

## Participatory Budgeting

### Report by Mary Smith, Director, Education, Communities and Economy

#### 1 Purpose of Report

The purpose of this report is to update elected members and request support for the development of Participatory Budgeting (PB) in Midlothian.

#### 2 Background

**2.1** The Scottish Government are promoting PB across Scotland. This is part of their policy drive to empower local communities and develop alternative ways of funding services.

**2.2** PB reflects the legislative requirements of the Community Empowerment Act (2015). The Act provides new regulatory powers for the Scottish Government to require Public Authorities to facilitate public involvement in decision making, including having a say on the allocation of resources.

**2.3** PB is a consultative model that involves setting up a steering group of local community members and organisations and empowering the steering group to define the process and criteria within the limits of the budget. The public then decide how the money is allocated. The model is well defined by the Scottish Government and experts in the field; more information on this model is available in **Appendix 1**.

**2.4** A paper on PB was submitted to Council in March 2015. The paper provided an overview of current PB activities across Scotland and sought approval to host a seminar with Elected Members and for officers to pilot a PB project in April 2016. A briefing was sent to Elected Members in September 2015 and a structured discussion was delivered by PB Partners to Elected Members in December 2015, where elected members discussed the options, issues and challenges of PB; see **Appendix 2**.

#### **2.5 Mayfield and Easthouses Pilot**

In November 2015 the Scottish Government invited local authorities to apply for match funding to pilot a PB project. Midlothian Council successfully applied for £18,900 to pilot a project in Mayfield and Easthouses between March and May 2016. The aim of the project was to fund projects that will help families who are struggling financially.

The project is a partnership between Midlothian Council, Midlothian Sure Start Family Reachout Dad's Group, Mayfield and Easthouses Development Trust, PB Partners and includes external evaluation. The Scottish Government funded the administrative costs associated with the project and match funded the Council's £15,000. The Council's contribution was an under spend from the Grants Programme budget.

A Steering Group was established with local residents, Midlothian Council, Sure Start Dad's group, Mayfield and Easthouses Development Trust, Mayfield and Easthouses Community Council and Voluntary Action Midlothian. The Dad's group came up with the project name of "Mayfield and Easthouses Community Chest" and a project logo. The group developed the criteria and application process. This was followed by community outreach work, drop-in support sessions for potential applicants and a publicity campaign including the use of social media.

The 'Decision Day' took place on 21 May 2016 at Mayfield Church Hall. Community groups who had made an application for funding were provided with a display stand, which gave them an opportunity to 'network'. At the same time local residents (voters) were able to gain further information about proposals so they could make informed decisions about which groups they wished to support. In total there were 31 projects with a total value of £77,908 competing for the £30,000 allocation. An estimated 500 people attended the event with 352 local residents voting on their preferred projects. Participants were each given 3 votes, encouraging them to support a broad range of projects. 17 projects were allocated funding. The funding awards were presented to the community groups at the Mayfield and Easthouses Gala Day on the 4 June 2016. The results of the decision day are attached in **Appendix 3** and the steering group's summary of funded project is attached in **Appendix 4**.

The Scottish Community Development Centre attended the event to gather feedback and produced an independent evaluation report that is available in **Appendix 5**. In January 2017, the successful groups will meet to share information about the impact of the funding and an interim evaluation will be conducted. It is anticipated that an end of project evaluation and report will be completed in May 2017.

## **2.6 Woodburn/Dalkeith Community Futures**

Midlothian Council has been working with Coalfields Regeneration Trust to deliver a PB project in Woodburn and Dalkeith. The Trust's [Coalfields Community Futures Programme](#) is a six month programme that involves bringing together local community groups and funding projects in ex-mining areas, this is the third time the programme has been delivered in Midlothian. The programme uses a PB approach to improve the local area. In Dalkeith/Woodburn the Council and the Trust both contributed £20,000 to the fund. The Council's contribution was an under spend from the Grants Programme budget. The steering group has undertaken a community consultation and hosted two community events to decide on the funding priorities, 101 people participated in these events. The steering group has allocated the funds and has used the community feedback to produce a Community Future Plan. The plan will form the basis of a locality plan for the area. For details of the funded projects see **Appendix 6**.

## **3 Resource**

- 3.1** In November 2015 the Scottish Government invited Councils to apply to a £500,000 national fund to test PB. In February 2016 they announced a further £2 million PB 'Community Choices Fund' for 2016/17. Of the £2 million £1.5 million is available for applications in two categories of £750,000 each, targeted particularly at work in deprived areas. Category one is open to Public Authorities which includes Local Authorities and other Public Bodies. Category two is open to Community Organisations and Community Councils. The other £500,000 will be used to continue with a national PB support package.

