



# Participatory Budgeting

## An Introduction



# BACKGROUND

**Participatory Budgeting (PB) empowers communities, gets more people involved in democracy and improves local public services.**

It has a proven track record of increasing levels of participation, engagement and empowerment in a range of community settings.

Major developments such as devolved Community Budgets, elected Police Commissioners and the establishment of NHS Clinical Commissioning Groups all cry out for effective ways of letting local people have an input on spending priorities.

PB has been evolving in the UK since 2000, when a delegation of community activists from Salford and Manchester visited Brazil to understand how PB works and how it might be implemented in the UK.

PB was first introduced in the city of Porto Alegre in Brazil, in 1989 when public funds were very restricted and demands for democratic reform were strong. Since then it has successfully empowered people in extremely deprived communities. Its tools and principles are now used in many places across the world. There are over 2000 cities worldwide using PB, the list includes UK, USA, Canada, Spain, France and Germany. It is recognised as good practice by international institutions, including the World Bank, UNESCO, OECD, the UN and DFID.

It is important to remember that PB is not about giving away power or reducing the influence of elected politicians. It is about sharing responsibility more widely. Only a fixed and relatively small amount of total public spending is opened up to public decision making through PB. But often they are the funds most important to local people, and trusting citizens can have a big impact on their respect for and engagement with representative democracy.

There is no fixed definition because innovative PB projects constantly challenge existing explanations. However the short definition is:

***'Local people deciding on how to allocate part of a public budget'***

***'If it feels like we have decided, it's PB.'***

***'If it feels like someone else has decided, it isn't.'***



Participatory budgeting directly involves local people in making decisions over how public money is spent in their community. This means engaging residents, community groups and representative of all parts of the community to discuss and vote on spending priorities, make spending proposals, and vote on them, as well as giving local people a role in scrutiny and monitoring.







Currently, PB programmes in the UK have allocated spending on services including crime and anti-social behaviour, the environment, road improvements, activities for children and young people, health and wellbeing, community centres and improving assets such as sports facilities.

They have been specific to certain neighbourhoods or areas, or local authority wide where they are often themed: for example, children and young people, and health. But PB is not limited to local authority budgets – it has also been applied in the UK to a range of different public budgets including those of housing associations, schools, clinical commissioning groups and public health boards. As well as money distributed by trusts, charities and social enterprises.

PB can be adapted to suit a wide range of situations. Innovative forms of PB are being developed all the time and new budgets, themes, partners and areas are demonstrating its adaptability. It can be used to set the priorities for an entire budget or to allocate part of that budget for projects. Neighbourhood charters, community plans, and parish plans can be used as a first phase to help identify a community's priorities. Funding can then be allocated before the community votes for schemes it wants to implement within those priorities.

There is no set way to start doing PB: the process should be designed on the basis of local circumstances and objectives. However, a number of common models have evolved, or are evolving, in the UK so far.

**Community Grant Pot:** A discrete pot of money for a particular area or theme, e.g. a neighbourhood or for children and young people, is allocated using PB. Community, voluntary and sometimes statutory groups propose projects for funding and then present them at a decision day event, where residents vote on which should receive funding.

**Devolved funds to wards or neighbourhoods:** Typically this is either council funding or partnership funding, which is devolved closer to the frontline where services are delivered. The funding can be used for public and/or third sector projects. Again, bids are usually presented to a public meeting, or perhaps through an online process for a vote which determine who receives funding.

**Funding for mainstream services:** This more closely follows the original Brazilian model of PB. All citizens within an area are able to vote on which public services should receive additional funding and are also involved in setting the priorities for the locality which will shape how the money is used.

# THE BENEFITS OF PB

PB is most effective when it is inclusive, helping bring about real change in the relationship between citizens, communities, public sector officials and elected bodies.

Expenditure cuts have required difficult decisions to be taken, and Participatory Budgeting techniques can be valuable in determining the opinions of residents, business or other stakeholders. With an increasing number of judicial reviews as communities and individuals challenge funding priorities, this is one way to persuade the courts that meaningful consultation and engagement has taken place.

