

The Improvement Service

ELECTED MEMBER BRIEFING NOTE

# Participatory Budgeting



# What is the purpose of the briefing note series?

The Improvement Service (IS) has developed an Elected Members Briefing Series to help elected members keep pace with key issues affecting local government.

Some briefing notes will be directly produced by IS staff but we will also make available material from as wide a range of public bodies, commentators and observers of public services as possible.

We will use the IS website and elected member e-bulletin to publicise and provide access to the briefing notes. All briefing notes in the series can be accessed at [www.improvementservice.org.uk/elected-members-development](http://www.improvementservice.org.uk/elected-members-development).

## About this briefing note

This briefing note has been developed collaboratively by the Scottish Government, Improvement Service and PB Partners. Many thanks also go to members of the PB Working Group for their contribution:

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# What is the issue?

*“Our voice is being heard at last.”*

Edinburgh participant in the ‘Canny wi’ Cash’ Participatory Budgeting project, 2013

New ideas for commissioning services, as proposed by the Commission on Strengthening Local Democracy<sup>1</sup>, and new laws such as the Community Empowerment (Scotland) Bill<sup>2</sup>, (expected to be passed by the Scottish Parliament by mid-2015), provide opportunities for elected members to be listening to and acting on the concerns of residents.

Participatory Budgeting (PB) has been defined, in simple terms, as ‘local people having direct decision-making powers over part of a public budget’. So it is more than consultation. It’s a form of participatory democracy that can bring fresh perspectives.

Originally developed in Latin America in the 1980s, PB has spread into Europe, the USA and beyond, with over 1500 experiences reported worldwide. Hundreds of PB initiatives have been run in the UK in all types of communities, by local councils and in the public engagement work of police authorities, health boards, social housing, town and parish councils and within not-for-profit organisations.<sup>3</sup>

So far in the UK the majority of PB funds have been allocated using a ‘small grants’ model, where residents decide between relatively small projects run in their communities. The PB story elsewhere has been more adventurous. In 2014 in New York over \$24m was spent through PB, using money that had previously been the prerogative solely of elected politicians and public officials<sup>4</sup>. And even in the UK the sums have reached into the millions on occasion<sup>5</sup>. Through the careful application of PB it is possible to find creative and effective ways of improving essential services. Sharing responsibility with citizens in a planned way, with the aim of:

- Increasing the quality and quantity of community engagement
- Increasing trust in politics and in politicians
- Stimulating dialogue and positive action within communities
- Encouraging well targeted public investments

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1 See <http://www.localdemocracy.info/>

2 See <http://www.scotland.gov.uk/Topics/People/engage>

3 See <http://www.participatorybudgeting.org/about-participatory-budgeting/where-has-it-worked/> accessed January 2015

4 See <http://pbnyc.org> accessed January 2015

5 See <http://pbnetwork.org.uk/tower-hamlets-you-decide/> accessed January 2015

# Why does it matter?

*“Democratic power should be delivered from communities up, not drip down from above. Democratic innovations such as ....participatory budgeting ... should ... become the standard by which [participation in decision making] is delivered in Scotland.”*

The Commission for Strengthening Local Democracy, 2014<sup>6</sup>

There is widespread concern among politicians of all persuasions over disengagement from political processes. Yet the Scottish Referendum held in September 2014 demonstrated that people will engage if the issue is of significant importance, and they feel they can influence the outcome.

PB offers residents the opportunity to debate and then decide on issues directly affecting their local communities. It can attract new people to get engaged in community action. In the county of Durham, over 11,000 people participated in a county wide PB programme in 2013 alone.<sup>7</sup> At one event in Eastfield in North Yorkshire, over half those present were attending a community event for the first time. In Manton, Nottinghamshire, a man in his sixties who had never voted in his life, did vote in his local PB programme.

PB has much to offer residents and community leaders in terms of community empowerment. When well run, those involved feel their views have been respected and the process is fair and accessible. They respect those that have given them the opportunity to make decisions. This matters to elected members; bringing engagement with voters and, perhaps most importantly rebuilding trust in the democratic process.

