



# Mainstreaming Participatory Budgeting

Ideas for delivering Participatory Budgeting at Scale

**Supported by:**  
**Scottish Government Community Choices Programme**



## Acknowledgements

This guide was prepared by PB Partners.

It has been supported by funding provided by the Scottish Government Community Choice fund, launched in 2016, to support community led organisations wishing to undertake a participatory budgeting initiative.

### About the authors

Alan Budge is a longstanding proponent of PB. He has been instrumental in pioneering grant-making PB in the UK.

Jez Hall is a leading expert in the field of participatory budgeting in the UK, having worked on supporting its development since 2000.

For more information on both see:

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

### About PB Partners

PB Partners are dedicated to community empowerment. Experts in the field of Participatory Budgeting (PB), we operate across England, Scotland, Wales and Northern Ireland, developing meaningful community engagement programmes that really 'make people count'.



A project of Shared Future CIC



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

Produced October 2016



This work is licensed under a Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License.

# Contents

---

<b>Overview.....</b>	<b>2</b>
<b>Introduction to mainstreaming PB .....</b>	<b>3</b>
<b>The UK context for PB.....</b>	<b>4</b>
<b>The purpose of this guide .....</b>	<b>5</b>
<b>Mainstream options and case studies .....</b>	<b>6</b>
1. A 3 stage process linked to mainstream budget-setting cycles.....	6
2: Deliberative open budgets and building budgets .....	10
3: PB as part of neighbourhood or community led planning.....	11
4: Community led commissioning .....	12
5: Pooled budgets and streamlined participation.....	13
<b>International Examples of PB at Scale .....</b>	<b>14</b>
<b>Conclusion.....</b>	<b>15</b>
<b>Appendix: Principles of PB .....</b>	<b>16</b>
<b>Appendix: Find information on PB .....</b>	<b>17</b>

# Overview

---

This briefing has been produced in response to Scotland's Community Choices programme and aims to support public sector organisations wishing to develop 'mainstream' Participatory Budgeting (PB) initiatives.

It complements the recent Guide to Participatory Budgeting Grant-making released in September 2016

It is relevant to any organisation working in the UK with an interest in furthering democratic engagement at scale.

It builds on learning about PB since 2000, when the first UK learning exchange to Porto Alegre took place. In 2008 the Department of Communities and Local Government promoted a national PB strategy in England. Examples in this paper include examples from that time, as well as more recent experiences in Scotland and elsewhere.

Within Scotland the Scottish Government has been raising awareness of PB since 2014 and setting the conditions for it to be delivered in a meaningful and sustainable way.

For example, the Community Choices Fund is a new mechanism to support PB in Scotland. It was first made available in 2016/17 to enable local people to make decisions on local spending priorities and contribute towards stronger local democracy. Key to its objectives is to move towards larger scale PB, and that means mainstreaming

PB complements the objectives of the Community Empowerment (Scotland) Act 2015, which provides a legal framework to promote and encourage community empowerment and participation. Creating new rights for community engagement and placing new duties on public authorities.

**It will take time to reach PB at scale, but in order to do so you must begin somewhere.**

*"I want us to be ambitious in what we do which is why we are committed to ensuring local authorities have a target of giving at least 1% of their budget to Community Choices. This amounts to tens of millions of pounds which will be in the hands of local people to decide how best to spend that money in their communities, on their priorities."*

Kevin Stewart MSP,  
Minister for Local Government and Housing, 2016.

# Introduction to mainstreaming PB

## What is Participatory Budgeting?

**Participatory Budgeting (PB) is an innovative process which enables residents to have direct decision making powers over the allocation of resources in their communities.**

Over a thirty year period, beginning in Brazil in the 1980s, PB has demonstrated its effectiveness as a powerful means of community engagement, often bringing large numbers of new people into community engagement processes, as well as improving levels of understanding of budgetary processes, and demonstrating increased levels of trust between residents, elected members and officers.

*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*

*“The PB process has changed (for the better) out of all recognition our relationship with local officers and members”. Chris Parsons: local resident*

## PB operates in many countries across the world, and in many different forms.

PB began in the Brazilian city of Porto Alegre in the late 1980s, quickly establishing itself as a city-wide means of allocating a percentage of the city's budget through direct voting by residents. By 2000 around \$160m had been allocated through PB and it is widely cited as delivering many improvements in the lives of citizens.

This mainstream model of commissioning services spread to other South American countries and then across the world, with over 3000 experiences recorded on every continent. International examples of PB at scale include New York and Paris (see further on in this briefing for further details on these two cases). These are programmes at scale whereby residents were effectively commissioning services from the Local Authority and Partners from

funds that would otherwise have been allocated through more conventional means.

The UK PB Network website records just some of these, and more are on the Participedia website.