**It can create other benefits too, including:**

- Building stronger communities and empowered citizens PB offers greater community cohesion, as diverse people come together to make decisions, they meet others from their community, sometimes for the first time. This builds understanding and fosters community cohesion. If people are enabled to vote on how to spend money, they can feel empowered to take positive action themselves, and take greater ownership over their area.
- Better understanding of the complexities of setting public budgets and choosing between competing priorities – In a time of financial restraint and tough budget choices, PB can be used to prioritise budgets and target resources more

effectively at key services. Involving the community not only gives them greater understanding of the financial situation, but enables them to be part of the solution.

- Improving services – PB ensures that services are better tailored to local circumstances, and improves resident satisfaction. By involving people in deciding what services they need and want in their area, services can be more responsive and targeted. This can bring greater efficiencies and develop a sense of shared responsibility between service providers/commissioners and residents.
- Strengthening and renewing democracy – PB builds relationships between residents, councillors and officers; providing a stronger role for councillors as community leaders and demonstrating transparency and accountability to their electorates. This in turn develops mutual trust and confidence in representative democracy and encourages more people to take an active part in their community.

Many international examples show that when PB is done well citizens come to respect political leaders, are more willing to pay local taxes, or even pay more tax. But only where they know they can also influence how that money is then spent.



**“PB has changed (for the better) out of all recognition my relationship with Officers and Elected Members”**

Chris Parsons  
Resident Eastfield, N. Yorks.

**“I approached this as a local officer would, who thought I was in charge and I knew best. I was very firmly told by the residents that I wasn't in charge and I didn't know best – and they were absolutely right”**

Stuart Pudney  
Deputy Chief Executive,  
Yorks Police Authority



# VALUES, PRINCIPLES AND STANDARDS OF PB

The PB values, principles and standards document that can be found on the PB Network website sets out the minimum expectations for the way PB is implemented in the UK, and helps to ensure integrity in PB projects. It is hoped projects will continue to raise the bar to make PB a high quality engagement experience, which remains inclusive and accessible to everyone.

Maintaining standards will help to keep those crucial core benefits of PB, such as community empowerment, social cohesion and responsive services.

## **The nine values are:**

1. Local Ownership
2. Direct Involvement
3. Support for representative democracy
4. Mainstream Involvement
5. Accessibility
6. Transparency
7. Deliberation
8. Empowerment
9. Shared responsibility

There is more information within the document “Unpacking the Values, Principles and Standards” which sets out the distinct values, principles and standards needed to run a successful PB programme on the PB website

<http://pbnetwork.org.uk/values-principles-and-standards-for-participatory-budgeting/>







# THE PB NETWORK

In 2012 the PB Network was established to promote the concept of PB and advocate for its wider use. The PB Network provides free resources and runs events and seminars across the UK and is supported by the PB Partners (see more overleaf).

## Information

The National PB Network exists to promote the use of PB across England, Northern Ireland, Scotland and Wales. It acts as a hub for information and research on PB in the UK and internationally, to resource improvements in the growth of PB. The national PB Network builds on the success of the previous work promoting PB across the UK by Local councils, community activists, academics and agencies like, the Consultation Institute, OXFAM UK, Church Action on Poverty and thousands of PB practitioners.

## Organisation

It is open to, brings together and is run by individuals and organisations, including PB Partners, that are committed to the principle that public spending is more effective when citizens are actively involved. It is independent of all political parties and other organisations. Its way of organising mirrors the co-operative and transparent principles of PB. It meets approximately twice a year and annually elects a small steering group to co-ordinate its work between the wider network meetings.

## Vision

The vision of the Network is for PB to be recognised as a key and effective tool for:

- addressing inequalities in service choices and resource allocation;
- engaging and empowering citizens in discussions on public budgets; and
- stimulating co-production and mutual responsibility between citizens and the state.

## Goals

The goal for the next 5 years is to move PB beyond allocating small pots of money to voluntary and community groups, towards a tool for repeatedly distributing elements of mainstream public budgets. The goal is that public services routinely offer some form of PB for mainstream budget choices, and that as a norm people expect it to be offered.

The Network has developed and will continue to develop Policy Briefs which are intended to provide a quick snapshot on a given theme or topic. As well as making available videos, case studies, toolkits and reports of PB both in the UK and around the world. It also produces a regular online newsletter.

