Community Choices Budgeting framework

**Policy Development**
To ask Leaders to consider and endorse the framework for the 1% of local government budgets that will be part of Community Choices (Participatory Budgeting) from 2020/21 and to note the appointment of the COSLA Participatory Budgeting Development Manager. The framework will not remove local discretion as to how the target is reached with there being no prescription as to whether it be through capital or revenue or what area of the local authority budget it may cover.

**Summary and Recommendations**
This paper highlights to Leaders that the framework has been developed collaboratively with Scottish Government officials, COSLA officers and Directors of Finance. The framework has been written so as to address the concerns previously raised by members and is intended to provide flexibility and choice by allowing for local decision making.

Leaders are invited to:

i. consider and endorse, as appropriate, the framework for the operation of Community Choices including the calculation and application of the 1% target;

ii. note the appointment of the Participatory Budgeting Development Manager; and

iii. agree that COSLA continues to lobby the Scottish Government for the 1% target to be extended across the whole of the public sector.

**References**
Previous reports covering
- Participatory Budgeting report to Community Wellbeing Executive Group November 2016

Simon Cameron
Development Manager
simonc@cosla.gov.uk
0131 474 9261

October 2017
Community Choices Budgeting framework

Policy Development

1. In their 2016 Election Manifesto, the SNP made a commitment to build on the recently implemented Community Empowerment Act to set “councils a target of having at least 1% of their budget subject to Community Choices budgeting by 2020/21.” Community Choices, better known globally as participatory budgeting (PB), is recognised as a way for local people to have a direct say in how public funds are used to address local needs. It is a method which when used alongside other models of community engagement and empowerment forms a wider strategic approach to advancing participatory democracy and strengthening local representative democracy.

2. At the Resources and Capacity and the Community and Wellbeing Executive Group meetings in November 2016, members noted the details of a meeting between Kevin Stewart, Minister for Local Government and Housing and Cllr David O’Neill and Cllr Kevin Keenan where they had discussed the 1% target and what could be considered as Community Choice. At the meeting, the COSLA delegation expressed concerns that the target would be a further restriction on local authorities under what are already challenging budgetary times. The key question of what 1% would look like, and whether it would cover total budgets including housing and income from charges, was raised.

3. On meeting with the Minister, the importance that the term ‘Community Choices’ should not be too prescriptive was emphasised and that it should allow for current activity around budget consultation and development to be encompassed within it. The Minister expressed a view that he did not want to be prescriptive and agreed that activities needed to be identified that would fit ‘Community Choices’ and that work already undertaken should be included. The Minister also indicated that the framework should have flexibility, local variation and take a light touch approach.

4. As such it was agreed by both sides that a framework for the 1% was required, and that there was an opportunity for local government to help shape and develop the target into one that is workable and not burdensome. COSLA officers have worked with Scottish Government officials and Directors of Finance to propose a framework which attempts to address both sides’ concerns and to deliver a level of autonomy that enables authorities to implement the process based on local need. This proposed framework is attached to this report at Appendix 1 for Leaders consideration.

Proposed framework

5. The proposed framework defines Community Choices as the term used in Scotland for PB and aims to set it as the enabler for active participation of citizens in local budget decision making. It sets out the Scottish Government’s expectation that elected members, senior officers, civil society and local communities will use PB to go beyond the current arrangements for consultation and engagement. In setting out this expectation it is also clear that how local authorities approach Community Choices / PB is for them to decide at a local level.
6. In developing the framework, considerable discussion has taken place at officer level over what is covered in the 1% target. The proposition set out in the attached framework states that:

\[
\text{1\% of budgets} = \text{total estimated expenditure for revenue* - assumed council tax intake.}'
\]

*as per the local government finance circular

7. The total estimated expenditure, as per the circular, excludes income from fees and charges and other funding streams that are provided to local government outwith the local government settlement. This was felt appropriate as in such cases these income streams are for specific initiatives which have their own guidelines. It was also argued that the target should exclude council tax as it is a local tax and therefore already directly and locally accountable. The Scottish Government accepted this and are content with the proposition for Leaders’ consideration. In line with this the total target figure across Scottish Local Authority budgets will be £95m per annum with individual local authority targets identified by using the local authority figures in the circular.