## PB empowers citizens, re-oxygenates democracy and improves the way public money is spent

One resident involved in the early stages of PB in Porto Alegre made the simple but crucial point:

*‘If it feels like we’ve decided, it’s PB. If it feels like someone else has decided, it isn’t’.*

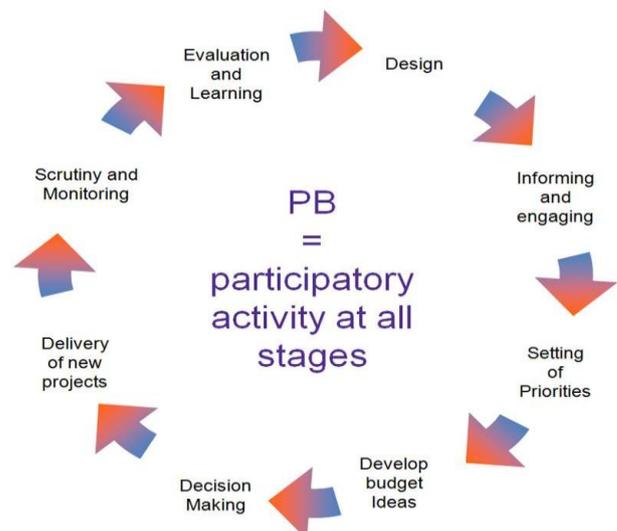
This is a deeply empowering feeling at the heart of PB. Citizens should feel that their participation is meaningful.

However it has to also have benefits for politicians, in terms of deepening democracy, and also be shown to improve the way public money is used.

It is about re-connecting citizens into the basic relationship between:

- The taxes we pay,
- the politicians we elect
- the services we receive.

The challenge of Mainstream PB is to enable citizens to have their say, and be involved at all stages of the commissioning cycle.



# The UK Context for PB

---

## What would it take to achieve PB at scale in the UK, as has been achieved elsewhere?

This question is currently being posed across Scotland in particular and especially in light of the Scottish Government's recent commitment for Local Authority to allocate at least 1% budgets via PB in the future.

At a recent PB grant-making event in Moray, Scotland, attended by over 150 people, a Local Authority finance officer in attendance commented:

*'This is fantastic, but how on earth do we mainstream PB?'*

## A citizens budget

There has been a growing level of interest in PB: well over 200 PB projects have been delivered, with, most recently, a high number of PB initiatives in Scotland, many supported by the Scottish Government under the Community Choices Programme.

PB has been evolving in the UK since around the year 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. Their initial report was called 'A Citizens Budget', and made recommendations for PB in a UK context.

Their work led directly on to the National Strategy for PB, promoted by The Department for Communities and Local Government (DCLG) that ran from 2008 until 2012. With funding that came from DCLG, Church Action on Poverty hosted the PB Unit until it closed in 2012. Since then the main body advocating for PB has been the UK PB Network.

## From margins to mainstream

To date, the most widespread form of PB has been local participatory grant making, a model pioneered by Bradford's Local Strategic Partnership. A wide pool of local people openly reviews and scores funding proposals for local projects, generally then delivered by community based organisations.

These are often called 'participatory grant making' events and an associated guide to how this can be delivered by community led organisations, as well as public bodies, has recently been produced by PB Partners.

That guide and other resources on PB can be found on the PB Network website at: <https://pbnetwork.org.uk/resources/>

Participatory Grant making has worked successfully in a many places, and been seen to engage local people, build social capital and effectively target resources at the 'grassroots'.

Yet the challenge remains of how to scale up the influence of residents over the 'mainstream' money spent by public bodies, which annually reaches into billions of pounds.

## Change doesn't just happen

The goal of the PB Network is for PB to move beyond its predominant model of allocating small pots of money to voluntary and community groups, towards repeatedly distributing mainstream public budgets, in line with international practise.

It has therefore campaigned for up to 1% of all public money being spent through some form of participatory democratic process, an idea that has been picked up in Scotland, and also proposed through the civil society network of the UK Open Government Partnership.

The UK PB Network's ambition is that public services routinely offer some form of PB for mainstream budget choices and that as a norm citizens will expect it to be offered, thereby;

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

# The Purpose of this guide

---

This guide is designed to help to answer the question of 'how to mainstream PB', without attempting to lay down hard and fast rules.

Nor is it intended as a comprehensive 'stand alone' source of information regarding mainstream PB. It is intended to help public bodies grapple with the issue and develop models that work for them, within their unique context.

In 2015 the What Works programme reviewed the experiences of PB in Scotland so far. The PB Scotland website was also set up to capture learning and promote good practise, just as the UK PB Network also promotes good practise, based on a values led approach. The Scottish PB website is at [www.pbscotland.scot](http://www.pbscotland.scot)

## Developing PB at scale is challenging

It requires those with the powers to decide how public money is spent, whether they are service managers, commissioners or elected politicians, reconsider how to share that responsibility, whilst also fulfilling their duty to ensure public money is spent well. When money is tight and the future uncertain that is no easy task.

The Christie Commission, a review of how to transform public services put considerable focus on the concept of '**producer dominance**'. That is the natural response of public bodies to commission themselves, or external agencies, based on historic ways of working. As the Christie Commission put it:

*"Government remains the dominant architect and provider of public services. This often results in 'top-down', producer and institution-focussed approaches where the interests of organisations and professional groups come before those of the public. Contributions from other sources are under developed. Individuals, communities, businesses, voluntary organisations, social enterprises and charities all have resources and capacities that could be utilised more fully."*

Read about Christie Commission at:

[www.gov.scot/About/Review/publicservicescommission](http://www.gov.scot/About/Review/publicservicescommission)

## Learning from what works

It is hoped the case studies and suggestions presented here will assist that ongoing process of generating good practice, without being seen as over-prescriptive – a starting point to the development of effective mainstream PB programmes, rather than an 'off the shelf' solution. In every case, PB has to be 'owned' by its participants – different areas will necessarily have to design different PB processes.

