



Briefing 17-46 December 2017

Participatory Budgeting - Community Choices

To: All Scottish Contacts

For Info: Contacts from Wales, England and Northern Ireland.

Key Points

- Scottish Government and COSLA have agreed a framework for Community Choices, the Scottish approach to Participatory Budgeting.
- Target for 1% of Local Authority Spending to be decided by Community Choices by 2021.
- Approach is not prescribed, so there is freedom for councils to adopt their own style of Participatory Budgeting. This briefing goes over examples of potential models.

Background

The 2017-2018 programme for the Scottish Government - "A Nation with Ambition", included a section on plans for strengthening communities. This included investing £2 million into the 'Community Choices Fund', which was set up to support participatory budgeting. It also included the target that local authorities would commit 1% of their budget subject to community choices budgeting.

On 29 October the Scottish Government and COSLA reached an agreement to meet this target by 2021. It also included a framework that was developed between both organisations to guide the operation of the fund.

As there is a lot of scope for Local Authorities to make decisions on how to implement this framework, APSE has undertaken to produce a briefing outlining Participatory Budgeting and highlighting a number of examples both from within the U.K. and across the world.

Participatory Budgeting

Participatory budgeting (PB) is commonly considered to have started in the city of Porto Alegre, Brazil, following a number of small experiments across the country. Its primary aim was to get citizens more involved in the democratic process and increase transparency, which was particularly important due to the then recent transition from a dictatorship to democracy. Ubiratán de Souza, a key person driving PB in Porto Alegre, offered the following definition: -

Participatory Budgeting is a process of direct, voluntary and universal democracy, where the people can debate and decide on public budgets and policy. The citizen's participation is not limited to the act of voting to elect the executive or the legislators, but also decides on spending priorities and controls the management of the government.

The process allowed residents of Porto Alegre to prioritise which areas of the city should receive investment, mainly of infrastructure. People were encouraged to visit the areas where each other lived, with bus journeys being arranged to achieve this, and people developed an idea of what living conditions were like for people across the city. This allowed for informed discussions of how budgets should be spent, and it is this factor that could explain why the idea proved popular and spread first through Brazil and has since been replicated in cities across the world.

PB in Scotland

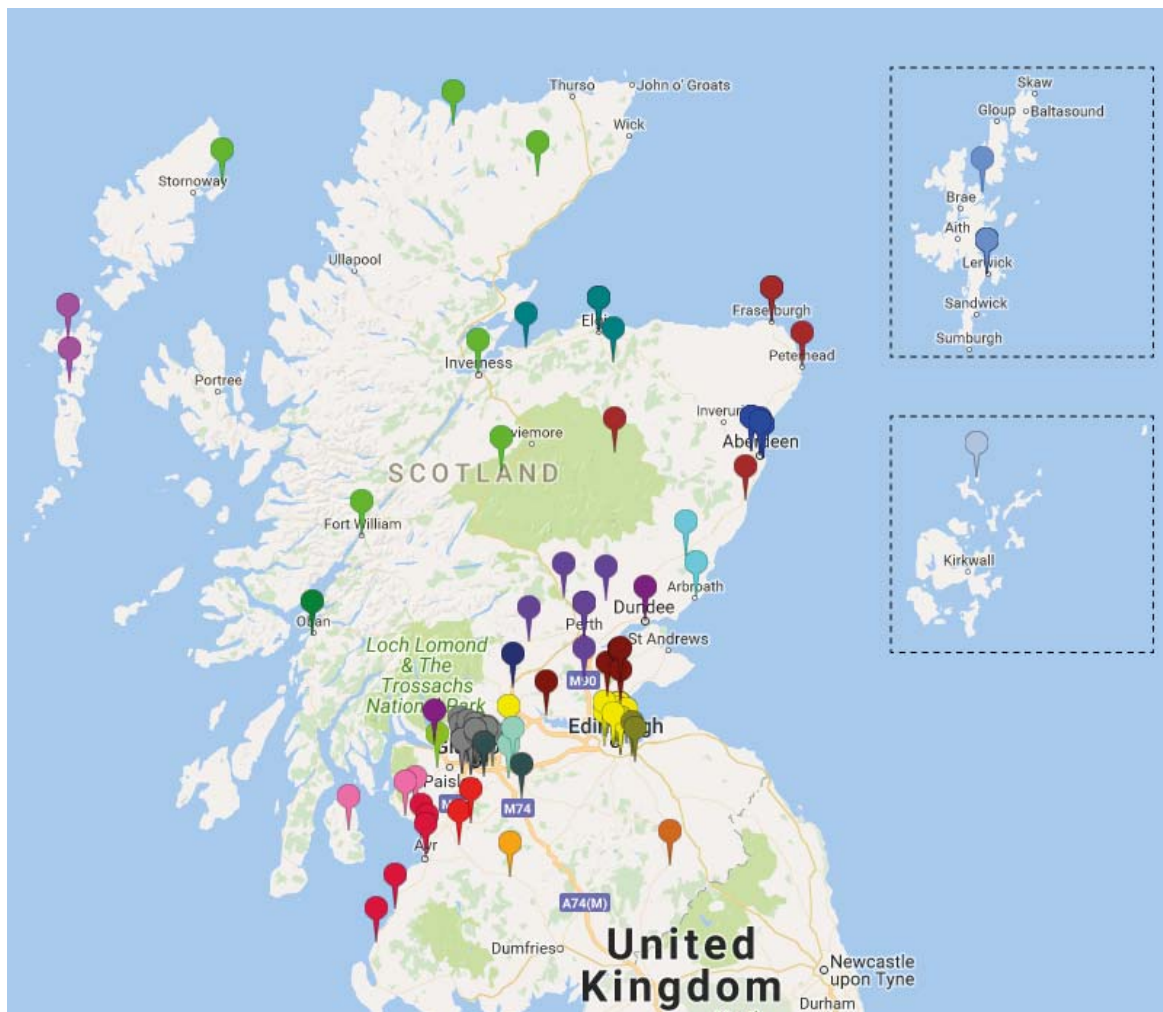
Whilst participatory budgeting is not a completely new concept in Scotland, in 2014 Scottish Government invested £4.7 million into measures that would support introducing and developing PB in the country. This then soon developed into the Community Choices fund that is now central to the Scottish PB approach. They are currently looking to invest £1.5 million into projects for 2017/18, with the money being split between public authorities and community organisations.

