



Giving more people a say in local spending

Participatory Budgeting: a national strategy



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Foreword



When I published our White paper, *Communities in control, real people, real power*¹ in July, it heralded the definitive end of “Whitehall knows best.” It was the start of a significant transfer of power, influence and control towards local people and their communities.

I know from my own experience as a councillor and an MP – as well as an ordinary citizen – that there is no service that cannot be improved by involving local people, no challenge that can not be met by harnessing their enthusiasm and commitment.

I believe that democracy should mean far more than putting a cross on a ballot paper every four years. It should be a daily practice, enriched by every part of the community.

That is why the White Paper set out a huge range of practical ways to open up local government, to make public services more responsive to the people they serve, to create new opportunities for people to give something back to their neighbourhood.

The challenge now is to turn the proposals in the White Paper into practical change that people can see and feel and touch.

This is where participatory budgeting fits in. It means giving people a direct say in how local budgets for things that matter to them should be spent. A movement that started in Porto Alegre in Brazil some 20 years ago has now spread across the world, with some 12 million people in 300 cities having tried it.

When people get a direct say about new playgrounds, road safety measures or bobbies on the beat, it brings “devolution to the doorstep” to life.

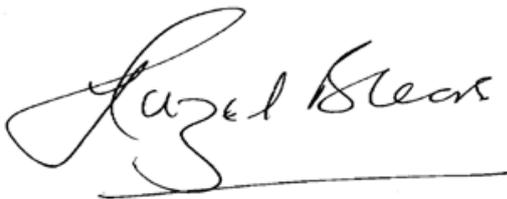
¹ *Communities in control, real people, real power*, Cm 7427, issued by Communities and Local Government, published by HMSO, 9 July 2008.

Participatory budgeting doesn't magically mean you have more money to spend, nor does it mean everyone gets exactly what they want. But it helps people understand the sometimes difficult trade-offs that governing is about. It makes sure that budgets focus on the priorities people care about most. And it brings people together in a conversation about what they want their neighbourhood, village, town or city to become.

Here in England, with the Participatory Budgeting Unit and my department working together, places such as Sunderland, Bradford and Newcastle have led the way, starting projects worth, in some cases, hundreds of thousands of pounds. Focussing on issues as diverse as youth services, transport and regeneration, they have shown how to deliver sound decisions and capture the imagination of local residents. Based on their experience, many more places are now trying participatory budgeting. We are also seeing it applied to community safety and public health.

By 2012, the Government's ambition is that participatory budgeting is used in every local authority area, as part of a much wider strategy to change the way we govern. In March 2008, I issued the draft national strategy for a 12 week public consultation to get your views on how we might go about this.

The strategy has been amended in the light of your responses and the measures in the White Paper. The document explains the support available to councils, communities and their partners to help promote and deliver participatory budgeting, and turn the aspiration into reality. I hope it will help everyone set their sights high about what we can achieve together.

A handwritten signature in black ink, reading "Hazel Blears". The signature is written in a cursive style with a long horizontal line underneath.

Rt Hon Hazel Blears
Secretary of State
Communities and Local Government

Executive summary

Representative democracy is widely believed to be the fairest and most effective system of governance. It does not however follow that, once elected, representatives function without recourse or reference to their constituents. In fact this continued discussion and involvement or 'participatory democracy' is seen as an enhancement to representative democracy. It helps by ensuring the representatives understand the changing priorities and views of the public, and that the public understand the complexities and trade-offs faced by representatives. For these reasons it is right that elected representatives do not take decisions alone, but involve local people in helping shape the community they live in.

Participatory budgeting is at the heart of the Government's drive to pass more power to local communities and help re-invigorate local democracy.

In July 2007, the Government launched the Governance of Britain agenda. Fundamentally this agenda covers two basic questions: how we should hold power accountable, and how we should uphold and enhance the rights and responsibilities of the citizen. The launch of this strategy – which provides local people with an opportunity to get involved and influence how money is spent in their area – is therefore an important step in taking this agenda forward.

The White Paper, *Communities in control: real people, real power*, confirmed our ambition that participatory budgeting should be used in all local authority areas. This strategy explains how we hope to meet that aim. There are currently 22 participatory budgeting pilots, with further pilots to be announced in the autumn, demonstrating a considerable and growing interest.

This strategy highlights **four key elements** to achieving its aim: promoting **awareness**, creating **opportunities**, providing **guidance and support** and learning from **evaluation and research**. It follows a wide discussion with stakeholders in 2007 and a full public consultation on a draft strategy between March and June 2008.

The Participatory Budgeting Unit (PB Unit) is our key delivery partner; we are increasing its funding. The PB Unit will promote and co-ordinate the delivery of participatory budgeting. We are increasing awareness of participatory budgeting, promoting it together with regional empowerment partnerships and key networks. The PB Unit will establish learning sets in each region to champion and promote participatory budgeting.

Participatory budgeting is now being carried out in variety of ways, in urban and rural areas, north and south. We are promoting opportunities and budgets on which it could be used effectively.

This includes: discretionary councillor or area committee budgets:

- using participatory budgeting within parish and town councils
- considering its use in the commissioning of services, *and*
- continual use within specific grant budgets.

We are also promoting its use by other local service providers within local strategic partnerships, including health and community policing, borough wide exercises and in the implementation of Local Area Agreements.

Participatory budgeting could be one activity which helps local authorities to comply with the best value duty to involve, due to come into force in April 2009.

Communities should be able to call for their local authority to use participatory budgeting, and the White Paper sets out new duties on local authorities to respond to petitions, including on participatory budgeting.

This strategy sets out how the wider adoption of participatory budgeting will be achieved. The PB Unit has issued a set of common standards which underlie participatory budgeting, and issued a detailed Toolkit to help authorities and groups to adapt participatory budgeting to local circumstances. We flag up the key community support programmes and funds which could help raise the capacity of community groups and citizens and assist their effective participation in such empowerment activities.

We are carrying out an independent national evaluation of how participatory budgeting is being implemented to ensure the lessons are learnt. The strategy also demonstrates some of the benefits from participatory budgeting in the case studies presented.