One of the recommendations of the review by What Works Scotland was that for a PB programme to work effectively, it ideally needs support through **ongoing access to the practical and technical input of independent, experienced PB practitioners.**

The report is available on the What Works website: <http://whatworksscotland.ac.uk/>

## Does PB Work?

Participatory Budgeting expert Yves Cabannes, emeritus professor of Urban Planning at University College London, explored the contribution made by PB to the service provision of cities and local authorities. Published by the International Institute of Environment and Development, the report abstract states:

*"Over 1,700 local governments in more than 40 countries are practicing participatory budgeting (PB), where citizens meet to agree on priorities for part of the local government budget for their neighbourhood or the city as a whole and oversee the project implementation."*

*This paper reviews participatory budgeting in 20 cities from different regions and examines over 20,000 projects worth over US\$2 billion, that show how PB has contributed significantly to improving basic service delivery provision and management, and in bringing innovations in how these are delivered and to whom. Results indicate that PB projects are cheaper and better maintained because of community control and oversight.*

This report is available at:

<http://pubs.iied.org/10713IIED/>

# Mainstream options and case studies

---

## 1. A 3 stage process linked to mainstream budget-setting cycles.

Porto Alegre is regarded as the home of PB worldwide. Starting in the late 1980's, Neighbourhood Budget Committees were given the authority to determine a proportion of the citywide budget, not just the allocation of resources for their particular neighbourhood.

This has been reportedly as large as 200 million dollars per year on construction and services being subject to participatory budgeting.

A fuller description of PB in Porto Alegre is on the Participedia website, and it has been widely researched by peer reviewed academics. <http://participedia.net/>

### PB within Porto Alegre

Whilst it is cited as the home of PB, it is important to realise that over time PB evolved and is no longer practised in the original form it adopted. Yet it remains a potent exemplar of what can be achieved. The 'original' Porto Alegre model allows for resident participation throughout the budget setting year, with phases of priority setting, ideas generation and open voting;

**a) Communities determine their priorities;** for example some communities, neighbourhoods or areas might want a greater percentage spend on community safety, or transport, depending on levels of crime, location or other factors in that area

**b) An interim 'deliberative' stage;** where technical issues, including legality, feasibility, and need are worked through.

**c) The decision is made;** based on a finalised community budget plan, with residents choosing from a 'menu of options' that may be delivered by public authorities.

That plan is widely disseminated, within widely read 'budget tables', supported by a set of accompanying governance documents.

### Within this model there may be added a number of stages

1. A percentage of the Council's budget or partners' budgets – such as the Police or Health Service (see 'pooled budgets' below) – is ring-fenced for PB.
2. Community members identify spending priorities, and may also make initial proposals for new expenditure.
3. A working group of community members (budget delegates) drawn from participants in the first phase, develop specific spending proposals, supported by technical input from relevant officers and elected members. This input might include reference to existing or planned spending proposals, to avoid duplication in allocating resources.
4. Community members vote on which proposals to fund based on the outcome of those deliberations. This could be at a public assembly, or online, or both.
5. Elected members or public officials validate the decision, by including the recommendations in the following year's budget plan for that authority.
6. Budget delegates continue to review progress and be involved in the oversight of their projects, whilst a new cycle of engagement begins.

This programme needs to be repeated, ideally annually. Budget-setting and voting becomes increasingly responsive to needs on the ground, and can then in turn inform the wider authorities budget-setting process.

### Aligning community and authority perspectives about where investment is needed

One of the main aims of Mainstream PB over the longer term is to deliver services more efficiently, as service delivery programmes will be based on a clearer understanding of residents' needs and

priorities. Over time the proposals emerging from communities are also likely to improve as understanding of what can be achieved matures.

### Mainstreaming PB requires time

It is important to recognise that the development of a mainstream PB programme is unlikely to demonstrate statistically robust performance indicators, such as reduced levels of criminal behaviour, increased life expectancy or reductions in social inequality within its early stages. Over a repeated annual cycle, however, it is possible to identify genuine statistical improvements.

Looking at the evidence from research into PB at scale over many cycles of engagement indicates that for the first 5 years of doing PB at scale there was sometimes little apparent benefit on social indicators (such as reduced poverty) over other engagement methods. Yet after 5 years a marked gap opened up.

**This indicates that to be effective we need to see mainstreaming PB as a long term strategy that has to mature and be delivered over many repeated cycles.**

### The Budget Matrix: A tool for distributing a finite resource fairly

A budget matrix should be seen as a ‘key tool’ for mainstreaming Local Authority-wide PB. Versions of which have been employed across many experiences of delivering PB in South America.

In essence, it is a means of translating community deliberation, and in particular, resident priorities into hard cash. At the initial priority setting stage residents are asked to prioritise various themes, which might match those of service departments, or agreed themes within an existing area wide plan or strategy.

The hypothetical example below is based on the theme of Crime and Community Safety. It begins with the allocation of an overall budget of £410,200 to reducing the impact of crime within various different communities.

It of course is just considering one thematic issue (crime). Albeit one where there is often a difference between the perceived impact of crime locally and real quantitative measures of crime as recorded in local data or national statistics.

#### A hypothetical Budget Matrix for distributing resources on issues of community safety

Geographical area (such as a Town, Neighbourhood or street)	Community Priority (perceived importance)	Local deprivation (known need)	Relative Population (size of each area)	Total score	Percentage of city wide score	Resources made available by area
Area A	6	6	9	21	12.9%	£52,916
Area B	3	9	6	18	11%	£45,122
Area C	12	12	6	30	18.4%	£75,477
Area D	3	2	2	7	4.3%	£17,639
Area E	12	2	2	16	9.8%	£40,120
etc	etc	etc	etc	etc	etc	etc
<b>Total budget</b>				<b>163</b>	<b>100%</b>	<b>£410,200</b>

A full PB matrix could include all relevant themes (such as Health, Transport, and Childrens Services). Or it could be used simply within one theme, such as policing and community safety, as in this model. Democratic accountability is enhanced when there is transparency over how budgets are decided and a

matrix like this is a useful tool when you are directing public services based on local engagement.

