



## SCSN Briefing Paper No 04 – Participatory Budgeting

### 1 Purpose

This briefing paper aims to give an insight into the methods used to undertake Participatory Budgeting, information on Scottish projects utilising the Participatory Budgeting theory and the challenges Local Authorities may need to overcome when utilising the Participatory Budgeting theory.

### 2 Introduction

Participatory Budgeting, in its simplest of terms, is a tool used to engage people in making decisions about how local budgets are spent. It originated in Brazil in 1989 to overcome inequality in living standards across the city of Porto Alegre. The process in Brazil still occurs annually and now includes 50,000 residents. Since its inception in 1989, more than 1,200 municipalities across the world have implemented Participatory Budgeting.

The purpose of Participatory Budgeting is to increase efficiency in a budget by engaging with communities and allowing them to think about relative priorities, make informed choices and to become empowered. It can range from single neighbourhoods to entire counties and can be done through direct participation of citizens or through directly elected representatives. Participatory Budgeting can be run as a one day event, however, some of the main benefits of Participatory Budgeting are increased trust and empowerment therefore incorporating Participatory Budgeting into a continuous budget cycle is seen as extremely important. It is important to remember that Participatory Budgeting is not a defined technique that operates in one consistent form, but an umbrella term for many processes.

The Scottish Government agrees with the following definition from the Participatory Budget Unit and the UK Governments Department for Communities and Local Government:

*“Participatory Budgeting directly involves local people in making decisions on the spending and priorities for a defined public budget. Participatory Budgeting processes can be defined by a geographical area (whether that is a neighbourhood or larger) or by theme. This means engaging residents and community groups representative of all parts on the community to discuss and vote on them, as well as giving local people a role in the scrutiny and monitoring the process and results to inform subsequent Participatory Budgeting decisions”.*

The Participatory Budget Unit supports the public and community sector throughout the UK in developing the Participatory Budgeting process. The Unit is a project of the Charity Church Action on Poverty, which is part funded through the Department for Communities and Local Government. Their website provides additional information and case studies on Participatory Budgeting: [www.participatorybudgeting.org.uk](http://www.participatorybudgeting.org.uk).

### 3 Participatory Budgeting Models

There are a number of funding models for Participatory Budgeting, with many more emerging. Below are the most commonly used within the UK.

### *Community Grants*

The Community Grant model is the most commonly used Participatory Budgeting model in the UK. It takes a small amount of money that has already been allocated for community grants and involves residents in the communities to vote on which projects should receive the funding.

### *1% Budget or Top Slicing*

This model takes a small percentage of an investment budget and proportions of this are given to areas or sectors for the community to allocate. In this model, a budget matrix or cycle linked to the main budget may also be undertaken.

### *Pooled Budgets*

This model allows the communities to allocate a pooled budget from a range of providers. The allocation may be on a specific theme or in a particular neighbourhood and aims to address issues from a community, rather than an individual perspective.

## **4 Participatory Budgeting in Scotland**

In March 2010 the Scottish Government and the Convention of Scottish Local Authorities (COSLA) launched the Community Wellbeing Champions Initiative (CWCI), a Participatory Budgeting pilot exercise to support the Community Empowerment Agenda and the implementation of the Antisocial Behaviour Framework. Following an extensive application process, five Local Authority areas were chosen to run Participatory Budgeting pilots to deliver on the following objectives:

- bring diverse people together and support community cohesion.
- enhance the ways in which local people, elected members and council officials work together.
- promote empowerment of individuals and communities.
- promote active citizenship to create better public services.
- promote community development and capacity-building within communities.
- support the Scottish Community Empowerment Action Plan that has been developed by the Scottish Government and COSLA.

Funding for the pilots was provided by each Local Authority and match funded by the Scottish Government, with additional support being provided by the Participatory Budgeting Unit. Whilst all of the pilots were different, a common theme across all of them was the creation of a steering group, however, the composition of each steering group differed depending on the style of the pilot. The five Participatory Budgeting pilots in Scotland were:

- Have a Voice – Forgewood, North Lanarkshire

Budget - £55,000. Engagement with the community was through 'walkabouts' by a steering group which consisted of a number of community representatives, including a young parenting group. None of the people on the group had been previously engaged and significant work was undertaken to build confidence and to enable the group to function well. Projects were developed by the Community Safety Partnership to address the priorities highlighted from the local residents. These were presented at a community voting day, which saw 5 out of 8 projects receive funding.

- Particip8 – Overton, South Lanarkshire<sup>1</sup>

Budget - £40,000. The steering group undertook a household survey to determine key issues and task groups were created to create potential initiatives to deliver on the issues. These initiatives were presented at a local 'fun day', providing taster sessions of proposed interventions. A voting event, with over 300 participants, saw 6 out of the 12 interventions receive funding.