In summary, the Strategy presents participatory budgeting as a particularly effective activity which can achieve real engagement with local people, and gives authorities and groups an overview of how they can best consider it and carry it out.

Introduction

What is participatory budgeting?

What we mean by participatory budgeting

Participatory budgeting directly involves local people in making decisions on the spending priorities for a defined public budget. This means engaging residents and community groups representative of all parts of the community to discuss spending priorities, making spending proposals and vote on them, as well as giving local people a role in the scrutiny and monitoring of the process.²

Participatory budgeting sits at the heart of the Government's drive to devolve more decisions on local services and facilities to local communities.

Engaging local people on how to spend public money helps to tailor local services to their needs, and it can lead to more direct ownership of their neighbourhood. Originating in post dictatorship Brazil in the early 1990s, participatory budgeting is now used in many countries around the world and its benefits are widely recognised.

Participatory Budgeting is a key activity promoted in our recent White Paper, *Communities in control: real people, real power*,³ which explains how the Government seeks to shift power into the hands of the local communities and generate a vibrant local democracy. The White Paper includes a number of opportunities and levers to help carry out participatory budgeting. Therefore participatory budgeting can be seen in this context as one of a range of valuable ways citizens can be involved in decisions about priorities and shaping services in their local areas.

The 2008 White Paper followed on two government commitments to Participatory Budgeting: The 2007 *Community Empowerment Action Plan*⁴ promoted ways for people to have a say in their community, including community contracts (local charters) and the acquisition and management of public assets. The 2006 *Local Government White Paper*⁵ devolved more freedoms and flexibilities to town halls, encouraged local partnership working and more engagement with local people.

² Formally, the decisions taken are then ratified at the relevant council committee or grant management board, as all financial accountability rests with the council or public agency holding the budget. This provides an important safeguard in ensuring due process for inclusiveness is followed, and it helps to encourage and secure the central role that councillors play throughout the process (see page 29). If, under rare circumstances where decisions taken in the participatory budgeting process could not be endorsed, the reasons must be clearly and fully explained to the participants.

³ *Communities in control, real people, real power*, Cm 7427, Communities and Local Government, HMSO, 9 July 2008.

⁴ *An Action Plan for Community Empowerment: Building on success*, Communities and Local Government and the Local Government Association, October 2007.

⁵ *Strong and Prosperous Communities, the Local Government White Paper*, Communities and Local Government, October 2006.

The Government has an ambition for participatory budgeting to be used in all local authority areas by 2012. The weight given in the Comprehensive Area Assessment (CAA)⁶ and Use of Resources judgement, together with the new duty to involve⁷ will add significantly to the momentum to achieve delivery of this ambition. This strategy is intended to provide a coherent overview of the opportunities and support available to carry it out, taking full account of what people told us in the consultation as well as the measures set out in the recent White Paper.

The central aim of the White Paper, *Communities in control: real people, real power*⁸, including measures to promote participatory budgeting, is to:

...pass power into the hands of local communities so as to generate vibrant local democracy in every part of the country and give real control over local decisions and services to a wider pool of active citizens. (paragraph 1.1)

Participatory budgeting should be tailored to local circumstances, but here are some ways it has often been used in England already:

Spending parts of specific grant pots: this is where the funding is derived from area-based government grants such as the New Deal for Communities (including Sunderland) and the Neighbourhood Renewal Fund (see Newcastle case study on page **18**). The money is managed within existing neighbourhood management structures with priorities typically dedicated to social and environmental improvements.

Local area committees may use funds delegated for specific service delivery, (including highways budgets in Salford (see page **33**) or Haringey); this is a good way of trialling participatory budgeting on core local authority service delivery. It can also help to raise the profile of the ward councillors.

Wider local authority and local area agreement spending priorities: Many local councils have consulted with residents in various ways on their proposed annual budget. A few councils are just beginning to explore the use of participatory budgeting to engage residents on parts of the main annual budget. This could involve engaging people in decisions on commissioning local services or in the development of Local Area Agreements. A paper drawn up by the PB Unit, *Towards a Local Area Agreement Participatory Budget Process*, is a good starting point. It is available on the PB Unit's website at:

www.participatorybudgeting.org.uk

It should be noted that, the options available for specific ring-fenced budgets are limited, but participatory budgeting could still help to prioritise such budgets.

⁶ The Comprehensive Area Assessment is the joint inspectorate assessment of performance and prospects for delivery by local authorities and their partners, which will be introduced from April 2009 as part of the new local performance framework.

⁷ The duty is set out in Part 7 (section 138) of the Local Government and Public Involvement in Health Act 2007.

⁸ *Communities in control, real people, real power*, Cm 7427, Communities and Local Government, HMSO, 9 July 2008.

“I watched a small pilot and it was a good way of engaging individuals and groups from that locality. The really exciting part was the way people began to share ideas and make links in a way I haven’t seen in 25 years as a councillor”.

Councillor Steve Bullock, Mayor of Lewisham, July 2008

Section 1

Increasing the use of participatory budgeting

Why increase its use?

Participatory budgeting has so far engaged local people on spending for activities such as local environmental issues, community facilities, parks and play areas, road safety and anti-crime measures. We are also seeking to encourage its use in other local services such as health and community policing.

It not only gives people a real say over their communities, it brings diverse people together, supporting community cohesion. It improves people’s understanding of the complexities of public budget setting and the choices that need to be made with finite resources. And it can lead to real improvements in the way local people and elected councillors and council officials work together. This is why we hope to see it used more widely.

By empowering people and devolving more decisions in this way, services can be better tailored to local circumstances. Residents are likely to be more satisfied with those services as a result.

Participatory budgeting must be conducted inclusively. This means that particular groups in the community are not excluded; and projects must involve all parts of the community, including those sections which are difficult to engage, sometimes referred to as “hard to reach”. Ultimately, we are seeking to get more people to take part in their community and rejuvenate local democracy.

One important reason why local authorities and other public bodies should consider participatory budgeting is that it could help meet the new best value “duty to involve”, as part of an engagement strategy.