At its heart PB is about involving more people in all stages of the commissioning of public services. Whenever money is being spent in a community, ward or at authority level it is possible to increase the amount of citizen involvement in decision-making and also in the prioritisation, delivery and monitoring of services.

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6 See <http://www.localdemocracy.info/2014/08/14/time-to-rebuild-scottish-democracy-what-the-referendum-decides/>, accessed January 2015

7 See <http://pbnetwork.org.uk/municipal-journal-features-durham-participatory-budgeting/> accessed January 2015

# What is the challenge for elected members?

*“Your role is to support, encourage and work alongside local people, community organisations and local interest groups to get people more actively involved in decision-making and the achievement of local outcomes... to help establish a shared vision for the future of the community and how best to work towards it.”<sup>8</sup>*

PB will complement representative democracy and any PB programme is formally mandated by an accountable body. This means when PB is operating in your local authority, the primary role of elected members to set the authorities’ budget and hold council staff to account is largely unchanged.

However the role of an elected member goes beyond their work in the council chamber, to providing leadership and opportunity for all those living within their wards and constituencies to have their say. PB provides a practical way to apply the Improvement Service’s induction notebook for elected members on working at the ward level.

## How PB contributes to the work of elected members:

### a) Strengthening your democratic mandate

*“In four years of being a councillor probably the best day of my life.”*  
Cllr Graham Denton, Newcastle City Council on attending his local PB event.

When residents feel they have a meaningful say in how services operate in their neighbourhood they are more willing to trust democratic processes, support elected members and get involved in local affairs. That is why Alderman Joe Moore began using PB in Chicago in 2010, and he believes one of the reasons for the continuing support he receives from electors<sup>9</sup>.

### b) Improving service delivery

*“The Scottish Government expects public service providers to talk to communities and help them have their say about services.”*  
From the Community Empowerment (Scotland) Bill

PB identifies innovative ways of working, based on the real needs and concerns of people. It has been

<sup>8</sup> See 2012 Councillor Induction Pack: Notebook 4: Roles And Responsibilities At Ward Level <http://www.improvementservice.org.uk/elected-member-induction-materials.html>

<sup>9</sup> See <http://www.ward49.com/participatory-budgeting/>, accessed January 2015

shown to direct resources towards those most in need, and support an asset-based approach to public service. PB rests on the premise that there are two sorts of knowledge – statistically-based, centrally-held information, and locally-based understanding of community needs and priorities – and that both forms of knowledge are equally valuable.

PB can create greater understanding about difficult decisions that have to be taken, and supports the overarching ambitions of many Community Planning Partnerships to reduce duplication, develop complementary services, fund local provision and broaden involvement in the commissioning of new services.

### c) Empowering communities

*“I feel I am somebody.”*

Manton resident involved in PB

Through the simple act of coming together and making small scale decisions on community grants, PB can build capacity for communities to solve their own problems, helping to improve transparency over how limited resources are shared out and engendering a sense of local pride. It is also seen to build relationships between people from different cultures and ages, as shown in Tower Hamlets You Decide!

PB can give a voice to those often most removed from democratic processes, the politically non-aligned or those unlikely to stand for public office. When local people have a say over how money is invested in their community they generally support volunteering, locally-based social enterprises and services that prevent problems before they emerge, in keeping with the recommendations of the Christie Commission. As York City Council observed after running a PB programme for over 15 years, residents often suggest proposals that might not have occurred to decision-makers at the centre.

### d) Improving the quality of local investment.

*“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, Yorkshire Police Authority.

In a mature PB process, where resources are allocated on an annual basis, there is generally an initial engagement phase, where residents are asked to nominate priorities and develop ideas for new spending: this exercise can produce higher quality returns than more conventional consultation, because there is a clear link in peoples’ minds between what they are being consulted on and their direct involvement in decision-making later on.

From an elected member’s perspective, the ability to advocate on behalf of the community can be greatly increased through residents’ input into a PB process. It can demonstrate the support of local people for a specific investment and provide a menu of interventions that go beyond the electoral mandate.

# What does good practice look like in this area?

Though PB isn't widespread in Scotland yet it isn't new. A number of areas have already explored how it can support local communities and improve neighbourhood working.

