

**DEVELOPMENT TRUSTS
ASSOCIATION SCOTLAND**

Inclusive Democratic Business Models (IDBMs) and DTAS

At DTAS we've always believed that communities should have the power to shape their own economic future.

DTAS's Role in the Inclusive Democratic Business Model policy area

Across its membership and programmes, DTAS supports communities to develop democratically controlled, financially sustainable enterprises and assets. Driving economic, social, environmental and cultural impact across Scotland.

Through Development Trusts and community enterprises, DTAS has a distinct role in Scotland's inclusive democratic business ecosystem by helping communities to:

- Build democratic governance structures
- Develop enterprising community businesses
- Access citizen and community investment
- Take ownership of land and assets
- Retain and reinvest wealth locally
- Strengthen economic democracy and community wealth building

“ What are Inclusive Democratic Business Models (IDBMs) and the IDBM Alliance? ”

Inclusive and Democratic Business Models (IDBMs); such as community and social enterprises, co-operatives, employee-owned businesses, and development trusts are central to building a fairer, greener and more resilient economy.

IDBM Alliance Scotland

To strengthen collaboration across these models, Social Enterprise Scotland have convened the IDBM Alliance Scotland. This new alliance brings together membership and representative bodies to:

- *share intelligence and evidence across the IDBM landscape;*
- *advocate for supportive policy and funding environments;*
- *champion pluralism and protect the distinctiveness of each model; and*
- *collaborate on practical actions that grow impact across Scotland.*

Current member organisations of the IDBM Alliance Scotland include:

- *Co-operatives UK*
- *Development Trusts Association Scotland (DTAS)*
- *Employee Ownership Association (EOA)*
- *Scottish Rural Action*
- *Social Enterprise Scotland (SES)*
- *workers.coop*

The Alliance has agreed it's Terms of Reference and has just appointed it's first chair, Neil McInroy.

- Neil McInroy, Chair of the IDBM Alliance

How does DTAS fit with the IDBM Alliance

Development Trusts - Inclusive Democratic Business Models

Members of the Development Trusts Association Scotland (DTAS) are a central part of Scotland's ecosystem of inclusive democratic business models. Development Trusts are community-led and owned and combine democratic governance with enterprising activity, ensuring that economic development is directed and controlled by local people for long-term community benefit.

Development Trusts are defined by their democratic membership structure (2-tier), community accountability and commitment to reinvesting surpluses locally. These characteristics align closely with the aims of the IDBM policy agenda, which seeks to expand forms of economic activity where ownership, power and wealth are more widely shared.

Development Trusts demonstrate how economic democracy can be embedded at the community level, allowing people to collectively shape local assets, enterprises and investment.

A defining feature of Development Trusts is their enterprising approach to community development. To be recognised as a Development Trust, organisations must demonstrate a commitment to trading activity and sustainable income generation, alongside community ownership and democratic governance.

Development Trusts therefore operate a wide range of community businesses and social enterprises, managing assets, delivering services and generating income that can be reinvested locally. This combination of democratic governance and commercial activity places Development Trusts squarely within Scotland's emerging inclusive democratic business landscape.

Democratic Finance Scotland and Inclusive Democratic Business Models

DTAS's Democratic Finance programme supports community owned and controlled enterprises to access investment from citizens. This includes community share offers, community bonds, local legacy giving, and one-off community lotteries.

These approaches broaden participation in finance and allow communities to collectively influence the development of their local economies. Democratic finance plays a key role in strengthening economic democracy and community wealth building by mobilising and recirculating local money for community benefit.

To use community shares and bonds, community enterprises need to be set up – as Community Benefit Societies (CBS). Community Benefit Societies are a form of co-operative organisation that operate based on democratic member control, using a

one-member-one-vote governance model, regardless of the number of shares an individual holds.

This structure ensures that investors in community shares become members with democratic rights, rather than simply financial investors. As a result, communities are able to collectively own, govern and benefit from local enterprises and assets, aligning strongly with the principles of the IDBM policy agenda.

Through this model, Democratic Finance Scotland helps build locally rooted enterprises where:

- Ownership is shared among community members
- Decision-making is democratic
- Financial returns are balanced with long-term community benefit
- Local wealth is retained and reinvested in place

By supporting communities to use democratic finance methods, and to use the community benefit society model, DTAS enables communities to mobilise citizen finance while embedding democratic governance at the heart of local economic development.

Community Ownership and Democratic Asset Management

Through the Community Ownership Support Service (COSS), DTAS supports communities to acquire and manage land and assets through mechanisms such as Community Asset Transfer and Community Right to Buy.

COSS support emphasises two principles that are central to inclusive democratic business models:

- Democratic governance, ensuring community accountability and participation in decision-making
- Enterprising and sustainable business models, ensuring community-owned assets can generate income and long-term value

By combining community ownership with viable enterprise, COSS enables communities to take control of key local assets and use them to drive inclusive economic, social and environmental development.

How does the IDBM work fit with wider policy areas for DTAS?

Economic Democracy in Practice

Economic democracy is about ensuring that people have a meaningful stake and voice in the economic activity that shapes their communities. Development Trusts embody this principle by creating organisations where local people collectively govern resources and enterprises.

Through open membership and community-led boards, Development Trusts ensure that economic decisions – such as how assets are used, what services are prioritised, and how profits are reinvested – are made locally. This approach redistributes economic power, strengthens civic participation, and enables communities to shape their own economic futures.

In this way, Development Trusts translate the ambitions of the IDBM agenda into practical, locally rooted examples of economic democracy.

Community Wealth Building

The activities of Development Trusts contribute directly to Scotland’s growing focus on community wealth building, which seeks to retain and circulate wealth within local economies rather than allowing it to leak out.

By supporting communities to own assets, develop enterprises, and mobilise local investment, Development Trusts help ensure that wealth generated locally is retained and reinvested in ways that strengthen communities. This includes creating local employment opportunities, sustaining community facilities, and generating long-term financial resilience.

Through democratic ownership and community-led enterprise, Development Trusts demonstrate how community wealth building and economic democracy can work together in practice.

Local Democratic Reform

For over 10 years, DTAS has been at the forefront of conversations about local democratic reform in Scotland—making the case that communities should have more say, more control and more power over the decisions that affect them.

From community asset ownership to participatory approaches and community-led governance, development trusts have been showing what meaningful local democracy looks like in practice, not just in theory.

The emergence of IDBMs and the Alliance builds directly on this long-standing work. It’s a next step: connecting democratic control at the community level with wider economic systems, so that power, ownership, and wealth are shared more fairly across Scotland.