The PB Unit's study of six pilot projects, issued in June 2007,⁹ showed how the participatory budgeting process can work effectively. It demonstrated that where there is long term and strong engagement with community groups, participatory budgeting can include "hard to reach" groups. It produced evidence that people or groups did not only vote for their own interests, in many cases they supported projects which did not directly benefit them. There was also evidence of councillors welcoming the opportunities presented to learn more about their communities' priorities.

More recently, the Improvement and Development Agency (IDeA)¹⁰ issued a report about local authorities' understanding and experience of participatory budgeting. See the report at: www.idea.gov.uk/idk/core. With 160 local authorities responding to a survey, the report showed some positive experience and good levels of engagement with different parts of the community where participatory budgeting was in place. It also showed a significant amount of interest within authorities in developing some kind of participatory budgeting activity. The report demonstrated the need to disseminate more high profile good practice and a clearer understanding of participatory budgeting and its benefits.

Development of the national strategy

This strategy was developed following a wide discussion with stakeholders in 2007, including relevant national sector organisations such as the Local Government Association and the Community Development Foundation, Other Government Departments, Government Office locality officials and regional third sector representatives. Local authorities with participatory budgeting pilots were also involved.

The national strategy takes full account of a 12 week public consultation into the draft strategy between March and June 2008, to which 81 responses were received. The majority of respondents broadly welcomed our approach to the promotion and facilitation of participatory budgeting. Few wanted new powers to require participatory budgeting aside from those that the duty to involve, the Comprehensive Area Assessment and the duty to respond to petitions will provide (see Providing guidance and support page **27**). All agreed the central role that councillors must play within a participatory budgeting process (see page **29**).

⁹ *Participatory Budgeting in the UK: an evaluation from a practitioner perspective*, report and research by Kezia Lavan, Economic and Social Research Council (ESRC), carried out for the Participatory Budgeting Unit. The full report can be found under "resources" on the PB Unit's website: www.participatorybudgeting.org.uk.

¹⁰ *Joining In: Participatory Budgeting and Local Government* report by the Improvement and Development Agency, issued in June 2008 and commissioned by Communities and Local Government, available at: www.idea.gov.uk/idk/core/page.do?pageld=7377301.

A summary of the most common views expressed in the consultation is contained in Annex A, along with an indication of the types of organisations which responded. A more detailed summary of views and Community and Local Government's response is published on the Department's website. It also includes all the responses to the consultation, except where respondents have asked for them not to be made public.

Key elements of the strategy

The national strategy has four key elements:

- **Promoting awareness:** increasing the extent and depth of understanding amongst public decision makers of how participatory budgeting can help them respond to the concerns of local people more effectively, especially when that public input will be based on informed deliberations
- **Creating opportunities:** increasing the number and range of local spending decisions that involve local people, widening their coverage in geographical and policy terms
- **Providing guidance and support:** ensuring there is quality and consistent advice through published guidance and training to help those devising participatory events to get it right
- **Learning from evaluation and research:** gathering and disseminating research findings so that all those planning and delivering participatory budgeting events can learn from on-going initiatives and improve their own practice.

The role of the Participatory Budgeting Unit

The Participatory Budgeting Unit (PB Unit) which is part of the charity, Church Action on Poverty, is promoting and co-ordinating the delivery of participatory budgeting. The PB Unit has developed considerable knowledge and expertise from its study of Brazilian and other international experience, and from local authorities in England. The PB Unit initially helped establish ten pilots.

Because of their expertise and track record, we have confirmed support for the PB Unit until 2012, and increased the level of funding to them. They are now working closely with a number of organisations, including the Government Offices and the Regional Empowerment Partnerships.

“In four years of being a Councillor, probably the best day of my life.”

**Councillor Graham Middleton, Newcastle City Council (Newcastle 2007)
(after attendance at Newcastle U-decide event)**

Section 2

Promoting awareness

Participatory budgeting will be promoted strongly and effectively with Communities and Local Government and the PB Unit working closely together to communicate widely a clear understanding of what it is, and how it can be used to develop local engagement. There is an important task in winning hearts and minds within local communities, town halls and other service authorities. This will involve the high level promotion of good practice, opportunities for people to learn from their peers within regions and advice on how to market projects.

This section explains how we will increase the extent and depth of understanding amongst public decision makers of how participatory budgeting can help them respond to the concerns of local people more effectively. An important part of that process is explaining how the public input in participatory budgeting is based on informed deliberations.

The work of the PB Unit is underpinned by a clear plan about how to promote and communicate participatory budgeting to a range of stakeholders in local and central government, as well as with community groups and other service providers and organisations. Promotion will be carried out in a number of ways:

Nationally

Communities and Local Government and other national stakeholders will arrange for high profile events, with ministerial involvement, to celebrate successful projects and announce new pilot areas. One such event will be held in September 2008.

The PB Unit, sometimes along with expert agencies such as the Local Government Information Unit, will deliver practical seminars and workshops to local authorities, community groups and other public sector organisations to promote participatory budgeting learning.

Communities and Local Government and the PB Unit will seek coverage of good stories and key announcements in the local government press as well as through national and local media.

The internet is increasingly important. The PB Unit's website:

www.participatorybudgeting.org.uk is an excellent way to promote participatory budgeting, containing a store of knowledge and linked sources. It includes good practice studies, guidance tools and research documents.

The **People and Participation.net site** provides an interactive tool to those who work to provide empowerment opportunities, both nationally and locally, to help them select appropriate participatory methods for their specific circumstances. The site also includes a library of information and case studies. It helps to promote the exchange of information on participatory budgeting, and links it to wider engagement activities. The site is funded by Communities and Local Government in partnership with the Ministry of Justice and the Sustainable Development Commission.

Regionally

The Regional Empowerment Partnership has a very important role in promoting good practice within and between regions alongside the Regional Improvement and Efficiency Partnerships and the Government Offices. The PB Unit will hold seminars in each of the nine regions, working with Government Offices and the Regional Empowerment Partnerships where it complements their objectives for regional empowerment improvement work. Following each seminar, **regional learning sets** will be established to champion and promote participatory budgeting (see Section 3, page 28).