8. Leaders are asked to note that whilst this is the basis of calculating individual targets, there is local decision as to how the target is reached with no prescription as to whether this is capital or revenue or what area of the budget it may cover. It is also clear that it is not about identifying separate and/or additional resources. Instead it is about involving communities in the decision on current resources.

9. Subject to Leaders agreeing the proposed framework, local authorities will be supported to work towards achieving the target of 1% of their budgets subject to Community Choices / PB by the end of financial year 2020/21. The Scottish Government is looking for some light touch reporting and to ensure that it is light touch, it is proposed that reporting follows a similar process to that of the annual efficiency statements where councils report their figures to COSLA and COSLA collates these and provides a national figure to the Scottish Government.

Programme support

10. To support implementation and as part of the continued development of Participatory Budgeting, a Development Manager (Simon Cameron), has been appointed to work with local authorities in the development of this work. His main focus will be to develop a base of good practice material that addresses the challenges and opportunities members see and then develop informal guidance.

11. The Development Manager will work with authorities to develop and share guidance and good practice to enable local progress. This will be done through the creation of an officer group and an online portal to help ensure experiences and practice are shared effectively including through workshops. Individual local authority visits, offering support, will also take place.

12. Leaders may also be aware that the Scottish Government has created a £750k Community Choices Fund which was made available in 2016/17 and 2017/18. The purpose of this fund is to provide two streams of funding either match funding or supported funding. Match funding is targeted particularly at work in deprived areas and support directed towards the cost of capacity building within the organisation to mainstream and embed PB within the decision making culture of the organisation. To date 31 councils have been successful in receiving funding: 14 in 2016/17 and 17 in 2017/18. Appendix 2 sets out a flavour of the types of activity taking place.
13. Local authorities have highlighted the benefits of having this fund to support the establishment of the process but are concerned that there is no further commitment from Scottish Government regarding this resource beyond 2017/18.

**Wider public sector application**

14. At the initial meeting with the Minister, COSLA also expressed concern that this requirement was solely focussed on local government and that there should be a wider requirement placed on all community planning partners. To date the requirement remains narrowly on local government.

15. Therefore, in agreeing this framework, Leaders are also asked to agree that COSLA continues to seek commitment from Scottish Government that the scope and requirement is extended across the public sector.

**Summary**

16. The Community Choices framework sets out a definition of what PB in Scotland is and what 1% of local authority budgets looks like. It provides local flexibility to adopt and adapt the process as part of current activity or future practice.

17. Leaders are invited to note the update and endorse the attached framework.

*COSLA*  
*October 2017*
Appendix 1:

Community Choices Budgeting
Framework for the operation of the 1% target for Local Authorities

1. Introduction

The Scottish Government and Local Government have a shared vision for communities to have greater participation in decision making. One way in which to do this is to involve people and communities in funding decisions which should ultimately achieve better outcomes. Included in the 2016/17 programme for government was a commitment from Scottish Government to work in partnership with local government, to have at least 1% of local authority budgets subject to Community Choices budgeting.

Community Choices budgeting, better known worldwide as participatory budgeting, is recognised internationally as a way for local people to have a direct say in how public funds can be used to address local needs. It is one method which can be used alongside other models of community engagement and empowerment as part of a wider strategic approach to advancing participatory democracy.

This Framework Document has been drawn up collaboratively by the Scottish Government and COSLA to provide a high level guidance for local authorities on how to deliver the target set out in the programme for government.

2. Definition of Community Choices Budgeting

Community Choices budgeting is the term used in Scotland for participatory budgeting which enables the active participation of community voices in local financial decision making. Community Choices is defined as:

‘Community Choices budgeting supports a democratic and engaged citizenship by enabling local people to have a direct say in how a defined public budget can be used to address their priorities. It is one method of community engagement that can be used alongside other models of empowerment as part of a wider approach to advancing participatory democracy.’
3. What is Community Choices Budgeting?

