felt that involving people in the actual purchase/setting up of the business would give them a feeling of ownership and this would lead to increased engagement."

2. Raising Essential Funds and Building Financial Confidence

The democratic finance offers were also a strategic way to raise the substantial additional funds needed to ensure the project's success. The process of producing share documentation also provided a helpful structure and sharpened the focus of the project.

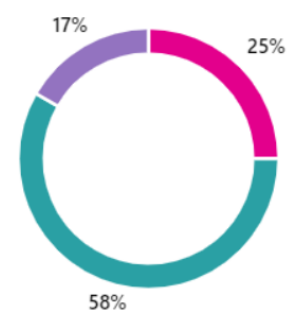
3. Long-Term Sustainability and Community Benefit

Beyond raising capital, democratic finance offers can build a membership base with a vested interest in the community enterprise's long-term success, helping ensure its ongoing operation and benefit to the community beyond the initial acquisition phase.

"We hoped it would allow us to generate significant income, and as an additional benefit develop a membership with a vested interest in successful ownership and operatorship of the Inn for the community."

Q2 - Has running a democratic finance offer increased local engagement with your organisation, including increased use of your services/business if already trading?

● No, no change in support	0
● Yes, a moderate increase in support	3
● Yes, a clear increase in support for our organisation	7
● Other	2



Other:

- *"Tricky to quantify. We assume yes but can't yet demonstrate this as early days"*
- *"Not sure at this stage"*

Q3 - Would you like to elaborate on your answer above? For example, further detail on the impact the democratic finance offer has had on the

organisation's trading and success to date? Or how your community has responded to the share offer and your organisation?

Community share offers are a powerful tool for mobilising local support, building long-term engagement, and increasing visibility. Even where financial targets weren't fully met, the offers sparked greater community ownership and involvement. Some key themes from the survey:

1. Increased Membership & Community Involvement

- Many organisations saw a substantial rise in membership or number of shareholders (e.g., one group tripled its membership).
- People feel more personally invested, shown through strong attendance at AGMs and participation in decision-making.

"Approximately 25% of the community are now involved."

"Membership rose from 470 to nearly 1,200."

2. Greater Use of Services and Facilities

- Share offers often led to increased footfall and use of facilities, especially from people who hadn't engaged previously.
- New community groups started meeting in the revitalised spaces.

"The Hotel is now regularly busy and used by many people who didn't use it before."

3. Volunteer Support & Practical Contributions

- Shareholders often went beyond financial support, volunteering for tasks like renovation work and organising or attending events.

"Many who bought shares helped with clearing the area and internal decoration."

4. Raised Profile & Wider Recognition

- The share offer process helped raise awareness of the organisation, attracting new partnerships and local project interest (e.g., council engagement).

"We've been approached to support a community heat project."

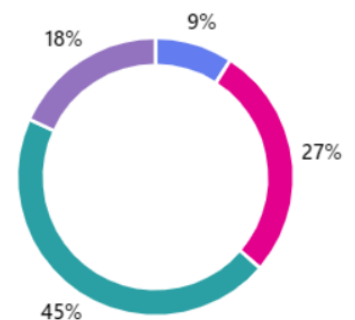
5. Mixed Outcomes on Financial Targets & Trading Impact

- Some didn't meet their funding targets but still saw high engagement.
- Trading impact is still unclear for newer projects, but early signs are positive.

"Too early to confirm if trading has improved, but community response has been encouraging."

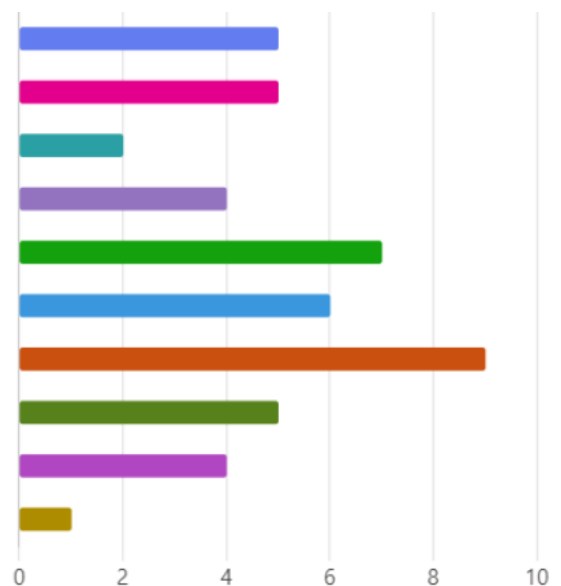
Q4 - Has running a democratic finance offer increased the organisation's confidence and resilience? Does the current board/team feel more confident in the financial health of the organisation?