**For more information on how to construct a budget matrix contact PB Partners.**

## The process used in developing a Budget Matrix might follow the following steps:

- Residents score/agree weightings for their individual neighbourhood priorities, (as in column 2 above). These scores might vary according to perceived levels of local crime, local transport links, employment rates and wider determinants of deprivation. They could be gathered through holding workshops at the local level, or potentially during a participatory grant making event
- These local priorities are then matched with existing data on local deprivation (need) or population. You may wish to make adjustments (weightings) for the various scores
- It is then possible to generate a cash figure (represented as a percentage of the total resource) alongside each themed priority heading, (adjusting for relative levels of deprivation and population)
- The authority might then produce a 'menu of options' related to the theme or service under consideration. These options might be based on proposals made at the local level.

For example for a global budget of £410,200 for Crime Reduction Strategies a certain percentage might be spent on CCTV, on diversionary activities, on public education or indeed for paying for extra police. The budget matrix table can be used to indicate where those resources are allocated by each area.

- The outcome may go for a final vote by resident's, or may simply be used for devising an internal commissioning process.

**If there is this final voting stage, where the wider community decide on how to allocate the PB budget, it should ideally incorporate a deliberative element, through public meetings or online forums.**

**Deliberation can and should be built into any stage of your public engagement.**



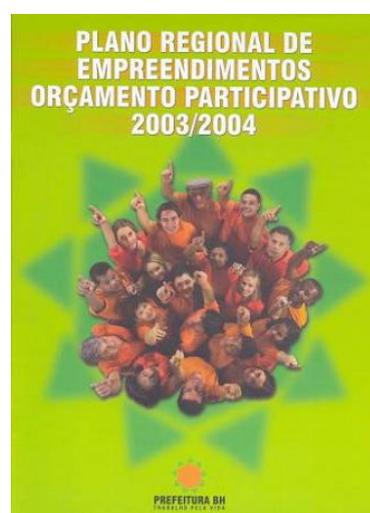
*Participatory Budgeting Assembly in Porto Alegre*

## The Institutional framework for PB

A budget matrix can be generated internally, but most importantly there needs to be transparency and accountability through ensuring it has citizen oversight. So in Porto Alegre they also instituted, and legislated for community governance.

An annual PB rulebook was developed, updated by a Citizens Budget Council (known as the COP in Porto Alegre). This was supported by a group of high level officers, operating as an executive, which coordinated the technical analysis of the proposals. In Porto Alegre this body was known as the GAPLAN. The outcome of discussion between the COP and GAPLAN then went to the vote at the public assemblies held annually.

Within the rules were also laid out how elected members engaged with the process. Primarily their role was to provide essential oversight, not to control or decide on behalf of the citizens assembly, which validates the work of the COP and GAPLAN.



*Cover of the rulebook regulating PB in the Brazilian city of Belo Horizonte in 2003/4*

## The Annual Cycle of PB in Porto Alegre



The annual cycle of PB in Porto Alegre in the year 2000

The third institutional factor essential to how PB developed in Porto Alegre was the annual cycle, which was widely publicised, and it explained to citizens when, where and how they could participate.

This annual cycle was again updated by the COP (Citizens Budget Council) working alongside the GAPLAN. As each cycle occurred there would be points at which neighbourhood assemblies happened, where technical analysis took place, and where the final voting assemblies occurred. And crucially, a point in the process where the rules were re-drafted before the next cycle.

Also important are points where update reports are delivered on the implementation of proposals agreed in previous years. One of the greatest challenges to PB is to ensure that citizens understand that delivering projects is not a smooth process.

Delays in implementation creates severe problems of trust in PB in Porto Alegre, and elsewhere. So with each budget proposal agreed a sub-committee, including community representation was formed to monitor and report on its progress.

### Did it work?

World Bank research suggests that PB, based on using ideas such as the budget matrix, annual cycle and COP led to direct improvements in basic services in Porto Alegre.

For example, sewer and water connections increased from 75% of households in 1988 to 98% in 1997. The number of schools quadrupled since 1986.

The high number of participants, after more than a decade of doing PB, suggests that participatory budgeting encourages increasing citizen involvement.

Also, Porto Alegre's health and education budget increased from 13% (1985) to almost 40% (1996), representing a move towards services that raised the quality of lives for the poorest.

Health and sanitation benefits accumulated the longer participatory budgeting was used in a municipality. Participatory budgeting does not merely allow citizens to shift funding priorities in the short-term – it can yield sustained institutional and political change in the long term.

Further information on the success of PB in Porto Alegre is available at:

[http://siteresources.worldbank.org/INTEMPOWERMENT/Resources/14657\\_Particip-Budg-Brazil-web.pdf](http://siteresources.worldbank.org/INTEMPOWERMENT/Resources/14657_Particip-Budg-Brazil-web.pdf)

### Advantages of this approach:

- ✓ Involves residents in all stages of budget setting at scale
- ✓ Can demonstrate tangible outcomes in terms of performance indicators
- ✓ Can create a lasting shift in relationships – actual and perceived – between residents and political institutions.