Successful Community Choices budgeting requires political will, buy-in from senior management, interest from civil society and the local community, a defined budget, clarity of purpose and a clear definition of the rules. It goes beyond traditional consultation or including community representation on a decision making panel. The essence is about community cohesion, raising awareness, making connections and having a participative role in financial decision making that is deliberative and binding. As a consequence, its impact can be significantly greater and in particular if it is linked strategically to local action plans. As Community Choices budgeting can take many shapes and forms and covers a range of mechanisms, different Community Choices budgeting models exist. Therefore flexibility of approach is left to individual local authorities. As a starting point two Guides are recommended for further reference.

The first is the Grant Making through Participatory Budgeting – A ‘How to’ Guide for Community Led Organisations and community engagement workers (September 2016). It provides a step by step guide and a number of supporting templates to run a small projects process. The Guide is available at: Grant Making - How to Guide

The second is the Mainstreaming Participatory Budgeting - Ideas for Delivering Participatory Budgeting at Scale (October 2016). The Guide is designed to help better understand the issues of mainstreaming and to develop Community Choices models that work within each unique context. It includes an indication of the commissioning cycle, a budget matrix, the advantages and challenges of a number of approaches, a key set of principles and useful links to further information. The Guide is available at: Mainstreaming Ideas Guide

4. Budget

The Community Choices budgeting target is not necessarily about local authorities identifying a separate and/or additional resource. It is principally about involving communities in decisions regarding existing resources. The 1% is the minimum target set and can be made up of revenue and capital expenditure. It is for local authorities to decide how to take forward Community Choices budgeting at a local level to reach the target. To ensure a shared understanding of the 1% target, this is defined as ‘total estimated expenditure for revenue, as per the local government finance circular, less
assumed council tax intake. It is considered reasonable to exclude council tax as it is a local tax and therefore already directly and locally accountable.

5. Costs
There are financial costs associated with running meaningful and sustainable Community Choices budgeting but these vary from initiative to initiative. As a guide, costs could include staff, venue, promotion and evaluation. Local government is well placed to support this with its network of facilities and communication channels. There is also the possibility of increased costs associated with the outcome chosen by Communities for the benefit of the community. For example without clear parameters on available resources, a Community may design a more complicated contract or other aspect that requires additional on-going officer support from the council. With clear parameters, communities can help in the redesign and specification of services within available resources.

There are also a number of wider benefits to local democracy associated with running Community Choices budgeting. It can help improve the democratic process by widening participation and re-invigorating the role of local authorities, local councillors and civil society. It can contribute to the effectiveness of public spending by improving the way money is invested by increasing the knowledge available to the local authority when undertaking service planning. It also has the potential to strengthen the community and voluntary sectors by increasing the number of people taking part in local democratic processes. More information about the benefits of Community Choices budgeting can be found on the PB Scotland website www.pbscotland.scot.

6. Timescale
The 2016/17 Programme for Government commitment does not set a timescale. The expectation from the Scottish Government is that the target of having at least 1% of local authority budgets subject to Community Choices budgeting should be reached by the end of this session of the Scottish Parliament, that is the end of the financial year 2020/21. While it is recognised that many councils are already engaged in Community Choices budgeting, the planning and design of how councils will meet the target should be started at the earliest opportunity.
7. Reporting
For appropriate monitoring local authorities will complete a high-level pro-forma and return it to COSLA on an annual basis. COSLA will collate the information and report a global figure for local government to the Scottish Government on an annual basis.
## Appendix 2:
Community Choices fund 2017/18

