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**To: Cross Party Sounding Board**

**On: 12 September 2019**

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**Report by: Chief Executive**

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**Heading: Participatory Budgeting**

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## **1. Summary**

- 1.1 COSLA and Scottish Government have worked together to develop and agree a framework that at least 1% of local government budgets will be subject to participatory budgeting by the end of 2021. This is calculated from the revenue budget, less council tax intake, which is estimated to be approximately £3.2million in Renfrewshire.
- 1.2 Grant Making Participatory Budgeting is the distribution of small grants to community and voluntary organisations via community voting events. Mainstream Participatory Budgeting enables local people to directly influence the spending of mainstream council budgets.
- 1.3 In Renfrewshire, a pilot participatory budgeting exercise is currently underway with the Youth Challenge Fund grants, formerly distributed by Local Area Committees. This will be completed by the Autumn and evaluation will be available by the end of the year.
- 1.4 Officers are undertaking work to develop an approach for Mainstream Participatory Budgeting within the Council, in order to meet the 1% requirement by the end of the March 2021.
- 1.5 Members of the board are asked to consider the most suitable methods for raising awareness of Participatory Budgeting amongst elected members, in order that suitable training arrangements can be made.

## 2. Recommendations

It is recommended that the board:

- Note the requirement that at least 1% of local government budgets will be subject to participatory budgeting by the end of 2021, as per the framework developed by COSLA and Scottish Government
- Consider the most suitable methods for raising awareness of Participatory Budgeting for elected members.

## 3. Background

- 3.1 Participatory Budgeting (PB) enables local people to decide on the issues that matter to them. Helping them to understand public spending, put forward their own ideas and vote on them.
- 3.2 Participatory Budgeting comes in all shapes and sizes, but at its most basic it involves:
1. Ideas are generated about how a budget should be spent
  2. People vote for their priorities
  3. The priorities with the most votes get progressed
- 3.3 PB supports the principle of Public Service Reform, that people should have equal opportunity to participate and have their voice heard in decisions shaping their local community and society. As a tool for community engagement, promoting innovative ways for commissioning public services and for building trust in democracy, it underpins the objectives of the Community Empowerment (Scotland) Act 2015.
- 3.4 A key outcome of PB 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.
- 3.5 Elected Members have an important role to play in the successful delivery of Participatory Budgeting approaches. The Elected Member briefing on Participatory Budgeting developed by the Improvement service states:

*“Mainstream PB complements representative democracy and any process needs to be formally mandated by an accountable body. This means the primary role of elected members to set the authorities’ budget and hold council staff to account is largely unchanged. The role of an elected member to provide leadership and opportunity for all those living within their wards and constituencies to have their say and express their needs, is enhanced through PB. The roles and responsibilities for elected members in a PB process are:*

- *To be clear the aims of the process are understood.*

- *To make sure the relevant resources to run an effective PB process are in place.*
- *To ensure the process is inclusive and local people can participate in all stages of the process.*
- *To engage with local people, to encourage and support them to participate in the process.*
- *To approve the decision made by local people in the allocation of funding, through the appropriate decision-making committee/body in the council.”*

3.6 An elected member briefing developed by the Improvement Service and PB Partners has been attached at Appendix A.

#### **4. Framework**

- 4.1 As part of the community empowerment agenda, COSLA and Scottish Government have worked together to develop and agree a framework that at least 1% of local government budgets will be subject to participatory budgeting by the end of 2021.
- 4.2 The framework defines Community Choices as the term used in Scotland for Participatory Budgeting and sets PB as the enabler for active participation of citizens in local decision making. It establishes a shared expectation that elected members, senior officers, civil society and local communities will use PB to go beyond the current arrangements for consultation and engagement. The framework sets out that, done well, and using key principles, the longer-term strategic aim of public sector reform can be achieved by applying spend to the greatest areas of need, where social cohesion can be developed or maintained.
- 4.3 Grant Making PB is the distribution of small grants to community and voluntary organisations via community voting events. This has been the most common form of PB taking place across Scotland for the past 5 years. However more recently there has been a focus on scaling up the grant making PB process and focussing more on council mainstream budgets and how best to engage communities in influencing how councils spend those budgets.
- 4.4 Grant making PB is seen as a way of introducing communities to participatory budgeting and there is strong evidence suggesting that it builds capacity and understanding of communities to, in the longer term understand and participate in mainstream PB activities.
- 4.5 Mainstream Participatory Budgeting enables local people to directly influence the spending of mainstream council budgets through deciding on the issues that matter to them. Helping them to understand public spending, put forward their own ideas and vote on them. Through participation in grant making PB programmes, communities build knowledge and capacity which enables them to be more directly involved in mainstream PB. There is a need to build on existing grant making PB programmes.

