The Impact of Democratic Finance

Summary report of in-depth survey of active democratic finance offers from 2025 to October 2026

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DEMOCRATIC FINANCE SCOTLAND

Development Trusts Association Scotland
A Thriving Community-led Network

Democratic Finance Impact Survey – Evaluation Report

This survey was carried out to evaluate the uptake and impact of democratic finance methods, as well as to better understand how the support provided by DTAS' Democratic Finance team is being used and valued by community organisations.

The survey focuses on cases which have received the deepest level of development support from the democratic finance team, from the period of **mid 2025 to mid 2026**. A total of 40 organisations were directly asked to complete this survey; **with 24 responses we received a 60% response rate**. These cases cover all aspects of democratic finance support, looking beyond community share offers to include crowdfunding, community energy and the wider early-stage and aftercare support provided by the team. This includes guidance on governance, business planning, AGM support, community engagement and other areas of organisational development.

The aim is to understand how democratic finance approaches are helping communities raise finance, strengthen their organisations and progress their projects, while identifying where the team's support has been most valuable and how it can continue to meet the needs of community organisations.

More information and stats on the wider impact of the programme can be found in our annual report: Democratic Finance Scotland Programme Outcomes and Impact Report for Esmée Fairbairn Foundation.

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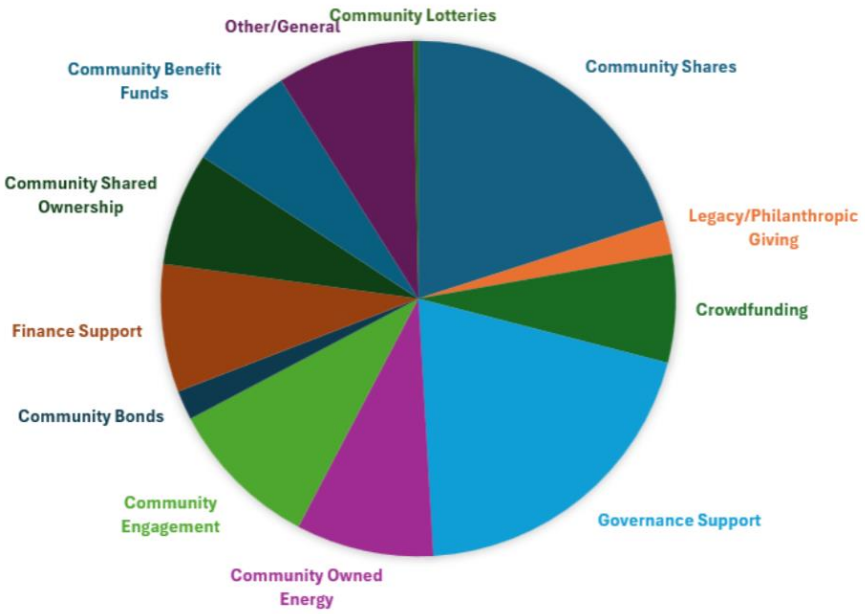
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Key Findings:

Democratic Finance Annual Summary:

According to our wider impact reporting, from October 2025 to September 2026, the Democratic Finance team received a total of 153 enquiries from community organisations, breaking down into the below categories of support.



- Of those **153 enquiries, 120 have progressed to practical support**.
- 9 democratic finance offers were launched, raising **£338,060 from 860 citizen investors**.
- Across the first two years of the programme, **3,049 citizen investors** have contributed to democratic finance offers.

Beyond the money raised, the programme is helping communities build the confidence, knowledge and structures needed to develop and sustain their projects. This includes support with governance, business planning, community engagement and ongoing membership management.

- **15 microgrants totalling £40,000** helped organisations promote and launch their democratic finance campaigns.

At a national level, the Democratic Finance programme has contributed to the development of two key community energy initiatives: the **Forestry and Land Scotland Community Asset Transfer Repowering Pilot** and the **CARES Community Energy Launchpad**.

More information and stats on the wider impact of the programme can be found in our annual report: Democratic Finance Scotland Programme Outcomes and Impact Report for Esmée Fairbairn Foundation.

Community Share Offers and Crowdfunding:

Of the 24 survey respondents, **6 completed a community share offer, and one completed a crowdfunder**.