## Case studies: Scotland

Leith Neighbourhood Partnership in Edinburgh delegates the decision on Community Grant awards to the people of Leith. 50% of the annual Community Grants Fund is allocated this way, in grants of up to £1,000. In just the 2013-14 financial year, 1,065 participants allocated £22,885 to 26 projects from a choice of 42 applications. Projects were scored by post, in libraries and at an event. 73% of participants rated the approach as good or excellent. A fifth Leith Decides PB event took place in February 2015 where 25 out of 37 projects received funding from a pot of £22,092, voted on by over 1,600 participants.

Giving Leithers 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. For example, in 2013/14 40% of the project applications were from groups who have never previously made an application to CGF or Leith decides. This included two new organisations who were assisted in becoming constituted.

In 2010, the Scottish Government's Community Safety Unit, in collaboration with COSLA, launched the Community Wellbeing Champions Initiative. £230,000 was provided, in collaboration with local partners and a LEADER grant, for five PB projects to reduce anti-social behaviour. The local authorities involved were **Fife, North and South Lanarkshire, Stirling** and the **Shetland Islands**.

Following the pilot in the Glenrothes area of **Fife**, the council has gone on to spend £250,000 on a number of PB projects, such as Over to Youth, Ur Park U-Decide and Village Improvement Scheme.

**The Richmond Fellowship Scotland**, which supports people with a range of physical and learning conditions, ran its "Outcomes are Fun" programme. Using the Fellowship's own funds, this saw its clients engage in four programmes that together distributed £80,000. The aim of the project was to give over control and creativity to vulnerable people to achieve the type of outcomes they wanted.

More information on these projects and others in Scotland can be found in the PB Projects in Scotland Report.<sup>10</sup>

It is estimated that over 175 PB projects have taken place in the UK. Amounts distributed range from £500 to £5m. Examples include a £2.25m Children's Fund allocation in Newcastle, £5m over two years from mainstream budgets in Tower Hamlets and Durham County Council mobilised 14,000 residents. Across the world projects have been much larger including the \$24m a year being allocated in New York and even larger sums in some cases.

10 See [www.communityscot.org.uk/features/participatory-budgeting](http://www.communityscot.org.uk/features/participatory-budgeting) accessed March 2015



# Key issues to consider

## The important role of elected members in supporting PB

The role of elected members is crucial in ensuring any new PB process works. There are significant challenges that need to be overcome, and without political support it is less likely PB will bring the hoped for benefits. From experience of many processes across the UK these challenges include:

- **Reconciling our long established model of representative democracy with an open, direct participatory democracy.** PB raises questions over who should have the right to have a say, especially in the minds of long serving elected members or senior officers. The aim is for the representative and participatory 'strands' to complement each other. In past experience, elected member's initial and understandable reluctance to engage with PB has dissipated once understanding of the process deepens.
- **When resources are tight and people are worried about the withdrawal of cherished services there is an obvious concern that vested interests will try to unfairly influence the opening up of decision-making.** There may be questions raised over whether voting processes will be fair. Or how to avoid decision-making events being flooded by people only interested in supporting their friends. A lot has been learnt over how to avoid this situation through using flexible voting mechanisms and appropriate facilitation at meetings. Having visible and engaged elected members at the event can often mean more than a robust system.
- **There are reasonable concerns about 'up-front' costs to implement a new PB process.** When money and staff time is short it can seem a daunting challenge to engage new people. It is precisely then that the role of local politicians is crucial in encouraging new ways of working. It's also important to build on existing engagement and make use of networks and forums that already operate, such as ward panels or neighbourhood partnership boards.

Often it's as much a case of adding value through seeing the bigger picture and joining up existing work. Also, whilst there may be 'front-loaded' costs, in time PB should more than pay for itself through the provision of better-targeted, more responsive services.<sup>11</sup>

- **Inclusivity and connecting with seldom heard groups** is also cited as a common problem. However experience has shown that PB has significant opportunities in this area. The format of participatory grants as used in Leith is one that appeals to exactly that type of individual or group. Once engaged they can then be drawn into more detailed and strategic conversations.
- **There will always be strategic and sensitive issues not immediately amenable to PB funding.** The statutory protection of young or vulnerable people, highways management, planning policy and education are examples of areas that will always fall within elected members' core responsibility. There need to be checks and balances within the overall funding strategy to ensure such issues are

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<sup>11</sup> See <http://pbnetwork.org.uk/does-participatory-budgeting-improve-decentralized-public-service-delivery/> accessed January 2015



addressed sensitively. PB is not about changing those responsibilities.