All these resources can be found on its website [www.pbnetwork.org.uk](http://www.pbnetwork.org.uk)



PB Partners are experts in the field of PB. Operating across England, Scotland, Wales and Northern Ireland, they can assist in developing meaningful community engagement programmes that really 'make people count'.

PB Partners, are a social enterprise that involves the leading experts in the field and work closely with a range of consultation, engagement and democracy experts and campaign organisations. Partners collaborate with The Consultation Institute to deliver PB training, and with academics at the University of Westminster's Centre for the Study of Democracy among other higher education institutions. They also provide financial and secretarial support to the PB Network.

To date PB Partners have worked with over 100 PB project providers, including Local Authorities, Police Authorities, Housing Trusts, Health providers, Parish Councils and others. PB Partners have worked with the Big Local/Local Trust to provide training and support to Big Local areas involved in PB. Also the Scottish Government to implement PB programmes within councils across Scotland.

Building on over 15 years experience of running successful PB projects, and

involving the leading experts on PB in the UK, PB Partners will help to deliver community engagement

processes that can really empower citizens and help drive innovation in public services. As a social enterprise, clients can be confident that the work the Partners do leads to sustained change and represents excellent value for money.

They provide a range of flexible and affordable support services, including:

1. Strategic work on community engagement policy and implementation
2. Facilitating of planning meetings, chairing public meetings
3. Back office support to PB programmes
4. Bespoke training to staff, elected members and local residents
5. Writing reports, undertaking research and evaluation
6. Presenting to stakeholders at conferences, workshops and community events

Partners offer a number of standard support packages, from an introductory day or half day briefing, to a 4 day support package to get PB programme underway and ensure success, or more detailed 8-10 day packages to help to mainstream community participation into core budgets.

PB Partners is administered by Shared Future CIC, a social enterprise with a track record in quality community engagement and development.

Information on PB Partners services can be found at: [www.pbpartners.org.uk](http://www.pbpartners.org.uk)



# CASE STUDY : GREATER MANCHESTER POLICE

During the later part of 2014 and early 2015 Greater Manchester Police (GMP) began the largest scale experience of Participatory Budgeting running in the North West of England. Embracing all 11 divisions of Greater Manchester Police and working closely in partnership with Councils, Housing Providers, Voluntary and Community Organisations, Clinical Commissioning Groups, Fire and Rescue Services and in some cases private sector organisations. PB Partners, working on behalf of MutualGain ran training sessions over several months and assisted in the roll out of the programmes. Dedicated teams of PCSO's supported by Inspectors and Neighbourhood Policing Teams coordinated the 12 PB events that took place in December 2014 and January 2015.

Over £150,000 was made directly available to support these projects, but partners bringing match funding significantly increased this amount. In South Manchester for example £30,000 of police funding was available in the Wythenshawe and Longsight areas, which was matched by another £30,000 from the city council. In Wigan, where a programme happened on the Higher Fold estate, the council matched the funding by £6,000. Alongside financial support considerable staff time, free use of venues and communications support made the money reach further.

Each Division followed its own format, so in Stockport rather than hold a single event they took the decisions out on the street asking residents which initiatives would reduce crime and improve wellbeing. MutualGain ensured that the learning was shared through regular action learning sets. PB Partners and MutualGain delivered their initial training to PCSO's and Division leads at the Sedgley Park Police Training centre early in 2015, and since then local facilitation has developed the work into a range of different approaches. These were compared and recorded using a mixture of video, evaluation forms and visual minute takers.





The Stevens report into the future of policing, published in 2014, advocated for the establishment of Police PB Units inside every force. The Independent Police Commission chaired by Lord Stevens said:

"local community engagement has to be made a routine component of police work and a core responsibility of those elected to hold the police to account."

Greater Manchester's PB programme is so far the most ambitious attempt to realise that vision. A large scale and coordinated initiative to reduce the influence of criminal activity and reduce the fear of crime in deprived communities. Enjoying the support of senior leaders in GMP, and demonstrating the power of partnership working and neighbourhood focussed policing the project aimed to:

- Re-connect the affected communities with functioning and legitimate decision making processes

- Improve the levels of trust between communities and service providers (particularly the Police)
- Give 'voice' and ownership to community leaders to make their neighbourhoods safer places for everyone

The initiative follows many examples of the Police tackling crime through building stronger communities. Since 2008 numerous forces have experimented with PB, mostly using funding through the Home Office. Examples include the recently announced Seaham PB funded by the Durham Constabulary, and the Cheshire Police and Crime Commissioners programme in early 2015 saw around 700 residents engage in making their area a better place to live.