### Challenges of this approach:

- ? Ambitious in terms of implementation – officer time, costs, resources etc.
- ? Political and organisational buy-in needs to be at a very high level
- ? Challenge of maintaining a parallel 'representative' structure, due to sheer numerical scale of involvement.

## 2: Deliberative open budgets and building budgets

**This approach, currently being pioneered in Shetland, opens up the entire Local Authority Budget to scrutiny or recommendations from the local resident population. In 'live' and online exercises over a two year period, over 300 residents have been involved in the Shetland pilot.**

This method allows residents to make recommendations about what percentage of the entire budget is allocated to individual service areas such as Housing, Transport or Childrens Services.

It may be, for example, that residents in a certain area decide to re-allocate a percentage of the budget from Transport to Children's Services, or vice versa. This approach obviously lends itself to a situation where overall budgets are being reduced, but shouldn't be seen merely as a budget-cutting mechanism: the key point is that residents have direct influence on the overall 'shape' of the budget.

This process has as yet, not gone 'live' in Shetland – the residents have so far only made recommendations; the Shetland pilot does, however, provide a workable 'budget tool', which can be adapted for use more generally.

In a similar exercise in Harrow, North London, 200 residents deliberated on the allocation of the entire Council budget. One of the key recommendations from the day was that Council tax levels should be raised, as people were able to see clearly the link between levels of local taxation and the quality of services received. More information on Harrow's Open Budget is available at:

[www.participedia.net/en/cases/harrow-open-budget](http://www.participedia.net/en/cases/harrow-open-budget)

Further, in 2013 Durham County Council blended a PB grant making process with a set of deliberative sessions, using a form of 'monopoly' to discuss the major negative budget choices forced by austerity onto the council. Over 11,000 residents took part in a set of coordinated PB grant making events and around 1,200 then took part in playing the PB budget game. Further information is available on the PB Network website at :

<https://pbnetwork.org.uk/durham-cc-video-on-using-pb-for-mainstream-budget-consultation/>

Other approaches that could be considered as part of this 'building budgets' methodology are 'zero based' budgeting or 'priority based budgeting', where a systematic review of mainstream expenditure takes place, but crucially alongside some form of PB.

**These examples would indicate that a well designed and deliberative process enables citizens to 'think out of their own box'.** To move beyond simply trying to protect a service, and instead consider trading off between different options.

However some caution is needed to ensure the choices presented to citizens are not simply an attempt to ask citizens what to cut first. As memorably put by one academic, that's like a choice between *'having your toe or finger removed first.'* PB should ideally be about investments, but done well can help authorities have a conversation over where resources might be saved.

### Advantages of this approach:

- ✓ Residents have access to the entire budget, so understanding of budget issues is greatly enhanced
- ✓ Transparency regarding budgets and budget setting processes increases trust between residents and Institutions
- ✓ Restores link in peoples' minds between what they contribute in taxes and the services they receive.

### Challenges of this approach:

- ? Can be perceived as a cosmetic exercise if actual 'final decisions' are only made by elected members or officers.
- ? Possibility of residents 'voting down' essential back office services. The process needs to be sufficiently informed and deliberative to guard against this.
- ? Can be complex to organise, with issues of representation and inclusivity – needs to be seen as complementing, rather than replacing, representative structures

### 3: PB as part of neighbourhood or community planning

**This approach provides a good opportunity to combine a small grants and mainstream approach.**

Versions of this system are being operated or been piloted in Stockport, Leith, Moray, Aberdeen City and elsewhere. Residents work with Council Officers, elected members and partners to develop a local action plan – through appropriate consultation processes – such as charrettes or ‘planning for real’.

Ideas prioritised through this process are assessed – with resident input – in terms of ‘deliverability’ – and hopefully some can be addressed through small scale community projects. Other projects might need to be commissioned from the local authority or its partners.

Resources to support the plan could be divided into a ‘local grants pot’ and ring-fenced council or partner resources. These resources would in any case be available to support the delivery of community action plans: the ‘PB element’ comes through how this resource is allocated.

This approach, dependent on there being resources available at community or neighbourhood level, can create a very responsive local planning process, offer residents the opportunity to improve their knowledge of the budget-setting process, and provide a valuable ‘bridge’ between small grants and mainstream PB approaches.

In developing community plans, firstly in Fife and now other areas the Coalfields Regeneration Trust (CRT) has adopted these ideas. Such as in Woodburn/Dalkeith Community Futures programme, where a community planning process was supported by PB. It was one of many former mining communities the CRT has selected to take part in its Community Futures programme, which helps local people draw up and implement a five-year action plan in this case with a £40,000 participatory budget, to get top priority projects off the ground. Half came from the Trust and half from Midlothian council. Nicky Wilson, Scottish Trustee of CRT said about the related Benarty programme, also done by CRT: *“The great thing about this process is that it gives local people a real say in shaping their own future.”*

More information on the CRT’s work linking community planning with PB is available on the CRT website:

<http://www.coalfields-regen.org.uk/>



*The Woodburn Coalfields Community Futures Steering Group, courtesy of the CRT website.*

#### Advantages of this approach:

- ✓ Links ‘small grants’ PB to mainstream allocation in an integrated way — a small grants programme is good ‘recruiting ground’ for residents interested in more structured and deliberative PB processes
- ✓ Creates direct link – both in terms of information gathered and residents’ perceptions – between consultation process and ‘follow on’ influence over actual spend
- ✓ Operates at a local level which encourages initial engagement – can then build to wider geographical involvement.