Common reasons for running a community share offer:

Organisations used community share offers to raise funds for specific projects or asset acquisitions, often as part of a wider funding mix or to help secure future grant funding. In addition to that organisation stressed the importance of using share offers to increase community engagement, growing organisational membership and raising awareness of community enterprises

Common reasons for crowdfunding:

The survey only evaluated one crowdfunder campaign. The campaign evaluated highlighted that they would like to deliver a community share offer in the future, however, chose a crowdfunder because of time pressures with the asset acquisition and lower administrative and governance barriers.

Benefits of Running Community Share Offers:

Benefits of running a community share offer go well beyond the financial. All respondents who ran a share offer noted increased membership and community involvement as a key benefit.



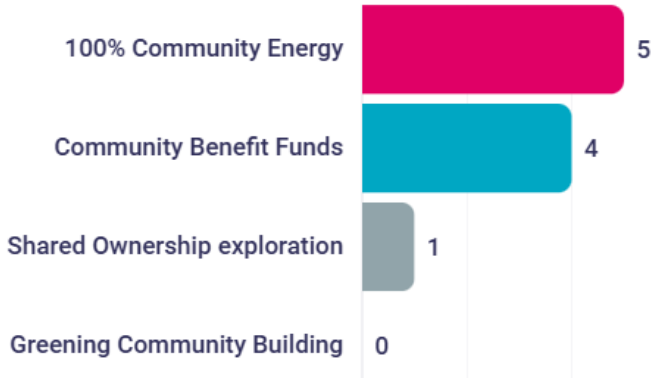
"The share offer has allowed us to raise the necessary base funds to move the project to the next stage and has increased our engagement

with an increase in social media followers, mailing list signups and members investing in shares."

Community Energy:

The survey also explored whether organisations had been involved in community energy projects during 2026 and what support they had received from the Democratic Finance team.

Of the 24 respondents, **7 reported exploring or delivering community energy projects**, respondents could select more than one type of community energy project.



Our Support:

One of the key goals of this survey was to understand what support was accessed, and most valued, and if there were any gaps in support provision.

Feedback from the survey was overwhelmingly positive:

100% of respondents who answered the question saying they would recommend working with the Democratic Finance team.

"We have found the help from Democratic Finance Scotland fundamental to our project."

"Without this service I may not have learned about community shares and would probably still be explaining other methods of finance, like crowdfunding, to my board. It's given us confidence that stepping outside the box of traditional grant funding is something that we can do."

Community Share Offers:

Type of support accessed. Total 6 respondents, respondents can select more than one type of support:



Respondents noted that all the support they received had been valuable. Most respondents did not identify gaps in support provision; however, one response highlighted the need for clearer templates and guidance at the beginning of the share offer process.

Early-stage and Aftercare Support:

Alongside support for community share offers and crowdfunding, the Democratic Finance team provides a range of early-stage and aftercare support to community organisations. **14 respondents reported accessing additional early-stage or later-stage support** from the team, while 10 had not.

Types of support accessed:



Testimonials:

"It was really valuable to have our democratic finance advisor in the room with my board to be able to take questions and make the idea of democratic finance understandable and accessible while allaying any concerns about the concepts in general."

Community Energy:

Governance support was highly valued by many respondents. One group delivering a solar project highlighted the value of practical communications support, including a **£5,000 microgrant and access to a PR consultant**.

For the organisations exploring **community shared ownership**, the value of support was closely linked to having someone available to facilitate discussions and keep projects moving forward.

"The main help is having someone to help facilitate discussion, cover that seed funding of travel, room hire etc and to help motivate and keep things going"

Conclusions:

Common Challenges and the Impact of Democratic Finance

Respondents were asked what the common challenges were in their communities and if democratic finance methods had helped address those. Common challenges:

1. Funding and long-term financial sustainability: Several respondents highlighted how community share offers had helped raise the finance needed to purchase assets, complete renovations and support ongoing development.

2. Community ownership and regeneration: democratic finance was seen as a way of exploring routes to community ownership, with some organisations having already purchased buildings or taken on assets.

3. Governance: setting up organisations, understanding governance requirements, developing business plans and recruiting experienced volunteers and board members.

4. Community engagement and membership: Increasing membership, maintaining engagement and reaching the wider community were identified as challenges.

5. Wider systemic challenges: Respondents identified wider challenges including social isolation, poverty, limited access to education and employment, declining visitor numbers in tourist areas, high energy bills and the loss of local services.

6. Working with other organisations: Challenges around bringing organisations together, working as a consortium and navigating relationships between existing community groups were also identified.