Locally

Projects should be marketed in ways that engage all sections of the community. Practical advice will be provided to local authorities and community groups within the PB Unit's Toolkit and by the regional learning sets. The results of projects should be properly analysed and reports disseminated to increase understanding and improvement.

Promoting through networks

There are examples in this document of how the PB Unit is also working with various networks and representative bodies to promote participatory budgeting to specific audiences. For example, the PB Unit is working with the National Association for Neighbourhood Management to promote further use of participatory budgeting within such arrangements.¹¹ We encourage any other body with common aims that wishes to promote participatory budgeting to contact the PB Unit.

¹¹ The **National Association for Neighbourhood Management** supports over 300 schemes to improve our communities, and provides opportunities in their national and regional events, newsletters and on their website.



Case study

Bringing back birds to a Newcastle village: Newcastle's U-Decide projects

When residents in Woolsington in Newcastle-upon-Tyne decided that their lives would be enhanced if more birds nested in the village, they knew just where to turn. Along with residents of Denton and Lemington wards, they were part of an experiment in the city enabling them to decide for themselves how to make their communities greener.

And with £110,000 to put their ideas into action, the villagers were able to allocate £520 for bird boxes to encourage owls, robins, bats and blue tits to nest in people's gardens and communal areas in the village.

Their U-Decide project, a two year pilot, won *Regeneration and Renewal* magazine's award as the Neighbourhood Renewal Project of the Year for 2007.

Thirty volunteers worked with officers to promote the scheme and encourage residents to bring forward proposals with the council. The residents worked with councillors to develop and cost ideas which were presented at public meetings and voted on by the whole community.

Newcastle youngsters decide what they want to fund

Youth groups had to persuade local children and young people about the merits of their projects before they were funded through U-Decide. And that meant presenting their ideas to hundreds of young people at one of six such events that have involved 4000 young people to date. Young people decided to prioritise 14 of 18 projects for funding.

At other events, young people decided priorities for a bid to the Big Lottery Fund for Play, which levered £1.4 million into the City, and on how to distribute over £2 million from the Children's Fund. Among the proposals young people have decided to fund were an outdoor play area for babies at a local children's centre, new samba drums for a special school and a play area at a homeless families' project.

The whole process was designed by a group of youngsters known as the 'Wikkid planners' who worked with council officers to decide the best way to allocate £115,000 of Neighbourhood Renewal Fund over two years from 2006 – 2008. They invited youth groups across the city to make a creative display about their project and a short presentation.

From April 2008, five of Newcastle's wards have allocated part of their mainstream funds to carry out a variety of participatory budgeting projects ranging from £16,000 to £200,000. An evaluation of participatory budgeting demonstrates how well Newcastle engaged with both young and old people and different parts of the community¹².

www.newcastle.gov.uk/udecide#what

¹² Participatory Budgeting in the UK: an evaluation from a practitioner perspective, report and research by Kezia Lavan, Economic and Social Research Council (ESRC), carried out for the Participatory Budgeting Unit.

“I think it’s really superb. Any means that local people, adults or children can be involved in making decisions about their future...is a really fantastic idea.”

Resident, Poulton, Lancaster (Feb 2008)

Section 3

Creating opportunities

There is significant and growing participatory budgeting activity around the country, with pilots in at least 22 areas,¹³ and more to be announced in autumn 2008.

This section sets out how we will increase the number of local spending decisions in which local people can be involved, widening their geographical and policy coverage. We recognise that this is not an exhaustive list, and local authorities and partner delivery agencies, as well as those in the voluntary and community sector, should actively consider how they can engage with people in this way on their budget priorities.

Participatory budgeting should ideally be considered as part of a wider, co-ordinated plan on engagement and empowerment. This might be as part of the local authority or local strategic partnership’s plan to engage with the community (perhaps a way of helping meet the new best value “duty to involve” – see page 23). It could be one activity agreed within a community contract (local charter) or an integrated neighbourhood management system.

The pilots cover all types of local authority: county, district, unitary and parish; they include rural and urban areas. Pilots are also being developed in neighbourhood development companies, housing associations and local schools. This section will also highlight how participatory budgets could be used with health, police and youth service spending.

¹³ As of August 2008.

International research suggests that when participatory budgeting starts small and builds gradually, it is most likely to become sustainable. The PB Unit will help local authorities and other local bodies to develop processes in this incremental way, building on existing innovative engagement processes.

We encourage Councils to use their powers to allocate local discretionary budgets to councillors, and participatory budgeting can be used effectively to allocate parts of these budgets. We also encourage councillors to consider how participatory budgeting can be applied to area committee or assembly budgets for specific delegated services (see the Salford case study on page 33).

In some areas, parish or town councils have worked with local groups to develop a collective vision and action plan. This community governance partnership model lends itself to methods such as participatory budgeting. In a rural context, such engagement could help tackle social exclusion, provide fairer access to services in outlying areas and engage more people living in the countryside. The PB Unit is working with the National Association of Local Councils and Commission for Rural Communities to provide guidance and training modules on participatory budgeting work in this sector, and to help identify rural pilots.

Local authorities are encouraged to involve local people and businesses in decisions about how funding to meet Working Neighbourhoods Fund¹⁴ objectives is prioritised and spent. Participatory budgeting was initially pioneered with funds such as the New Deal for Communities, and we will encourage it for the new Fund in future guidance.

Participatory budgeting projects can be established as integral parts of neighbourhood management systems, which link local services with policing and health services with a focus on community needs. Such systems could also be a good way to influence spending on wider local service delivery.

Influencing spending on wider service delivery

The Policing Green Paper¹⁵ included a commitment to work with volunteer police forces and local authorities to pilot Community Safety Participatory Budgets to inform wider roll out in 2009. We are also considering whether some forces might choose to allow participatory budgeting principles to be applied to their portion of money recovered from criminals under the Proceeds of Crime Act 2002.