#### Challenges of this approach:

- ? Process might remain limited to smaller-scale interventions – questions remain how best to scale up involvement?
- ? Possibility of confusion in relation to the approach – where does ‘small grants’ stop and mainstream begin?
- ? Possibly resource intensive for relatively small scale interventions?

## 4: Community commissioning

### PB as a method of allocating 'themed' budgets.

The Western Isles community led commissioning process for rural bus transport, (see below for more detail), Edinburgh Council's Highways and Housing PB initiative in the South Central area or the North Of England NHS 'Commissioning Cubes' PB processes are ways public agencies are involving citizens directly in commissioning public services.

Any budget setting process can become more participatory. More information on the South Central process is available at:

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

Within Local Authorities and partner organisations, there are areas of the overall budget that might be more amenable to a PB approach than others. For example in 2016 in West Lothian and Shetland workshops have been held with heads of Infrastructure Services (Lead Officers with overall responsibility for road maintenance, refuse collection, environmental improvements etc.)

The purpose of these meetings was to try and identify areas of 'low hanging fruit'. That is, specific budgets within the service areas that might be most easily opened up to a PB process.

This approach might be one way of, for example, addressing the Scottish Government's recent recommendation that 1% of all budgets should be allocated through PB: rather than an across the board 'top slicing' approach, budgets would be looked at individually, and a more targeted process would be then undertaken on budgets where flexibility exists.

Over time, and as trust grows, the scale and scope of these budgets can increase. It is important to recognise that reaching a certain threshold, such as 1%, is an aspiration, and will take time to achieve.

### The Western Isles Bus Service PB

One of the most impressive examples of allocation of a themed budget through PB took place in the Western Isles in 2015-16.

- Over 200 residents from Barra and Uist, the two southernmost islands, were consulted regarding the existing provision of bus services
- Total budget available was £500,000

- Information was then passed on to Bus Service providers, to inform their tendering process
- Tenders were assessed and scored by smaller resident groups and awarded on this basis.

This process clearly demonstrated that residents are perfectly capable of engaging with complex 'information sets', and coming to reasoned, and reasonable decisions. The Council's Transport Manager, whilst initially somewhat sceptical said afterwards that he completely supported this way of awarding tenders, and had no problem at all with any of the decisions reached by the residents. The residents active involvement in the process can also have 'ripple effects' within the wider community, as the basis upon which decisions were reached will be available for ongoing discussion between those actively involved and the population at large.

More information on the PB bus consultation available from: <http://www.cne-siar.gov.uk/>

### Advantages of this approach:

- ✓ A viable 'entry point' for mainstream PB – service delivery areas most amenable to a PB approach can be targeted
- ✓ Residents can see a commitment to allocating substantial resources
- ✓ Easier for organisations to deliver than trying to 'top slice' a percentage of the entire budget.

### Challenges of this approach:

- ? Need for residents to be supported in decision making – some services (transport, health etc) have particular safety/duty of care remits – without effectively removing decision making from the residents
- ? PB might be seen as a 'silo' activity, rather than as a universal approach – this method should be seen as a way into the PB process for commissioners and residents, rather than an end in itself
- ? Possibility of creating a 'two tier' culture within organisations, where PB experience and expertise is concentrated in certain delivery areas, rather than spread across the wider organisation.

## 5: Pooled Budgets and Streamlined Participation

**Many different public bodies spend public money. These include Health Authorities, the Police, Public Transport bodies, Housing Associations and Local Authorities.**

Each year most spending will be already committed to keeping existing public services going, but some money can always be found for new investment or re-planning a service. This means that communities are often approached more than once, with each public body in turn consulting on their budget. The costs of a consultation can be considerable, so often it isn't done thoroughly, even though it is accepted that good engagement leads to better spending.

### Pooling Partnership Investment Budgets within one process

If public agencies are spending money without thinking about what other agencies are doing there can be a lot of wasted money through duplication, or a lack of 'joined up' services. Our proposal is that these agencies combine their local consultation processes through PB, and thereby each year:

- Inform local people how much money they will be spending in an area, or to tackle a problem
- Pooling budgets to create one PB fund
- Sharing one process to decide how that pooled budget should be spent
- Through that agree how much of each shared budget is spent by each agency.

### The important features of this model

- ✓ The money is not given over to community groups to spend but is retained within the agencies pooling their budgets
- ✓ Small amounts of investment money are grouped together so their impacts can be greater through enhanced partnerships
- ✓ Local people have a chance to say what is important within their area, and can see they are being listened to by all the agencies
- ✓ There is one annual cycle of community engagement so the burdens of consultation are reduced
- ✓ Each area will have different priorities, and each area may get a different amount of spending by

each agency, but overall agencies are likely to get back most of what they put in.

### Pooled budgets in Tower Hamlets

Tower Hamlets council used a PB process to distribute over £2m per year to residents, using a mainstreaming approach. Residents voted by area on a 'basket' of services unique to their own area, with the majority of services being delivered by council partners. In the second year, recognising the value of the approach local NHS commissioners topped up the fund by adding to the 'basket'. Thereby simplifying the engagement load on residents, and integrating health spending into a wider set of local investments. More information available at:

<http://participedia.net/en/cases/participatory-budgeting-tower-hamlets-london-uk>

#### Advantages of this approach:

- ✓ Encourages 'joined up' thinking across partner agencies – and closer working relationships
- ✓ Limits 'consultation fatigue' among residents – one integrated consultation phase per annual cycle, rather than piecemeal consultations from each organisation in turn
- ✓ Creates the possibility of more flexible use of shared resources to support the PB approach, and service delivery in general: the PB exercise can be the 'glue' to enable more integrated service delivery.