● No, no discernible difference	1
● Yes, slight increase in confidence	3
● Yes, a clear increase in confidence	5
● Too soon to tell	2
● Other	0



Q5 - What kind of support did you receive from Democratic Finance Scotland? Please select all that apply.

● Community engagement	5
● Governance / registration	5
● Financial forecasting	2
● Business planning	4
● Share offer document drafting	7
● Share offer campaign	6
● Microgrant	9
● External consultancy	5
● Post share offer support (share certificates, AGM planning etc.)	4
● Other	1



Q6 - What was most and least valuable about the support provided?

- Help with drafting the share offer document was repeatedly cited as the most helpful element.
- Step-by-step guidance by the DTAS advisor through the share offer process and best practice was crucial, especially for groups with no prior experience.
- Microgrants to support early marketing and promotion were seen as highly useful.
- Advice on governance was described as vital.
- Specialist knowledge and expertise from DTAS Advisors, plus access to an external consultant for the Community Shares Standard Mark assessment, was greatly appreciated.
- Some groups felt all advice provided was useful, with no aspect seen as unhelpful.

Q7 - Were there any gaps in the support provided?

- Some financial projection tools were difficult to navigate.
- Business plan refinement was a little burdensome: we required rounds of revision, which was time-consuming
- Continuity in support: Different advisors due to changing DTAS team throughout the process made some advice feel disjointed.
- Two groups felt that they should have been more prepared at the start for how much capacity would be needed - in hindsight they might have chosen another fundraising route.

Q8 - Do you think the share offer was accessible to the community? Were there any real or perceived barriers to investing?

The majority of respondents felt their share offers were accessible and inclusive. Community outreach was comprehensive, using:

- Printed brochures to many households
- In-person events
- Local and national media
- A mix of online and traditional (paper-based) materials to reach all demographics

Low minimum investment thresholds (e.g. £25) made investing possible for the majority. However, some still faced barriers:

- A couple of communities with diverse incomes found £25 still too high.
- One group mitigated this by topping up contributions for those who couldn't afford the full amount.

A **more complex barrier** existed in projects using different share classes (e.g., low minimum investment Type A for locals, higher minimum investment Type B for non-locals). These share categories were a stipulation of the Scottish Land Fund and a means to ensure local community control – however some non-residents expressed that this made the share offer not accessible. In some cases, flexibility was offered: Type B applicants could pool resources to meet the £2,000 minimum, and several did.

“There was some frustration about the £2,000 minimum for Type B shares... we allowed group applications to meet this threshold.”

Timing of the offer was mentioned twice – particularly share offers launched during financially difficult periods (e.g., post-holiday season), affecting capacity to invest.

“It was launched at the end of January when there is little money about.”

“The financial situation at the time of the offer was difficult.”

A few respondents noted it's too soon to assess full accessibility or long-term outcomes.

Q9 - In broad terms, what are the key challenges facing your community? Do you feel like the share offer has helped address any of those?

Community Cohesion & Empowerment – a key challenge in a community is creating cohesion and empowerment.

- The share offer acted as a unifying campaign, bringing people together and building community resilience.
- Increased awareness and confidence in community ownership and other community-led activities.
- Share offers were described as community-building, getting people involved and out on the streets.

Addressing Social Isolation - A key challenge mentioned was isolation, particularly among older populations.

- Community spaces (e.g., pubs, halls) created through share offers are helping to address these by providing places to socialise.

Economic Development: Broader community challenges include lack of access to housing, employment and food

- Fairly paid local jobs were created as a result of the share offer projects.
- While the share offers didn't always directly address these, related initiatives planned using the future income from the community enterprise (e.g. affordable housing, affordable food provision) help indirectly.

Community Building Maintenance and Refurb – challenges include ongoing maintenance and refurbishment of community buildings as most funders tend to focus on capital purchase

- Funding from the share offer was often used as a useful flexible option for maintenance, refurbishment and staffing.

Q10 - Do you have any other comments, feedback or questions for us?

- *DTAS were one of many very useful organisations, without which, we could not have succeeded.*
- *Thanks for continuing to support organisations like ours!*
- *We'll be grateful for any continued DTAS guidance and support as we work through future actions - thank you!*