¹⁴ See *The Working Neighbourhoods Fund*, Communities and Local Government and the Department for Work and Pensions, launched in December 2007. The WNF is a non-ring fenced government funding programme paid as part of the Area Based Grant to support authorities' programmes to worklessness and other issues in areas of greatest deprivation.

¹⁵ *From the Neighbourhood to the National: Policing our communities together*, Home Office, July 2008.

We believe that participatory budgeting within community safety policing partnerships could build effectively on the engagement already being established. It could help to increase police accountability, improve police community relations and tailor local policing services to community priorities. With the PB Unit, we are working closely with the Home Office and policing bodies to identify suitable areas which would be keen to trial community safety participatory budgeting projects.

In a few areas the local authority has worked with the Primary Care Trust to pilot participatory budgeting on aspects of community health spending, such as Southampton (see case study on page xx). We will work with the Department of Health to set out how participatory budgeting could be used to influence wider local health spending. There are already a number of ways in which citizens can influence decisions about local health spending and service provision, including:

- Local Involvement Networks (LINKs), which were established in April 2008 to promote and support the involvement of people in the commissioning of local services
- the revised duty on all NHS organisations to involve¹⁶, which strengthens and clarifies the existing duty to involve and consult people in the planning of the provision of health services
- the World Class Commissioning programme, which places the needs and preferences of local communities at the heart of the commissioning cycle, and
- ensuring that commissioners work with local people to tackle health inequalities.

These existing mechanisms could provide important insight into identifying other opportunities for patients to participate in spending decisions.

We are promoting opportunities for young people to engage in participatory budgeting exercises, by encouraging their participation in wider community exercises, as well as promoting the good practice in the U-Decide children's projects in Newcastle.

The Department for Children Schools and the Family (DCSF) Youth Opportunity Fund and Youth Capital Fund enable young people to make decisions on the allocation of funding for facilities and activities in their area.¹⁷ DCSF will work with Government Offices and local authorities to learn the lessons from the initial use of youth decision-making to give more influence to young people over budgets for youth activities in the future.

Such lessons could help inform the commitment in the DCSF's ten year youth strategy *Aiming High for Young People*¹⁸ to encourage councils to take more account of young people's views when deciding on resources for services for young people so that by 2018, young people will have a real say on how 25 per cent of that spending is allocated.

¹⁶ *National Health Service Act 2006*, chapter 42, revised section 242.

¹⁷ See guidance issued by the DCSF at: www.dcsf.gov.uk/publications/youth/pdf/6563-YOF-YFC%20Guidance.pdf

¹⁸ *Aiming High for Young People: a ten year strategy for positive activities*, Department for Children, Schools and Families and HM Treasury, July 2007.

A key theme of the PB Unit's work is children and young people engagement, on which they are joining up with organisations such as the National Youth Agency and the Scarman Trust. They also worked with the Young Advisors¹⁹ to help provide guidance for young people on participatory budgeting. Separately, the PB Unit engaged with Walsall's New Deal: New Horizons on a participatory budgeting project delivered in eight school councils in the Walsall New Deal for Communities area during July 2008. This helped 6-11 year olds learn how to take decisions collectively, building their skills, communication, and raising awareness of their community.

We will continue to engage with other government departments to help create opportunities in other areas of service provision, including services relevant to the business community.

Planning

Local authorities could offer local communities a greater say in how some items of infrastructure are delivered through planning obligations. For instance, if a developer has agreed to contribute a play area as part of a new residential development by means of a payment to the local authority²⁰, the authority could engage the local community in the design and layout of the play area. In this way the local community can help ensure that the play area meets their needs within the new development.

Local service commissioning

Local authorities should actively involve local communities in commissioning decisions. This is required as part of their "duty to involve" and the duty to make arrangements to secure best value.²¹ As our recent White Paper made clear²², that involvement should increasingly deepen so that they become co-producers of the services and outcomes they want to see. Striking the right balance between local and national needs and priorities is key to effective commissioning as local authorities seek to balance competing issues. Encouraging communities to be actively involved in commissioning could also include developing aspects of commissioning through participatory budgeting.²³

¹⁹ Young Advisors are schemes of 15 to 21 year olds, trained to work as young consultants to advise community leaders and agencies on how to engage young people in community life and regeneration, and help to 'youth proof' policies and practices.

²⁰ Planning obligations are entered into under section 106 of the Town and Country Planning Act 1990.

²¹ *Creating Strong, Safe and Prosperous Communities, Statutory Guidance*, Communities and Local Government, July 2008, paragraph 6.6.

²² *Communities in control, real people, real power*, Cm 7427, paragraph 4.37

²³ *Creating Strong and Prosperous Communities*, paragraph 6.9.

Borough wide and Local Area Agreements

Haringey has used participatory budgeting across the borough, with neighbourhood level and grant based activities delivered through their seven area assemblies. Newcastle is developing a five year plan for participatory budgeting across the city with one option being to align it with the Local Area Agreement (LAA). The PB Unit is working with a few other pilot areas to develop further LAA-borough-wide participatory budgeting. There are challenges in developing such a process, for example, in generating effective engagement with local people over a wide area, and the results will be closely monitored and evaluated.

Case study



Southampton residents decide on a healthy outlook

70 residents of Thornhill in Southampton came together in June 2008 to decide how to prioritise £50,000 on health and wellbeing projects.

The *Your Health, Your Community, Your Vote* event was one of the first of its kind in England. Each year the Thornhill Community Health Group, made up of local residents and agency representatives from the primary care trust, Southampton City Council and the Thornhill Plus You residents' organisation, will allocate a pot of funding for community health projects.

Each project had three minutes to pitch its ideas to secure the votes of the public. They opted to fund ten of the 18 projects presented to them, including a project for disabled people, an anti-bullying programme for 9–11 year olds, a male health project, a sexual health relationships project for young people and a project aimed at raising awareness of the causes of blindness.

The event was very well received. Participants appreciated the opportunity to make decisions on projects which affect them, to meet each other and see what was happening in the area. Applicants felt that the community involvement in making decisions was both fair and effective and that it worked really well. All in all, participants were very keen to see the process repeated.