#### Challenges of this approach:

- ? Complex process to organise or administer – so might need to be implemented incrementally with smaller sums to start
- ? Getting 'buy in' from all partners may be a challenge. Not everyone needs to be on board at the start of the process, but enough for 'critical mass'
- ? Residents might have more difficulty 'unpicking' various partner agencies' responsibilities, contributions etc – will need supporting through the process.

# International Examples of PB at Scale

## New York:

Starting from around \$4m PB has been spreading to more and more areas. In four years participatory budgeting exploded from 4 to 27 New York City Council districts.

In 2016 with over 51,000 voters casting ballots to allocate a total of \$32 million dollars to projects across the city, New York's experiment in direct democracy quickly became the largest of its kind in North America.



*Volunteer PB community organisers go out canvassing on the street in New York*

## Iceland

Iceland's new Citizens Constitution supports PB and is inspired by its underlying principles. Even the way the new constitution was agreed was highly participative:

- 950 Citizens initially involved
- Constitutional experts drafted 700 page guidance document
- 25 residents elected to finalise content in consultation with wider resident population.

Leading on from this a wide range of engagement models have been tested, often using online platforms. For example 300 million ISK (about £1.4m) has been allocated per year for ideas from citizens on how to improve 10 different neighbourhoods in Reykjavik, the capital city of Iceland, each year.

*"The City of Reykjavik has truly found a successful strategy to enhance public participation in the municipality."* Icelandic Citizens' Foundation.

## Recife

Winner of the Reinhart Mohn prize for democratic innovation, and a project led by the Mayor of Recife it resulted in nearly 20% of the adult population being involved in some form in the 2009 budget process. In a 10 year period, over \$300m in public expenditure has been decided on directly.

Open access forums discuss the implications of municipal social investments and improve the use of Federal and State level project funds in terms of their general effectiveness as well as their impacts on diversity, youth and the environment.

Citizen-based community committees directly oversee the public works procurement processes and monitor progress on a weekly basis.

Children in 200 municipal schools were involved with proposals for their schools and the city.

Mobile voting and the internet were used to extend access to those unable to attend meetings. Beyond influencing the direction of public expenditure, the programme opened up everyday democratic processes to a wide pool of citizens.

## Paris:

Mayor Hidalgo of the City of Paris has ambitions for 426m Euros to be distributed by 2020, which is around 5% of the city capital budget, all spent through PB. The process began in 2015.

Paris uses online technology to receive, develop and prioritise project ideas coming directly from citizens.



*Info-graphic from Paris's PB programme*

# Conclusion

The aim of this guide is to provide ideas and examples of possible practical ways forward for local authorities and partner organisations interested in developing mainstream PB processes.

It should be seen as a starting point to the co-design of PB programmes appropriate to the needs and aspirations of those involved.

It is hoped that, with relevant input from all concerned parties and stakeholders it is possible to do PB at scale. In designing your PB it is essential to:

- **Involve residents from the outset.** They should have a role to play in the design and delivery of the process. Provide them with high level technical support, and that means
- **Buy-in from finance managers and heads of service;** who can release the staff needed to deliver PB as well as the resources. But that is only possible if there is
- **Sufficient and sustained political will.** The support of elected members is key. Without their ongoing support it is unlikely PB will survive.

## Meaningful engagement is hard work

With those ingredients in place, and with imagination and commitment it will be possible to develop vibrant, viable and sustainable mainstream PB programmes long into the future.

PB is about empowerment, which is a heightened form of traditional community engagement.

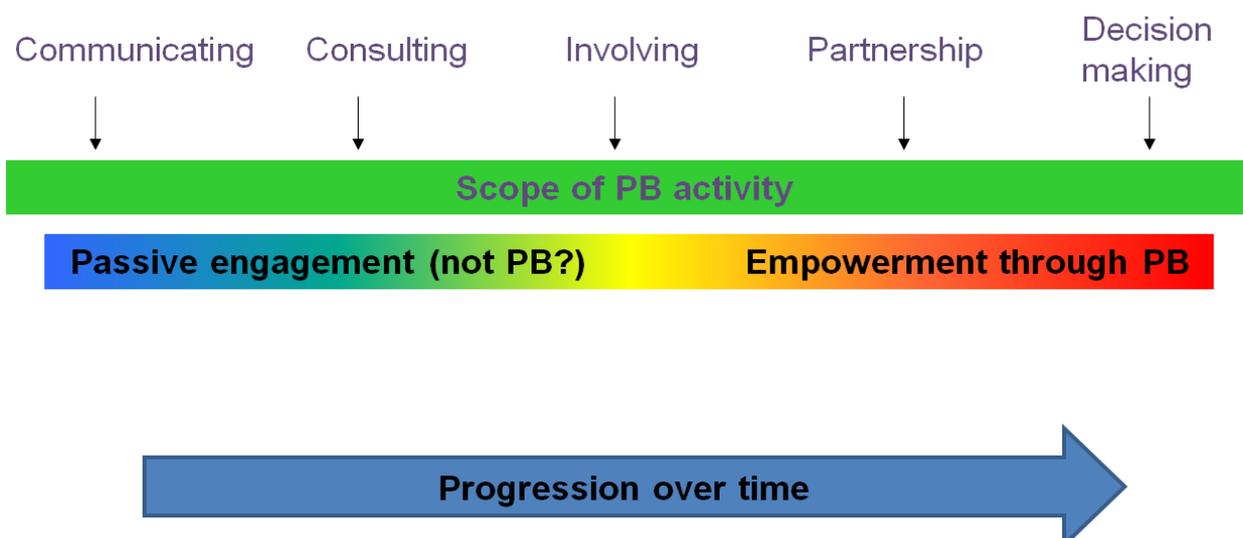
Empowerment implies a transfer of power and influence, and that is by its nature challenging to those already holding power.