Public Authorities can apply for between £20,000 and £100,000 on a match funding basis. Applications will be assessed against the following criteria:

- Community engagement 30%
- Shared outcomes 20%
- Tackling inequalities 25%
- Sustainability 25%

It is anticipated that the Public Authorities fund will be fiercely competitive. This is due to the significant PB activities in other Local Authorities and also because it is opened up to almost all Public Authorities in Scotland. Further information on the application process can be found [here](#).

The Communities Team will offer support to Community Organisations and Community Councils who wish to apply to the Fund.

- 3.2 The Scottish Government has set a target for Councils that at least 1% of their overall budgets is spent using PB. Further information on the Scottish Governments approach to resourcing PB can be found on their [website](#).
- 3.3 Midlothian Council has allocated £35,000 to PB in 2015/16; this represents 0.018% of the Council's revenue budget. This money has attracted additional match funding of £38,900 giving a total spend of £73,900, details of this spend is detailed in section 2 above. Services to Communities Board will identify existing budgets that could be made available for PB.
- 3.4 It is also suggested that elected members distribute a proportion or all of their Environmental Grants using a PB approach. This would provide transparency to local communities regarding the allocation of elected members funding.
- 3.5 A paper "Prioritising Targeted Areas in the Small Grants Programme" was considered at the Council Meeting on the 28 June 2016. Council agreed to allocate the £40,000 Small Grants Poverty fund to the targeted areas in the 2017/18 grant round and beyond, using a co-produced decision making process.

## **4 Risk**

- 4.1 PB approaches do come with a degree of risk. Empowering communities to take decisions about funding allocations limits the control that funders and other decision makers have. Individuals and groups that are promoting a particular project can be unhappy with the process, especially if they do not get the outcome that they had hoped for.
- 4.2 Running effective PB programmes requires a significant amount of human resources; however, this does help staff make connections with people and community groups that they may not otherwise connect with. Officers support the Steering Group to develop fair and transparent processes. Use of external evaluators assists in managing risk and learning so processes can be improved.
- 4.3 Systems and processes need to be in place to ensure resources are appropriate allocated and reported. The risks are limited when the levels of funding are relatively small; however, increase if funding levels go up. These risks exist in all grant allocations.

## 5 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- ☐ Community safety
- ☒ Adult health, care and housing
- ☒ Getting it right for every Midlothian child
- ☒ Improving opportunities in Midlothian
- ☐ Sustainable growth
- ☒ Business transformation and Best Value
- ☐ None of the above

### 5.1 Key Priorities within the Single Midlothian Plan (SMP)

The small-scale PB projects in Midlothian have provided additional resources for the three priority areas of the Council. In order to address the SMP's top three priorities of closing the outcome gap in health, learning, and economic circumstances and support the agreed SMP approaches of improving access to local services in the targeted areas.

### 5.2 Adopting a Preventative Approach

The Christie Commission Report of the Commission on the Future Delivery of Public Services (2011) made it clear that "reforms must aim to empower individuals and communities receiving public services by involving them in the design and delivery of the services they use". In addition the report notes that "we must prioritise expenditure on public services which prevent negative outcomes from arising". PB is an example of supporting local people to design projects and allocate funding. This is an example of adopting a preventative approach.

### 5.3 Involving Communities and other Stakeholders

PB is recognised internationally as a way for local people to have a direct say in how and where public funds can be used to address local needs.

### 5.4 Ensuring Equalities

The PB projects in Midlothian have focused on areas of high deprivation. Community consultation and outreach work have helped to engage people that would otherwise not be involved in local decision making. Providing additional resources in areas with higher levels of poverty provides evidence of Positive Action under the Equalities Act (2010).

### 5.5 Sustainability

The Scottish Government requires Local Authorities to embed PB as part of their active citizenship agenda. The Communities Choices Fund will assess applications in terms of their sustainability. They will be looking for an organisational approach that commits part of an ongoing revenue budget, offers training and support to staff and community groups and provide opportunities for the public to be engaged in the budgetary cycle.

## 6 Summary

PB reflects the Scottish Government's approach to increase community engaging in public authority decision making. PB helps connect staff with 'harder to reach' groups, and can empower communities to take an active interest in how budgets are allocated. PB provides an opportunity to apply for external funding and support disadvantaged communities.

## **7 Recommendations**

It is recommended that Council:

- i) Note the policy approach of the Scottish Government to empower communities to participate in decisions on the allocation of resources.
- ii) Notes the update on PB activity in Midlothian.
- iii) Instructs the Services to Communities Board to identify existing budgets that could be made available for PB.
- iv) Instructs Officers to discuss further with Elected members how they could most effectively distribute a proportion or all of their environmental budgets using a PB approach.
- v) Agree to use any available Council funding to apply for match funding from the Community Choices fund in 2017/18 and beyond.

**Date 13 July 2016**

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