The [PB Network](#) is an independent body that advocates for learning and innovation in Participatory Budgeting. They offer a variety of materials to assist with the development of PB projects across the UK. In Scotland, the organisation responsible for promoting and supporting Participatory Budgeting is PB Scotland. As part of their work, they have produced ten principles that Scottish PB should follow.

1. PB is a long-term endeavour.
2. PB requires strong leadership, time, and resource.
3. PB should be independently facilitated.
4. PB enables an authentic representation of community interest.

5. PB should be a new and distinct approach.
6. PB must utilise existing community groups.
7. PB must be clear what form of democracy it will take.
8. PB recognises the challenges in engaging socially excluded citizens.
9. PB has realistic expectations of community representation.
10. PB allocates reasonable funding to a limited number of projects.

They have also produced a map of the various PB projects that have either taken place or a due to occur within Scotland.



Map of Current or Planned PB projects in Scotland - pbscotland.scot

Community Choices Budgeting Framework

Community choices is the term given to the Scottish implementation of Participatory Budgeting.

Community Choices budgeting supports a democratic and engaged citizenship by enabling local people to have a direct say in how a defined public budget can be used to address their priorities

COSLA and the Scottish Government developed a [framework](#) together that guides how local authorities can engage with Community Choices. It is the expressed intention for this not to be too prescriptive, leaving freedom for the framework to be “workable and not burdensome”, and allow for processes based on local need.

The framework contains the target that 1% of the council budget should be subject to Community Choices budgeting. It also defines the budget of which that 1% should be compared to, as:

*total estimated expenditure for revenue (according to local government finance circular)
- assumed council tax intake.*

This was justified as the council tax income is already subject to direct local accountability. The framework also doesn't specify how councils should achieve this, be it through capital or revenue, or require any specific budget areas to be included. It is also stressed in the framework that local authorities are not expected to spend additional money on the projects themselves, but rather the process should be involving communities on decisions about current resources.

The framework notes that there will be financial costs associated with facilitating Community Choices programmes, such as staff, venue, promotion and evaluation. It is expected that local authorities already have the capacity to support much of this work, and in addition to this the Scottish Government have committed £750,000 to a Community Choices fund to support capacity, particularly in deprived areas. It is currently unclear if this will continue.

To support and monitor the implementation of Community Choices, there is a Development Manager who is tasked with establishing and sharing best practice, through a variety of means, such as an online portal as well as onsite visits. There is also to be some 'light touch reporting' to the Scottish Government, conducted in a similar way to annual efficiency statements through COSLA.

Examples of Participatory Budgeting

There are a number of different ways that PB can be implemented, and this can be driven by a number of factors. [Mainstreaming Participatory Budgeting](#), published with support of the Scottish Government, gives examples of 5 different models of mainstream PB that have been used across the world.

Three Stage Process

A three-stage process linked to budget setting cycles, as was used in the original PB in Porto Alegre.

1. Communities Determine Priorities - e.g. spend more on transport
2. Deliberative Stage - technical issues are discussed, like legality.
3. Decision - a menu of options presented to community to vote on

This style of PB often requires the use of a budget matrix, which allows for visualisation of how a budget can be subdivided and prioritised. The Mainstreaming PB document gives an example of such a matrix on page 7.

This three-stage process has most often been done annually by communities. It has also been shown that it isn't always immediately apparent in performance indicators what benefit the process is offering. However, this changes after the process has been repeated a number of times, and that after five years there is a marked benefit that can be measured statistically. This is in addition to the benefits it offers to residents' perceptions.