- Wir Community, Wir Choice – Stoney Hill, Shetland

Budget - £40,000. The project aimed to break down tensions between a settled community and a community of temporary social housing residents. The steering group, including members from the community and council officers, carried out a questionnaire to all households in the area and hosted a drop in session. The findings were used to develop priorities for the area and community groups were asked to apply for funding for projects that met the priorities. Following a community voting event, 13 out of 14 projects received funding.

- Dunblane Young People's Project – Dunblane, Stirling

Budget - £65,000. The pilot was led by the young people of Dunblane to allow them to feel part of the community. A survey asked people of all ages to determine priorities in relation to inter-generational community cohesion and perceptions of antisocial behaviour. 2 out of the 3 projects received funding with £10,000 remaining to be allocated.

- Community GAINS – Glenrothes, Fife

Budget - £30,000. Small community groups that had not usually received funding were targeted and at a voting day, with over 100 participants, 8 out of 12 projects received funding. An officer only steering group was used, however, partners were well represented within this.

The Participatory Budgeting Unit produced a Programme Level Evaluation Report<sup>2</sup> in March 2011 on the CWCI projects. Each pilot was found to be different and each was tailored to local contexts and circumstances and utilised existing partnerships and networks. Within each pilot the motivations of the community members involved were wide ranging due there being people present both new to and experienced in formal engagement. Motivations to become, and stay, involved in the Participatory Budgeting projects were noted to be:

- Enhanced democracy;
- Improved or increased engagement;
- Reduced antisocial behaviour;
- Improved quality of life and the neighbourhood;
- Increased community spirit; and
- To test a process that could be used in other ways.

It was found that community groups felt better supported in the pilots which adopted a community grants model to allocate funding to groups rather than public sector

<sup>1</sup> Practice Note 32 – <http://www.safercommunitiesScotland.org/Documents/PN32%20Particip8%20Overton.pdf>

<sup>2</sup> Programme Level Evaluation Report - [www.scotland.gov.uk/Resource/Doc/254432/0119733.pdf](http://www.scotland.gov.uk/Resource/Doc/254432/0119733.pdf).

Further information and evaluation on each of the projects can be found within Annex B in the Annual Report to the Parliament 2010 - Promoting Positive Outcomes: Working Together to Prevent Antisocial Behaviour in Scotland: [www.scotland.gov.uk/Publications/2010/11/30093150/16](http://www.scotland.gov.uk/Publications/2010/11/30093150/16).

services and also compared to where funding was allocated to main stream providers.

The Participatory Budgeting Unit found that the pilots generated community cohesion across a wider cross section of the community and also succeeded in increasing knowledge, creating positive connections and emphasising pride in the community. An improved understanding of community needs was also developed and outcomes from the pilots included a reduction in reported figures of crime associated with ASB and a reduction in or a greater awareness of the perceptions of ASB among citizens.

## **5 Participatory Budgeting Challenges**

As with most initiatives, there are always challenges to overcome in order to reap the best rewards. A number of challenges that have been encountered during various Participatory Budgeting projects are noted below.

- Lack of representation from extremely deprived areas and people;
- Participation from young people is often a challenge;
- Struggles to overcome clientelism;
- Particular groups less likely to participate once their demands are met;
- Slow progress can frustrate participants;
- Requires resources – time, venue and awareness raising;
- Taking ownership can be a liability rather than an asset, therefore the programme must ensure that the communities benefits;
- A risk of special interest groups may ‘hi-jacking’ the process;
- It may become complex and bureaucratic, therefore takes longer to become cost effective;
- It may raise expectations that can’t be met;
- It needs to be built into commissioning cycle to allow it to become established; and
- It may be easy for the loudest people to appear to speak for the majority.

## **6 Conclusions**

The Participatory Budgeting concept is one which promotes community engagement with the decision-making process in relation to budgets and projects/initiatives in their area. Communities are often well placed to highlight the any issues which may be present and as such can be a useful tool in the decision making process of deciding how budgets are allocated. As the Scottish pilots demonstrate, the development of a steering group is essential and therefore the composition, nature and remit must be explicit. It has been demonstrated that local democratic cultures are improved when officers, citizens and councillors work together. If Participatory Budgeting can be embedded into the existing systems, rather than being a discrete piece of work, this will aid the commitment from all levels. Additionally, for a Participatory Budgeting project to be successful it must ensure that it is promoted and marketed effectively and that it has a strong evaluation framework.

It must be recognised that a Participatory Budgeting scheme is a process and will be designed and redesigned by its participants continuously as the project evolves and when priorities change. Furthermore, every Participatory Budgeting process will not deliver all outcomes equally and as such a Participatory Budgeting project needs to be designed in accordance with local priorities.