- 4.6 The 1% target for mainstream PB in Scotland is defined as ‘total estimate expenditure for revenue, as per the local government finance circular, less assumed council tax intake’ (Community Choices Budgeting Framework for the operation of the 1% target for local authorities) Using this guidance for Renfrewshire, 1% equates to Approx. £3.2M. This target can be made up of both revenue and capital funding.

## **5. Youth Participatory Budgeting Pilot**

- 5.1 Renfrewshire Council are currently delivering their first Grant Making PB through the previously named Youth Challenge Fund. A process which encourages young people to develop ideas for their community and apply for funding for that idea is being designed by young people across Renfrewshire, with a share of £150k being available to individual young people and organisations, this process will be concluded by autumn 2019. The Celebrating Renfrewshire Fund opened for applications on Tuesday 27<sup>th</sup> July and closed on Tuesday 27<sup>th</sup> August.
- 5.2 Voting will take place from 16<sup>th</sup> September – 25<sup>th</sup> September, culminating in an event on the evening of the 25<sup>th</sup> September where winners will be announced. Young people across Renfrewshire will be supported to vote through schools and community organisations. This is being delivered in partnership with Youth Services, Renfrewshire Youth Voice and Active Schools (Renfrewshire Leisure).

## **6. Next steps**

- 6.1 Officers are currently undertaking an exercise to identify what Renfrewshire council is currently delivering that might be considered as well as exploring budget areas that potentially lend themselves to being spent through a PB approach.
- 6.2 In preparation for mainstream participatory budgeting, it is good practice that elected members are suitably briefed on how PB processes work, and their role. It is recommended that an external organisation with experience of working with elected members would be selected to deliver any training sessions.
- 6.3 Following feedback from the Cross Party Sounding Board, officers will arrange suitable briefings, training and/or development in this area. Members may wish to consider:
- The format of any training, i.e. whether an interactive training session, briefing or written briefing would be most suitable
  - The length of any training session or briefing
  - Whether any sessions should be delivered during the day, or as twilight sessions

## Implications of the Report

1. Financial – The 1% target for mainstream PB in Scotland is defined as ‘total estimate expenditure for revenue, as per the local government finance circular, less assumed council tax intake’ (Community Choices Budgeting Framework for the operation of the 1% target for local authorities) Using this guidance for Renfrewshire, 1% equates to Approx. £3.2M. This target can be made up of both revenue and capital funding.
2. HR & Organisational Development – The paper considers potential training and development required for elected members.
3. Legal – The requirement to deliver 1% of the budget by participatory budgeting is not a statutory requirement, but has been approved as a framework by both Scottish Government and COSLA
4. Property/Assets – None
5. Information Technology - None
6. Equality & Human Rights – None
7. Health & Safety - None
8. Procurement – None
9. Risk – None
10. Privacy Impact - None
11. COSLA Policy Position – As above, the requirements around Participatory Budgeting are approved as a framework by both Scottish Government and COSLA.
12. Climate Risk - None

## List of Background Papers: None

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ELECTED MEMBER BRIEFING NOTE

# Participatory Budgeting



Scottish Government  
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# 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

COSLA and Scottish Government have agreed a framework to work together to have at least 1% of council budgets subject to participatory budgeting (PB) by 2021. This ensures local decision-making and the commitment to work together with wider public and third sector partners.

This briefing note has been developed collaboratively by the Improvement Service, Scottish Government and COSLA and aims to support elected members to better understand PB and the role of elected members in a PB process.

[PB Partners](#) was commissioned to develop this briefing in partnership with the aforementioned organisations.



# What is participatory budgeting?

*Participatory budgeting (PB) enables local people to decide on the issues that matter to them. Helping them to understand public spending, put forward their own ideas and vote on them.*

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. PB empowers citizens, builds trust in democracy and can improve the way public money is spent. It has been best described as: 'If it feels like we've decided, it's PB. If it feels like someone else has decided, it isn't'.

It's important to note that PB is not new in Scotland. As it's common practice to locally brand a PB process (such as community grant decision making e.g. LeithDecides in Edinburgh), you may be unaware that PB processes have been running in your local area. Many local authorities have run PB processes in recent years with support from the Scottish Government's 'Community Choices Fund' therefore the term 'Community Choices' may be more commonly recognised in Scotland.

This briefing will use the term PB as it is internationally and academically recognised.