Deliberative open budgets

This is a less direct method of PB, and is currently being piloted in the Shetland Islands. Residents are given the opportunity to make recommendations about the relative percentages of spending that areas receive in a particular budget, such as reallocating a portion of one area's funding to another.

This has been particularly used when there have been budget cuts, and this gives people a chance to influence the scale at which this affects various services within the council. This allows residents to better understand the relationship between money and services, and in a scheme operated in Harrow, led to recommendations of increasing Council Tax to better fund services.

PB within Community/Neighbourhood Planning

This method integrates participatory budgeting into the awarding of small grants. Residents work with the council to develop a local action plan and through this process

ideas are gathered for small scale projects that can be pursued. The community then decide which of these projects are awarded from a pot of funding.

This is an approach that has been tested across the U.K, including in Moray and Aberdeen City. It has the advantage of building a direct link for residents between the initial consultation and the projects that get funded. However, it works best with small projects and doesn't scale easily to larger areas and more ambitious projects.

Community Commissioning

This approach looks at specific budgets within service areas to identify items most suitable for PB. The public gets involved in the commissioning process itself, working together with council staff to develop and inform the tendering process. Tenders can then be assessed by a subgroup of residents leading to an award.

The Western Isles used this process to decide on plans for [bus provision in Barra and Uist](#). This led to an increase in both customers and customer satisfaction.

Pooled Budgets

This style of PB brings together various public bodies to work together on projects within a community, to avoid duplication, both in terms of the projects undertaken and in carrying out the consultation process itself.

In this process, a number of agencies group together to decide an overall budget for an area, and together do a single consultation with the community. This could provide a larger impact from smaller amounts of money. Residents then vote on a 'basket' of options that have been tailored to their area. An example of this approach is in Tower Hamlets, which brought together a number of service providers including the NHS.

Participatory Budgeting Evaluation

In November 2017, the Scottish Government published its research that evaluated [Participatory Budgeting Activity within Scotland](#). This was conducted with Glasgow Caledonian University, and looks at the experience of twenty different local authorities that have engaged with PB. Six of these (Glasgow, Edinburgh, Fife, Western Isles, Aberdeenshire and Pan-Ayr) were studied in greater detail to form case studies. The full report breaks down the various elements of the PB approach each of these authorities takes, such as what level it takes place at, who proposes ideas and the level of participation each approach has.

The report found that as a whole, engagement and commitment to PB was mixed, and this is at least in part affected by the style of PB each authority is using. It also noted that introducing PB requires time and resources from community applicants and participants as much as it requires this from local authorities.

Very few LAs used an approach where communities engaged with specific budgetary allocations for mainstream services. The majority used a grants based approach, and the transformation of power relations seemed to be a cause of uncertainty for both sides. Overall, the report suggests the need for a better articulated and resourced approach to implementing PB, especially when aiming to achieve the 1% funding goal and overcoming any resistance to this goal. Driving this uncertainty is often a lack of clear and advance communications about the process within local authority areas. The report describes most implementations of PB currently as 'transactional' rather than 'transformational'.

One of the key goals of PB, and an area where there has been success internationally, is reducing inequality. However, the report finds little evidence that PB projects are adequately tackling inequality. It did however find a small number of projects that are working towards this goal, though these have been very localised, and that there is a recognition on many local authorities that this is an area they need to improve.

APSE Comment

APSE recognises that participatory budgeting is an opportunity for local authorities to engage with their residents. Councils often struggle with their public perception, so opportunities for people to have positive experiences with councils are welcome. PB, or at least certain implementations of it, allow for residents to better understand the resources available to councils and share in the responsibility of deciding how these are managed. This is particularly true as budgets are tightened.

The APSE report ["Doing local politics in Scotland"](#) examined the relationship between councillors, officers and communities. In it, we recommended that there should be efforts to "create a new dialogue about ensuring local political and policy outputs." Whilst there is no one solution to this issue, and that the various possible implementations of PB have different effects on reconfiguring the system, APSE recognise the potential benefits PB has to improving relationships between the three 'worlds' in Scottish local government.

However, APSE would echo the point raised by the PB Network that introducing PB should not be used as a way to either hide or legitimise cuts facing Local Authorities. There is a

danger that if councils are not adequately funded, then they will be merely holding a discussion over difficult decisions with their residents. This could result in a number of consequences, including vital but not necessarily prominent services being underfunded. This is an issue already being seen with Neighbourhood Services, which is facing a disproportionate number of cuts as Councils prioritise other areas, such as Social care.

With a significant percentage of council spend already committed by statutory responsibilities and central government direction, there is also some concern about how taking Community Choices forward and reaching the 1% target of council funding will impact on a council's already limited resource choices. Whilst there is a fund available to councils that assist with the administration and implementation of PB, this is unlikely to cover the entire cost across that the 32 local authorities in Scotland would incur carrying out a PB Process. Currently, these projects are added to the workload of existing staff, and this will be unsustainable as projects increase in scope. If the Scottish Government want councils to commit 1% of their budget to Community Choices, then they must be prepared to invest in Local Authorities to build the staffing and resources to achieve this.

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