Enthusiastic endorsement was received from both Labour and Conservative local councillors present, including Councillor David Fuller, one of the country's youngest councillors and local MP John Denham. Not only has the PCT committed to continue allocating £50,000 for this each year, but they are also considering how the principles can be applied to wider health commissioning.

www.thornhillplusyou.co.uk

“I think it’s just such a good idea because it’s basically local residents who know what they want and what’s needed in the local area...for people to vote on that in a fair and democratic process.”

Lorna Leaston, Resident, Claremont & Weaste, Salford (2007)

Section 4

Providing guidance and support

This section explains how we will ensure good consistent advice through published guidance and training to help those devising participatory events to get it right.

Advice and guidance

Local authorities and their local service delivery partners need clear and comprehensive guidance which covers issues from how to achieve broad representation with a full and fair debate through to how to market events widely and evaluate the results.

So, the PB Unit will be publishing in the autumn, *Participatory Budgeting: Values, Principles and Standards*²⁴, which promotes the core standards underpinning participatory budgeting activities such as accessibility, transparency, inclusiveness and how to ensure proper deliberation. They have also issued a Toolkit for local authorities and community groups providing quality advice on implementation, in a flexible modular structure, with directions to further contacts.

The PB Unit will provide guidance on using participatory budgeting for public service budgets within local area agreements across government policies. The PB Unit’s website at www.participatorybudgeting.org.uk also includes thematic guidance, for example, on children and young people’s participation. Two other PB Unit guidance notes are particularly useful, *Bringing Budgets Alive*, and *Breathing Life into Democracy: The Power of PB* – both on their website.

The PB Unit is also working with the Consultation Institute and other training providers to develop national training programmes for local government, community groups, businesses and citizens. Information about these training programmes will be provided on the PB Unit’s website in due course.

²⁴ *Participatory Budgeting: Values, Principles and Standards*, consultation April 2008, issued by the Participatory Budgeting Unit.

Regulation and performance assessment

From 1 April 2009 the statutory Duty to Involve²⁵ will require best value authorities in England (except police authorities which are covered by similar duties) to “involve representatives of local persons”²⁶. Under the duty, best value authorities should consider, as a matter of course, the possible information provision, consultation and involvement opportunities they need to provide to people across all authority functions – this includes “harder to reach” sections of the community.

Following consultation, Communities and Local Government issued in July 2008 a statutory guidance underpinning this duty, *Creating Strong, Safe and Prosperous Communities*²⁷. This guidance highlights participatory budgeting as one mechanism which local authorities should consider as a way in which local people can influence or directly participate in decision making. We will work to promote activities such as participatory budgeting to assist with the duty; for example, through the non-statutory guidance on the duty which the Community Development Foundation will produce in spring 2009, and through the Network of Empowering Authorities’ (see page 28) programme led by the IDeA, which will promote improvement in empowerment practice.

We are working closely with the inspectorates to make sure that the Comprehensive Area Assessment (CAA)²⁸, evaluates the level and quality of public engagement in the improvement of local public services. The Use of Resources key lines of enquiry will examine whether councils engage local communities in the financial planning process, including the impact of mechanisms such as participatory budgeting.

Councillors may want to use their new powers to call for action to press for participatory budgeting²⁹. Communities themselves should also have ways to call for it, and be guaranteed a considered response. The White Paper proposed a new duty on local councils to respond to petitions, including petitioning for participatory budgeting. The Government proposes that if enough people sign a petition, it should be debated by the full council. Councils will set their own thresholds for triggering debates, but these thresholds should at most be 5 per cent of the local population.³⁰

²⁵ The duty is set out in Part 7 (section 138) of the Local Government and Public Involvement in Health Act 2007.

²⁶ Within the context of the duty the term “local persons” refers to anyone likely to be affected by, or interested in, a particular authority function. This covers both individuals and groups. The phrase “representatives of local persons” refers to a mix of “local persons” ie a selection of the individuals, groups or organisations the authority considers likely to be affected by, or have an interest in, the authority function. In the context of the duty the “representative” does not refer to formally elected or nominated members of the community, such as councillors.

²⁷ *Creating Strong, Safe and Prosperous Communities, Statutory Guidance*, Communities and Local Government, July 2008.

²⁸ The Comprehensive Area Assessment is the joint inspectorate assessment of performance and prospects for delivery by local authorities and their partners, which will be introduced from April 2009 as part of the new local performance framework.

²⁹ The Local Government and Public Involvement in Health Act 2007 empowered all councillors to refer local government matters for consideration by the relevant overview and scrutiny committees of their local authorities. The referral amounts to a ‘councillor call for action’ (CCfA).

³⁰ If petitioners are not satisfied with the council’s response, they could appeal to the overview and scrutiny committee which could, if they judge the response to be inadequate, recommend sending a more detailed response, or could trigger a full council debate.

Regional support

The Regional Empowerment Partnerships (REP) are made up of public and third sector groups concerned with promoting empowerment, and they work closely with Regional Improvement and Efficiency Partnerships, and GOs in each region. This co-ordinated approach is to help improve the quality and effectiveness of the use of empowerment tools and gathering evidence on the results.

Learning from the direct experience of local and regional neighbours is often the most compelling way for authorities to see the benefits. So, the PB Unit will establish a series of participatory budgeting “regional learning sets”, and explore how they could work alongside the REPs. These learning sets will engage local authorities and community groups with regional champions and to help spread best practice within and between regions. The learning sets will also help raise the knowledge and interest of local residents in participatory budgeting, providing a forum for communities to press for participatory budgeting.

We will involve the members of the Network of Empowering Authorities, the 18 local authority empowerment champions. Doing so will help share excellent practice between authorities and help influence the national development of good practice.