PB is about trying new approaches, and often works in very varied circumstances. For example when Newcastle City Council involved young people in the design of services for young people.<sup>12</sup>

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<sup>12</sup> See <http://pbnetwork.org.uk/the-childrens-fund-newcastle/> accessed January 2015

# Key messages for elected members

Key messages for elected members when considering PB.

- **PB has been shown to increase trust between residents and elected members and officers.** Relationships that are too often characterised as ‘us and them’ can be re-fashioned through PB.
- **PB addresses our democratic deficit.** PB has been shown to engage new people in democratic deliberation and debate.
- **PB innovates at the front line.** It strengthens partnership working at all levels, so leading to better decision-making and better engagement, whether between Community Planning Partnership members and the local authority, or between ordinary citizens themselves.
- **PB provides support to community development.** It can feed vital sums into local initiatives that might otherwise struggle to get off the ground, and protect frontline services that really matter to local people.
- **PB can help provide confidence in the democratic process.** In a recent Mori poll it was found that people would pay more tax if they could decide where it was spent<sup>13</sup>, countering the assumption by many that people don’t want to participate.
- **Improves budget literacy and fosters awareness.** This helps to bring a shared understanding of the difficulty of budgetary decisions.
- **Provides elected members with high quality information on new ways to go about resource allocation and promote dialogue with and between service providers.**

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13 See <http://www.localdemocracy.info/start-the-debate/scottish-public-opinion-survey> accessed January 2015

# Actions you can take as an elected member

- Read about PB in action through the resources and case studies available on the PB network website: [www.pbnetwork.org.uk](http://www.pbnetwork.org.uk)
- Talk to senior officers and other elected members about what mainstream budget or up and coming commissioning process might be amenable to even greater public involvement.
- Contact elected members in other areas that have tried PB and ask to visit one of their projects. Seeing PB in action makes it real.
- Start by running a small grants PB process in your area using existing funds, perhaps even your own discretionary funding. **Through its ability to engage people in decision-making PB adds value to small grant programmes already in operation.**
- Aspire to using PB on a larger scale as is already happening in areas across the UK and the rest of the world. Build the confidence of other elected members in your area, enabling the move on to widening engagement in mainstream budgets

From 2015, the Scottish Government is offering support to new PB initiatives across Scotland. You can contact Kathleen Glazik, Policy Officer, Community Empowerment Team, Scottish Government at [kathleen.glazik@scotland.gsi.gov.uk](mailto:kathleen.glazik@scotland.gsi.gov.uk) or 0131 244 0831 to find out how your area could get involved or learn from this work.

# Further support and contacts

## Scottish Government and local authority support for PB

Since June 2014 the Scottish Government has been raising awareness of PB and setting the conditions for it to be delivered in a meaningful and sustainable way across Scotland, supported by a PB Working Group. During Autumn 2014 six training events were delivered across Scotland to introduce PB to local authorities. A total of 115 delegates from 26 local authority areas attended the events. Following the success of these events, the Scottish Government is part-funding further in-house PB consultancy support for local authorities, to be delivered by PB Partners during 2015/16 onwards. In response, over 50% of local authorities have signed up for PB activity in their area in one form or another.

More information can be found on the Communities Channel Scotland website which is hosted by the Scottish Community Development Centre and funded by the Scottish Government:

[www.communityscot.org.uk/features/participatory-budgeting](http://www.communityscot.org.uk/features/participatory-budgeting)

## More information

For more information contact Kathleen Glazik, Policy Officer, Community Empowerment Team, Scottish Government at [kathleen.glazik@scotland.gsi.gov.uk](mailto:kathleen.glazik@scotland.gsi.gov.uk) or 0131 244 0831.

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March 2015