PB comes in all shapes and sizes, but at its most basic it involves:

1. Ideas are generated about how a budget should be spent
2. People vote for their priorities
3. The priorities with the most votes get progressed

<https://pbscotland.scot/what-is-pb>

PB supports the principle of Public Service Reform, that people should have equal opportunity to participate and have their voice heard in decisions shaping their local community and society. As a tool for community engagement, promoting innovative ways for commissioning public services and for building trust in democracy, it underpins the objectives of the [Community Empowerment \(Scotland\) Act 2015](#).

A key outcome of PB 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.

# Why use PB?

*“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>1</sup>

PB offers citizens the opportunity to debate and then decide on issues directly affecting their local communities and needs. It can attract more people to get directly involved in community action.

When people are engaged in community life, they are more likely to experience positive health and wellbeing and life outcomes.

PB can play an essential role in redressing the inequalities that exist within our society. Well run PB empowers communities as those involved feel their views have been respected and the process is fair and accessible. That increases trust between citizens and the elected representatives and officials that gave them the opportunity to make decisions.

PB improves citizens understanding of the choices that need to be made when spending public money. It also increases citizens understanding of the complex interactions between services, the role of the local public bodies, and what communities and families are better placed to do themselves.

The City of Edinburgh Council has produced a [series of videos](#) outlining the benefits of PB for projects, communities and democracy.

Margo Howe, former elected member, The Moray Council: “I’m a firm believer in participatory budgeting or Community Choices. I think it’s revealing that people themselves have grabbed the opportunity and seen the benefit of it. It’s their ideas and, because of this, they will make it work. They’re loving it!”.

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

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<sup>1</sup> See <https://www.localdemocracy.info/2014/08/14/time-to-rebuild-scottish-democracy-what-the-referendum-decides/>, accessed April 2017

# The role of elected members in PB?

Mainstream PB complements representative democracy and any process needs to be formally mandated by an accountable body. This means the primary role of elected members to set the authorities' budget and hold council staff to account is largely unchanged. The role of an elected member to provide leadership and opportunity for all those living within their wards and constituencies to have their say and express their needs, is enhanced through PB.

The roles and responsibilities for elected members in a PB process are:

- To be clear the aims of the process are understood.
- To make sure the relevant resources to run an effective PB process are in place.
- To ensure the process is inclusive and local people can participate in all stages of the process.
- To engage with local people, to encourage and support them to participate in the process.
- To approve the decision made by local people in the allocation of funding, through the appropriate decision-making committee/body in the council.

# What does good practice look like?

Many areas within Scotland have explored how the small grant giving model of PB can support local communities and improve neighbourhood working. Many examples appear on the PB Scotland website, [www.pbscotland.scot](http://www.pbscotland.scot)

Though PB has traditionally taken the form of [grant giving](#), the ambition in Scotland is now for PB to progress and be done at scale across [mainstream](#) budgets and to commission services so as to focus on the long term preventative approach that is required for public service reform.

Below are some examples taken from the PB Scotland website:

## Case studies: Scotland

### Grant giving model

'[Shared Vision – Your Decision](#)' was an Edinburgh-based initiative in late 2016/early 2017 which enabled local people to decide how public money is spent in eradicating Islamophobia and associated prejudice behaviour. Police Scotland, the City of Edinburgh Council and the Scottish Government made a total of £40,000 available as part of their ongoing commitment to addressing Islamophobia across Edinburgh. Islamophobic behaviour also effects other faith communities and they have included projects which also work with these communities.

The criteria allowed for three bids up to a maximum of £5,000 for three separate projects. In total, 34 projects were shortlisted and invited to a PB market place to support their bid. Over a two-week period more than 2,500 people voted on the projects that they wished to support. Voting could be done online or in person at 28 public libraries.

Thirteen projects were successful and are being funded through this PB process. All bids evidence how money will be spent eradicating Islamophobia or associated prejudice behaviour in Edinburgh; the projects aim to foster good relations and/or reduce prejudice. There are plans underway to repeat and extend PB, with a focus on community safety in the Edinburgh area.

### Maintreaming model

“The Uist and Barra Public Bus Service Redesign project” has used innovative methods to improve service outcomes for rural communities through procuring services in a new way.

By using participatory budgeting methodology the community has had the opportunity to be fully involved in the design and procurement of their bus services. Together with the use of an output performance specification in the procurement process and extensive engagement with suppliers, this has made the project an innovative piece of work, addressing some of the key issues that face rural communities and their ability to access services.

The innovative approach enabled community members to effect change on a bus service that many felt was not meeting their needs. Already there is a reported increase in uptake following introduction of the new timetables. The contracts commenced on 25 March 2016.