Community groups and capacity building

Community-based organisations play a central role in empowering individuals and groups, providing opportunities for people to engage with a range of activities, services and support facilities. In the context of participatory budgeting, such groups may have a variety of roles, from training and raising skills and contributing to the management of events to making proposals or participating in other ways. They can help participants to understand how public budgeting works. The government supports such groups in a range of ways:

- Community anchor organisations, supported by the Community Alliance³¹, help build stronger and more active communities, and offer a range of training and networking activities. These multi-purpose organisations also have an advocacy role for the communities they serve, including supporting those that want to influence services and policies. There is potential for such organisations to play an important role in helping groups and individuals engage with participatory budgeting structures
- Funded by the Office of the Third Sector (OTS), Capacitybuilders³² provides grants to networks of local and regional agencies supporting the third sector, helping to co-ordinate and deliver better support in communities. This support can help local groups and networks engage and participate more effectively at a local level.

³¹ The Community Alliance, a partnership of bassac, Community Matters and Development Trusts Association.

³² The Capacitybuilders, improving support for a stronger third sector: www.capacitybuilders.org.uk/content/WhoWeFund/Funding200811/RegionalSupportNetworks.aspx

The White Paper, *Communities in control*, announced a number of additional ways government proposes to support community groups. OTS has developed the Grassroots Grants programme³³ to, amongst other things, increase grant funding and capacity building support for voluntary and community groups. One of the aims of the Communitybuilders³⁴ programme is to support stronger community organisations so that they are better placed to provide more opportunities for wider community engagement including activities such as participatory budgeting.

Between 2008-2011, Defra is providing £10m funding to support the Rural Community Action Network. This funding will help Rural Community Councils to build capacity at grass roots level in rural communities across England, helping local groups to take forward national, regional and local policy issues, including participatory budgeting.

In addition to support for groups, the Take Part Local Pathfinder programme offers training and information about how to become an active citizen.

Councillors

Participatory budgeting must complement democratic institutions. Local councillors play a big part in approving and supporting participatory budgeting, often by chairing or helping facilitate events, explaining the impact of different options, and through monitoring and scrutiny. Local councillors play a key role as community champions, and as the conduit between the council and the local people. Activities such as participatory budgeting offer unique opportunities for councillors to connect with their ward communities, helping raise their profile and that of the council.

The independent Councillors Commission report, *Representing the Future*, recognised the importance of the modern councillor being a vital part of participatory as well as representative democracy. One of its recommendations (number 4) is that councillors should be given the tools to engage with new participatory activity in their unique position as the interface between the council and the local community. The LGA, IDeA and Leadership Centre are continuing to work on taking this agenda forward with the local government sector, and we welcome their proposals to identify a number of local authorities to lead and champion change, potentially on this and also other areas relating to support and improving representativeness. The Leadership Centre will be developing this programme with the support of LGA and Communities and Local Government, working with the political leadership of nine authorities representing the three main parties.

³³ See the Cabinet Office website at: www.cabinetoffice.gov.uk/third_sector/community_action/grassroots_grants.aspx.

³⁴ The Communitybuilders fund will be invested to help multi-purpose community organisations make a step change in their activities, for example, by helping provide spaces to meet, helping them to bid for and run local services and enterprises. The Fund is currently being established.

Case study

Keighley Decision Day, Bradford: bringing different people together

The participatory budgeting pilot in Keighley, run by Bradford Vision, the Local Strategic Partnership, made great efforts to get participation from different communities. In 2006, residents of seven deprived neighbourhoods in Keighley were invited to get engaged in allocating £130,000 of Neighbourhood Renewal Funds and Local Area Agreement funding.

Over 250 people attended the event to hear presentations on projects applying for funding and they voted to fully or partially fund 42 projects out of a total of 56. Those projects that were unsuccessful were signposted to alternative sources of funding.

The organisers were keenly aware of issues arising from over or under representation and implemented a number of measures to address it. They made use of long term engagement processes which ensured the engagement of different representative groups. These included the Neighbourhood Action Planning partnerships, comprising residents, elected members and service providers, which were already a key part of the local strategic partnership's Neighbourhood Renewal strategy. The event was organised so that each neighbourhood would receive a guaranteed amount of funding, adjusted for population, to guard against over-represented neighbourhoods receiving 'more than their fair share'.

The PB Unit's report, *Participatory Budgeting in the UK* recognised that the Bradford, Keighley project achieved good mix of ages, community groups and neighbourhoods amongst the participants.

This meant the event was socially inclusive, benefiting by:

- building and strengthening existing community groups and helping develop new ones
- instilling a greater sense of community ownership amongst participants, not only at the event but during implementation of the projects, and
- achieving a greater degree of understanding amongst participants of those from other social and community backgrounds.

“It just shows how sensible people are when there’s a finite resource but lots of different projects bidding for it – a wonderful event.”

Richard Wixey – Director of Environmental Services, Bradford Council (Bradford 2004)

Section 5

Learning from evaluation and research

Participatory budgeting is still a relatively new way for people to engage in local decisions in England, though there are already demonstrable benefits. The *Participatory Budgeting Unit’s evaluation of PB pilots*³⁵, and the IDeA report, *Joining in: participatory budgeting and local government*³⁶ (see Section 1, pages 12–13 of this strategy), present very useful insights into good practice, associated benefits and the reasons why projects succeeded.

This section explains how we will gather and disseminate research findings so that all those planning and delivering participatory events can learn from current initiatives and improve their own practice.

Rigorous and regular evaluation not only helps replicate best practice, but it teaches us what works and what does not, enabling us to refine practice and policy.

Amongst other things, evaluation needs to cover the level of delegation, how broad the participation was, what the role of elected members was, and how the project met its objectives. Evaluation will also help to measure the extent to which participatory budgeting increases the proportion of people who feel they can influence local decisions (a key public service agreement indicator for empowerment policies).

We will evaluate participatory budgeting on three levels:

Locally

It is important that all projects evaluate the process as an integral part of the exercise. The PB Unit is developing a common evaluation component to provide individual projects with a common approach to assessment and data collection, drawing on the findings and evidence from national evaluation. To help projects underpin activities with common high standards, the PB Unit has also developed a set of *Common Values, Principles and Standards* (see page 26).

³⁵ *Participatory Budgeting in the UK: an evaluation from a practitioner perspective*, report and research by Kezia Lavan, Economic and Social Research Council (ESRC), carried out for the Participatory Budgeting Unit.

³⁶ *Joining in: participatory budgeting and local government*, June 2008, research published by the IDeA and commissioned by Communities and Local Government.