For more information please go to the PB Network website:

[www.pbnetwork.org.uk](http://www.pbnetwork.org.uk)

# CASE STUDY: DURHAM

Durham County Council, in partnership with 3 Towns Partnership, had £500,000 of capital funding for projects in the Crook area. The public were invited to have their say and vote for their favourite projects at Crook Primary School in February 2013



## What was It's Up 2 U £500K?

Everyone has ideas about how public money should be spent.

'It's Up 2 U £500K' gave local people the chance to vote on a range of projects to decide, which should receive funding. The aim was to help the community to have control over what happened in their area and give them a say on the things that matter to them.

£500,000 was set aside for community facilities within 1.5 miles of Crook town centre - the community were asked to vote on how this money was spent.

## The projects

The 12 organisations and projects that were bidding for "It's Up 2U" £ 500k funding met set criteria. This included:

- being a not for profit organisation
- all projects must be physically located within 1.5 miles radius of the centre of Crook
- all projects were capital bids
- all projects had to have landlord / landowners approval for the proposal to be developed if funding was secured.

Each application underwent sustainability checks and satisfied the appraisal panel that the project was potentially deliverable if successful in securing funding.

Durham County Council worked with the organisation who was successful to develop fully the project ready for delivery and commencement of capital works. The applicant had up to a year to progress their project and meet all statutory and appraisal obligations.







## Discussion

Voters could talk to other local people about the merits of the projects and share their views. Discussions with others helped voters with their decisions on who to vote for, but they didn't need to agree with others. Everyone was entitled to their own opinion and their own vote.

## Voting

Voters were asked to vote for the projects, which they would like to see funded. To be eligible to vote they had to live, work or volunteer in the 3 Towns Partnership areas. Any young person attending secondary school and meeting the above criteria was also eligible to vote. Voters had to attend the voting event on 23 February 2013.

Other people attending to present projects or help out, who did not meet the criteria above, did not have a vote.

Voters were given three votes; they were required to award three points to their first choice project, two points to their second choice and one point to their third choice. Voters had to cast all three votes and vote for three different projects.

More information can be found on: <http://www.durham.gov.uk/article/2547/Its-Up-2-U-500K>



# CASE STUDY: TOWER HAMLETS

In Tower Hamlets during 2009 - 2010, "You Decide!" was carried out across the whole Borough. The Cabinet allocated £2.38 million per year for a two year period (total of £4.76 million) with £300,000 added by the local Primary Care Trust (PCT) in year two. A total of over £5million was allocated over the two year period.

The aims for the project were:

- To improve perceptions and performance of local services - giving residents the power to design and choose services through the process and then shape those services through the Steering Groups.
- To develop participation within the Tower Hamlets community - helping people from all backgrounds not only to get involved in this process but also to learn from the experience improving levels of involvement in other council services.
- To improve the level of involvement and engagement amongst Tower Hamlets residents in all walks of life, and not just in relation to council services. Including the joining of voluntary organisations and local associations as well as encouraging involvement in politics.

The PB team asked for 'bids' for services that could appear on the 'You Decide!' menus. All services had to be mainstream council services. In addition, they had to meet one of the five cabinet priorities or one of the Local Area Partnerships (LAP) priorities identified by the LAPs over the past year. These services were then presented to Cabinet before being put together in the "menu" given later to event participants. In total, the value of the services on the menu was just under £750,000.

Each LAP had £280,000 to spend, so they had to make decisions about trade-offs under the categories of: 'Reducing Levels of Youth Unemployment', 'Tackling Anti-Social Behaviour', 'Raising GCSE results', 'Improving the Quality of the Public Realm' and 'Improving Cleanliness'.

As people heard about the campaign they were encouraged to register for the 'You Decide!' events that were to follow. Each event had capacity for at least 100 people. Pre-registered participants were allowed in first, followed by others who had turned up. In total 815 people attended the eight events. The mix of communication techniques helped organizers reach out to a diverse mix of individuals.