<table>
<thead>
<tr>
<th>Council</th>
<th>Project Title</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argyll &amp; Bute Council</td>
<td>Your Community, Your Choice</td>
<td>Support funding for a digital PB vote to allocate £98,000 of the council's Supporting Communities Fund by community vote</td>
</tr>
<tr>
<td>Dumfries &amp; Galloway Council</td>
<td>People Preventing Poverty</td>
<td>Support Costs only to run PB projects using £80,000 from the Tackling Poverty Development Fund.</td>
</tr>
<tr>
<td>Dundee City Council</td>
<td>Engage Dundee, Community Choices</td>
<td>Support costs to run PB activity across the 8 localities to allocate £1.2 million mainstream community infrastructure funds including digital support costs.</td>
</tr>
<tr>
<td>East Ayrshire Council</td>
<td>Communities at the heart of everything we do</td>
<td>Vibrant Communities will work CPPs to coproduce 6 thematic PB events with communities across the 3 Locality areas of the Northern, Southern and the Kilmarnock Localities.</td>
</tr>
<tr>
<td>East Lothian Council</td>
<td>Your Money, Your Choice – the People of East Lothian Decide</td>
<td>Will run PB events in 5 areas in East Lothian with a focus on working with young people and schools supported by the council and partners such as the development trust</td>
</tr>
<tr>
<td>East Renfrewshire Council</td>
<td>East Ren Decides</td>
<td>Will run PB programmes in two areas of Barrhead to include the themes of community safety, transport, health and wellbeing, parks and the local environment.</td>
</tr>
<tr>
<td>Edinburgh City Council</td>
<td>City of Edinburgh PB Programme</td>
<td>Capacity building city wide for an Edinburgh PB Champions Programme to support mainstreaming and £20k match funding for an PB employability initiative event for young people</td>
</tr>
<tr>
<td>Glasgow City Council</td>
<td>Developing Glasgow’s Mainstreaming Approach to Participatory Budgeting</td>
<td>Capacity building programme for staff, community planning partners, Community Councillors, elected members and community members to mainstream PB</td>
</tr>
<tr>
<td>Highland Council</td>
<td>Highland Decides</td>
<td>Will deliver 3 separate Multi Member Ward events in wards that have not yet engaged in PB in partnership with the CPP.</td>
</tr>
<tr>
<td>Midlothian Council</td>
<td>Participate in reducing the cost of the school day</td>
<td>Will work with children, parents, schools and the wider community to reduce the inequalities occurred because of the cost of the school day using PB to work with 11 primary schools Mayfield, Woodburn, and Gorebridge</td>
</tr>
<tr>
<td>North Ayrshire on behalf of Community Planning Partnership</td>
<td>Your Money, You Decide</td>
<td>Support costs only to run 6 locality PB events and 6 Youth Community Choices events. £90k match funding was applied for but support only offered to help with the council's mainstreaming agenda.</td>
</tr>
<tr>
<td>Perth and Kinross Council</td>
<td>Everybody Matters</td>
<td>A community grants PB programme for local groups via 5 Local Action Partnerships and training and support for staff and communities on decision making for mainstream budget allocations, including a pilot project.</td>
</tr>
<tr>
<td>Council</td>
<td>Program/Initiative</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Renfrewshire Council</td>
<td>Our Renfrewshire: Community Choices</td>
<td>Support costs only for PB projects to enable people in the North Paisley, Johnstone and Foxbar to take decisions about services and projects leading to better health, employment, skills and safety outcomes. Providing £10k for support costs only as a new council willing to use a reasonably high proportion of their budgets for PB.</td>
</tr>
<tr>
<td>South Ayrshire Council - We said we did</td>
<td>Ayr North and Girvan Decides. We said-we did</td>
<td>Will deliver 2 PB events in Ayr North and South Carrick with match funding from the council and the health and social care partnership.</td>
</tr>
<tr>
<td>South Lanarkshire Council</td>
<td>Community Choices - People and Places Participate</td>
<td>Will run PB programmes in partnership with Community Links South Lanarkshire in three areas Burnbank, Hillhouse and Udston.</td>
</tr>
<tr>
<td>Stirling Council</td>
<td>Stirling: Your community-your budget-your decision</td>
<td>PB programmes with a mainstream approach mainly to involve local communities in the co-design of services giving communities a real ability to design, prioritise and deliver a full range of options- from infrastructure priorities to cultural programmes; local economic development to social care provision.</td>
</tr>
<tr>
<td>West Dunbartonshire Council</td>
<td>Community Budgeting</td>
<td>Support costs only for peer learning and staff training/development to allow the Council to embed PB as a model of participation and empowerment throughout services. Also to support diverse communities (17 neighbourhoods) to ensure engagement with as broad a range of residents as possible.</td>
</tr>
</tbody>
</table>