Nationally

We have commissioned an independent national evaluation of how participatory budgeting is being implemented in England. This will be a comparative analysis of a variety of participatory budgeting projects and will explore the drivers of success and the importance of contextual factors. It will start to uncover the wider impacts and outcomes of participatory budgeting for communities. The evaluation should provide a clearer understanding of the costs, benefits and effectiveness of participatory budgeting, with evaluation tools and methods for practitioners to evaluate local activities. All this will link with work by the National Empowerment Partnership³⁷ to improve empowerment tools.

Internationally

We will identify participatory budgeting models and developments in other countries that have relevance to participatory budgeting in England. The PB Unit will provide information on international work so that we can learn from good practice and alternative approaches overseas.

Overall, the evaluation activities will help ensure the promotion of participatory budgeting is supported by an evidence base, and that good practice is used to improve the way participatory budgeting is delivered on the ground.

³⁷ The NEP is led by the Community Development Foundation and includes key organisations such as: the Local Government Association, the Improvement and Development Agency, the Academy for Sustainable Communities, the Community Development Exchange, Involve and the Take Part network. One of the roles of the NEP is to improve the quality, co-ordination and evidence gathering about empowerment tools such as participatory budgeting at a local level across England.



Case study

On the road to devolution in Salford

The local communities in Claremont & Weaste and East Salford proposed and prioritised projects for highways improvements.

The city council decided to devolve £800,000 worth of spending on highways improvements to eight community committees.

In 2007, the community committees for Claremont & Weaste and East Salford invited local people to tell them how to spend their £100,000 devolved budget using a participatory budgeting process. (East Salford combined two years' funding in 2008 to give a single pot of £200,000 to be decided by participatory budgeting).

The two committees sought to engage with a wider range of residents than would normally attend community committee meetings.

A second event was held in Claremont and Weaste in the 2008/9 financial year. Building on the lessons learnt from previous events, the number of residents taking part was increased and a far broader demographic engaged.

A learning event is planned to inform and encourage senior partners to become more involved in the process and to share good practice.

Annex A

Most common views expressed in the consultation

Generally:

Most supported the principles of participatory budgeting and welcomed the government's approach.

Consultation questions:

The consultation posed the following five broad questions:

- **Have we identified the correct work streams and actions to achieve the strategic objective of participatory budgeting to be used in all local authority areas by 2012, if not, what others would you suggest?**

Most thought the workstreams were appropriate. Many emphasised the importance of widely available clear guidance, good practice and learning from thorough-going evaluation (collection of evidence). Some highlighted the need for training council officials and councillors.

Some thought there is greater scope for use within neighbourhood level budgets, and for greater partnership working within the LSP (and for health and the police services); but some had concerns about using it for borough-wide or statutory services.

Generally local authorities wished for maximum flexibility, while many also requested more guidance about how it could work and ways to ensure accountability and reduce the risk of dominance by individuals or narrow interest groups.

A number requested extra funding for local authorities to start up projects, and stressed the need to obtain value for money engagement by, for example, avoiding establishing new structures, where existing ones can be adapted.

A number said it should be promoted as an important part of an overall engagement strategy, not stand alone.

A number of single-issue organisations were keen to ensure the proper participation of specific groups' participation in participatory budgeting, including rural participatory budgeting, women and young people; and a few responses promoted the benefits of using new media and ICT in the process or specific voting processes.

- **Do local authorities think they need any additional powers to engage with citizens on spending decisions in this way? If so, what should they be?**

The majority did not consider that further powers were necessary or desirable, other than the duty to involve and CAA policies coming in, in addition to the use which could be made of new requirements to consider petitions to request participatory budgeting.

A very few respondents suggested new powers might be necessary if the intention was to delegate spending powers to residents or community groups, but they had concerns about accountability and allowing flexibility within new powers.

- **What would incentivise local authorities to undertake participatory budgeting?**

The most commonly referred to incentive was start-up or reward funding; respondents also thought compelling evidence of benefits would incentivise participatory budgeting (in particular evidence of increased satisfaction with services, raised local voting levels and understanding or accepting higher council tax payment). Many also suggested further local authority flexibility with spending and fewer targets would help.

- **What would help community groups to engage in the process?**

Many respondents thought the training needs for facilitating and taking part in participatory budgeting needed more emphasis in the strategy. A number said guidance needed to promote simple and transparent processes appropriately tailored. The importance of working with key community anchor organisations was stressed.

- **What barriers are there to local authorities devolving parts of public budgets in this way?**

The following barriers were mentioned: reluctance of councillors and risk-averse councils; fear that the costs may outweigh the benefits; the need to make the 3 per cent efficiency saving reducing the scope; conflict between locality interest and borough-wide strategic planning; need to win the argument about how participation and representation can work together; lack of public awareness of public budgeting.

- **How can councillors be given a central role in the use of participatory budgeting?**

There is an overwhelming recognition of the central role councillors should play as community champions/advocates, serving as the conduit between the council and the community. Thus, respondents suggest they should be involved in PB by agreeing it, involved in design, Chair or facilitate events, and with the overview and scrutiny process. They can also present participatory budgeting in the wider context of an engagement strategy. A number of respondents emphasise the importance of training councillors on engagement. Use of back-bench councillor ward budgets should be

promoted for participatory budgeting, and the ideal position of parish level budgets and how the councillor can play into that.

More detailed list of types of responses and the Government's response is contained on the Communities and Local Government website at:

www.communities.gsi.gov.uk/communities/communityempowerment

Annex B

Number of respondents to the consultation

81 responses have been received (including report of the workshops).

Of these, 42 were from all types of local authorities (mainly county and borough, with some districts and a few parish councils):

Primary Care Trusts	2
Police authorities/forces	2
Local Strategic Partnership bodies	2
Government related agencies and NDPBs and associations and institutions (eg, Audit Commission, British Medical Association, Chartered Institute Public Finance and Accountancy (CIPFA) Royal Town Planning Institute)	14
Community sector	5
Ad hoc consultants, individuals etc	14

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