In the longer term, the participatory budget methodology will enable communities to become more involved in determining the outcomes of other aspects of service delivery. Benefits from the process are the community has gained an understanding of public sector procurement processes and suppliers are able to respond to public demand more easily.

### International examples of PB

#### Paris

Launched in 2014, Paris implemented a successful method of citizen participation. Ideas are developed and submitted on an internet platform by residents or groups of residents. In 2015, Parisians submitted over 5,000 projects. In 2014, its first year of operation, over 40,000 Parisians chose nine winning projects at a cost of €17.7m.

In 2015, this increased to nearly 67,000 participants. They selected eight projects for Paris as a whole and 180 projects for arondissements (city districts). The Paris projects and the arondissements in 2015 represent an allocated budget of around €67m, equivalent to about £57m at January 2017 rates.

More UK and international examples can be found on the PB network website:  
[www.pbnetwork.org.uk](http://www.pbnetwork.org.uk)

The UK PB Network list these following principles as good standards 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>

## Key challenges for consideration

Elected members are crucial in ensuring the vision for mainstream PB works. There are significant challenges that need to be overcome, and without political support it is unlikely PB will bring the benefits that can be achieved by reshaping the way in which local decision making is made.

Some of these challenges include:

**Bringing together representative democracy with an open, direct participatory democracy.** The aim is for the representative and participatory 'strands' to complement each other and once seen in action initial and understandable reluctance to engage with PB does dissipate.

**With limited resources and concerns about the withdrawal of cherished services there is a concern that vested interests will try to unfairly influence the opening up of decision-making.** Questions such as whether voting processes will be fair. Or how to avoid decision-making events being flooded by people only interested in supporting their friends. This can be prevented through agreeing a

clear definition of what PB is in Scotland. Not simply focusing on what the process is and when embedding PB, using flexible voting mechanisms and appropriate facilitation at meetings that make the activity accessible and representative of communities. Visible and engaged elected members at an event can build trust.

There can be concerns about 'up-front' costs to implement a new PB process. When money and staff time is short it is a challenge for public bodies to seek to engage new people. Elected members are crucial in encouraging new ways of working that build on existing engagement structures and make better use of networks and forums that already operate.

Inclusivity and connecting with seldom heard groups is cited as a common problem. However, experience shows PB offers the opportunity to engage in non-traditional ways and times that reaches out to people who often don't have a voice.

There are strategic and sensitive issues that appear not immediately amenable to PB. The statutory protection of young or vulnerable people is one examples that would remain the core responsibility of officers and elected members'. Whilst PB is not about changing all responsibilities it is about ensuring lived experiences do help shape decisions. Used imaginatively and in a transformational way PB can generate fresh ideas or approaches to make services work better for local people and which will have long term benefits to the cost of service delivery. With the accessible information and organisational trust, local people can make informed decisions.

PB is not the only way to engage with local people but it can enhance and improve current practice.

## Actions to take as an elected member

- Read about PB in action through the resources and case studies available on the PB Scotland and PB Network websites: <https://pbscotland.scot> and [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 PB can be used for.
- 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. Use it to build trust and confidence in decision-making.
- Commit to using PB on a larger scale as is already happening in areas across Scotland and in 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 and involvement in local decision making from communities.

- If you want further political input into the way PB is approached across Scottish local government raising this with your elected member who is the council's representative on the COSLA Community Wellbeing Board.

## Further support and contacts

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For queries on how to implement PB or for any policy queries please contact Simon Cameron and Kathleen Glazik.

For more information visit the [pbscotland.scot](https://pbscotland.scot) website which provides accessible information on events, policy and resources in Scotland, and profiles examples, pictures and videos of Community Choices in action.

To join Scotland's PB network go to: <https://pbscotland.scot/network/>

### Useful reading:

Guide to Grant Making through Participatory Budgeting  
<https://pbnetwork.org.uk/grant-making-through-participatory-budgeting-a-how-to-guide/>

Briefing on PB at Scale  
<https://pbnetwork.org.uk/mainstreaming-participatory-budgeting/>

Guide to Evaluating PB  
<https://pbnetwork.org.uk/hear-the-voice-make-the-change/>

Community Choices Fund 2016/17 Report  
<https://pbscotland.scot/blog/2017/10/12/the-right-choices-read-the-community-choices-fund-201617-report>

Community Choices 1% Framework agreement

[www.cosla.gov.uk/community-choices-1-framework-agreement](http://www.cosla.gov.uk/community-choices-1-framework-agreement)

Interim evaluation report on PB in Scotland – Glasgow Caledonian University

<https://pbscotland.scot/blog/2017/11/10/interim-evaluation-report-on-pb-in-scotland>



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