## Delivering the projects:

After the events had been completed, all of the LAP Steering Groups and all of the services that had been purchased were invited to an evening event nicknamed 'Service Speed Dating'. Each service was invited to bring along a rough outline of what they were planning to do with the money allocated to them (providing more detail than had been available at the events). The LAP Steering Groups could then negotiate with the services the sort of changes they would like to make. This led, at the end of the event, to a rough blueprint between each Steering Group and the services purchased in that area as to what was going to be delivered. Many of the services were changed quite considerably because of resident involvement and many of the Steering Group members welcomed this as a way of shaping services for their local area.

The project was funded for two years following an annual cycle:

- February – April 2009: Decision events where the budget for financial year 2009-10 was allocated.
- April 2009-March 2010: Projects from year 1 delivered and monitored.
- January – March 2010: Decision events where the budget for financial year 2010-11 was allocated.
- April 2010 – March 2011: Projects from year 2 delivered and monitored.

No two LAPs were the same in their preferences. Every one of them purchased substantially different services with their money. However, there were several popular items:

- Youth inclusion programmes
- Early GCSE's in a mother tongue
- Street lighting
- Drug outreach workers
- Extended learning and family based learning
- Youth disabilities projects
- Greening projects such as shrub beds

The second year of 2010 You Decide! events were also a success. The events attracted 770 residents from a broader set of communities than in 2009. The feedback from the events was a marked improvement over that achieved in 2009.

More information can be found at:

<http://participedia.net>

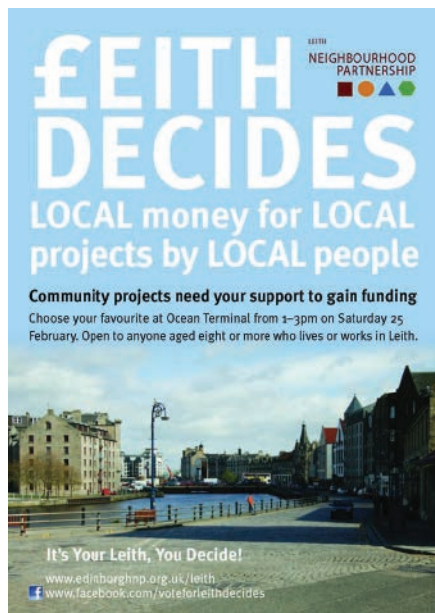




# CASE STUDY: £EITH DECIDE

February 2015 sees £eith Decides' fifth consecutive participatory budgeting (PB) event. In 2010, Leith Neighbourhood Partnership (NP) piloted the use of a participatory budgeting approach to allocate some of its 2010/11 Community Grant Fund. The pilot was such a success that it was decided to hold a £eith Decides PB event annually.

Since 2011/12 Edinburgh City Council has run the PB £eith decides project which is based as its namesake suggests, in Leith, North East Edinburgh. NP's PB programme delegates 50% of the Community Grant Fund to the Leith Community and is allocated in grants of up to £1,000. Giving local people the decision-making power over a devolved Community Grants Fund has dramatically increased the number of people engaged in local decisions, reconnecting people with very local democracy. Participants have rated this approach highly and value the decision-making opportunity.



The main aims of £eith Decides are to:

- Provide opportunities for local people to have a say in what happens in their area.
- Provide an effective way to engage larger numbers of people in the work of the Leith NP.
- Provide an effective link between local community and local democratic Processes.
- Increase small scale funding to grass roots organisations and initiatives, including those that have not been previously funded.
- Encourage active involvement in local decisions.

In 2013 Æith Decides achieved an award from the Convention of Scottish Local Authorities (COSLA) for their pioneering work. Read more on the COSLA Excellence Awards site.

In 2013/14 over a thousand participants made the decision to allocate £22,885 to 26 projects from a choice of 42 applications, by scoring projects by post, in libraries and at an event. The Æith Decides' fifth event received 37 applications for 2014/15 to be decided on by members of the community.

More information can be found on:

<http://awards.cosla.gov.uk/2013/03/>

<http://participedia.net>

<http://www.edinburghnp.org.uk>

<http://www.pbpartners.org.uk>



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