Done well PB should bring benefits at all levels of public engagement, but it should always aspire towards deepening citizen led decision making, progressively, at scale and wherever taxpayer's money is being spent.

**Thereby reinvigorating our democracy, by involving ordinary people in tough decisions, which are being undertaken by public bodies using billions of pounds of taxpayers money, and which directly impact on the lives of citizens, particularly the most deprived and most marginalised.**

## The Empowerment Line

PB works in different ways, but should be meaningful and change how money is spent



# Appendix: Principles of PB

PB is most effective when underpinned by a set of principles. These should be reviewed and agreed by the steering group, as they can help with evaluation, or keep a project 'on track'.

For example, it's worth making sure the engagement work you do is informed by Standards for Community Engagement. Such as those available at <http://www.voicescotland.org.uk>

## The UK PB network list these following principles for PB:

- 1. Local Ownership:** Residents should be involved in setting budget priorities and identifying projects for public spend in their area wherever possible.
- 2. Direct Involvement:** PB should involve direct as well as representative engagement.
- 3. Support for representative democracy:** Participation mechanisms such as PB should be seen as supporting representative democracy rather than undermining it. PB can increase citizens' trust of councillors and boost the role of ward councillors.
- 4. Mainstream Involvement:** Over time PB processes should move towards residents being involved in decisions over mainstream budgets (as opposed to only small grants processes).
- 5. Accessibility:** Participants must have good and clear access to PB processes.
- 6. Transparency:** PB processes are designed to give citizens full and clear knowledge of public budgets in their area, even those over which they do not have a direct say.
- 7. Deliberation:** PB processes should take citizens beyond personal choice and involve real deliberation around budget decisions
- 8. Empowerment:** Citizens, officers, councillors and partners should plan and lead PB events together, demonstrating local people's empowerment.
- 9. Shared responsibility:** PB should build common purpose and a commitment from all stakeholders.

The full 2009 version of PB network Values, Principles and Standards are available at: <https://pbnetwork.org.uk>

## What Works Principles for PB.

In 2015 the What Works Scotland Programme produced a collaborative paper where it gave some alternative principles for PB. These were:

**Principle 1:** PB is a long-term endeavour.

**Principle 2:** PB requires strong leadership, time and resource.

**Principle 3:** PB should be independently facilitated.

**Principle 4:** PB enables an authentic representation of community interest.

**Principle 5:** PB should be a new and distinct approach.

**Principle 6:** PB must utilise existing community groups.

**Principle 7:** PB must be clear what form of democracy it will take.

**Principle 8:** PB recognises the challenges in engaging socially excluded citizens.

**Principle 9:** PB has realistic expectations of community representation.

**Principle 10:** PB allocates reasonable funding to a limited number of projects.

More information on these principles can be found in the document called "Participatory budgeting in Scotland: an overview of strategic design choices and principles for effective delivery", available at:

<http://whatworksscotland.ac.uk/publications/collaborative-publications/>

**Whatever principles you decide best underpin your PB project, they should be simple to understand, and written in language that is meaningful for those involved in your process.**

# Appendix: Find information on PB

---

**More information is always available if you need it. Just search for it or ask!**

The **UK PB Network website** also contains lots of resources about PB, including free to download toolkits, videos or news of how PB is growing in England and worldwide: You are encouraged to send reports of projects to them, so others can learn from what you did as well

<https://pbnetwork.org.uk/>



The **PB Scotland website** provides lots of free information on how PB is developing in Scotland:

<http://pbscotland.scot>



**PB Partners** provides expert facilitation and guidance in developing PB programmes:

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



**Equalities and Human Rights** law and best practise in ensuring equal access to services is available at:

<https://www.equalityhumanrights.com>

## Connecting to expertise through social media

To find out more about PB or to ask any questions about PB you can use online forums. All Community Choices projects are welcome to join them:

- Use Twitter to follow PB using: [@UKPBNetwork](#)
- Join in discussions, ask questions and find news on the PB across the UK on the PB Network Facebook group at:  
[www.facebook.com/groups/278917175561062/](http://www.facebook.com/groups/278917175561062/)
- Join the PB in the UK group on LinkedIn at:  
<https://www.linkedin.com/groups/3854882>

Or why not set up your own local online PB group to engage with your community.

*Don't try to reinvent the wheel.*

*Remember the value of learning exchanges and study trips.*

*Seeing PB in action and asking questions of those who have already done it is the best way to learn what works, and what doesn't.*



## MAINSTREAMING PARTICIPATORY BUDGETING:

### Ideas for delivering participatory budgeting at scale.

This briefing has been produced to inform public bodies, elected members and others who wish to run a Participatory Budgeting initiative.

Produced by PB Partners



with support  
of the Scottish Government.



Scottish Government  
Riaghaltas na h-Alba  
gov.scot

October 2016