

Participatory Budgeting

Purpose

1. To advise the Executive Group of a meeting between Kevin Stewart MSP, COSLA President Cllr David O'Neill and Cllr Kevin Keenan on Participatory Budgeting, in particular the Programme for Government's commitment that 1% target for Local Authority Budgets are to be subject to Community Choices.

Recommendations

2. The Executive Group is invited to;
 - i. Note the discussion at the Ministerial meeting regarding a target of 1% of Local Authority budgets subject to Community Choices;
 - ii. Note that COSLA officers will work with Scottish Government officials and Directors of Finance to draft a framework for the operation of Community Choices within the 1% target;
 - iii. Note that once developed, the Executive Group will be invited to consider and politically endorse the framework for Community Choices; and
 - iv. Provide a steer to COSLA officers and inform the officer group discussions.

Background

3. Members may be aware that participatory budgeting was an issue which was raised during the Scottish Government's consultation regarding Community Empowerment back in 2013 and was something that was particularly being championed by the third sector. However, in the end participatory budgeting was not included in the Community Empowerment (Scotland) Act 2015.
4. However, in their 2016 Scottish Parliamentary Election Manifesto, the SNP made a commitment to build on the recent Community Empowerment legislation by "*Setting councils a target of having at least 1 per cent of their budget subject to Community Choices budgeting. This will be backed by the Community Choices Fund to help public bodies and community groups build on examples of best practice.*"
5. Community Choices is essentially a new branding of the term Participatory Budgeting, which is recognised as a way for local people to have a direct say in how, and where, public funds can be used to address local requirements. Different PB models exist, although it normally involves members of the community deciding through a voting process how to spend part of the budget of a public agency and in particular a council.
6. This issue has previously been considered by the COSLA Resources & Capacity Executive Group. At their meeting in September, the Executive Group expressed a significant degree of nervousness around the proposals and strongly articulated that there was not enough information contained in the proposal for them to take a view at this time. In particular, the Executive Group questioned what 1% of the budget would look like and whether this included Capital, Revenue or indeed total budget or the elements of the budget where local discretion existed.
7. In terms of Community Choices, members stressed the volume and variety of budget consultation that is already in place in councils and emphasised the importance of

ensuring that the term 'Community Choices' is not overly prescriptive and encompasses current activity. The issue of governance was also raised, with members noting that they have a duty to ensure best value and value for money and questioning how this would sit alongside such obligations. The Executive Group therefore remitted COSLA officers to work with Scottish Government officers to understand the detail around both the 1% target and what is considered as Community Choice.

8. COSLA officers contacted Scottish Government officials seeking further clarity. In an initial officer discussion, Scottish Government officials stated that Ministers did not envisage the target being a legislative commitment and would prefer to work in partnership with local government to achieve this. In terms of timescales, officials indicated that Ministers would like to reach the target before the end of this Parliamentary term, with solid progress clearly visible within three years.
9. However, when COSLA officers sought further clarity from Scottish Government officials, somewhat unexpectedly, the Minister for Local Government and Housing, Kevin Stewart MSP requested a meeting with COSLA President, Cllr David O'Neill and Resources & Capacity Spokesperson, Cllr Kevin Kennan, to discuss the target.

Ministerial Meeting

10. Cllr O'Neill and Cllr Keenan met with the Minister on the 2nd November and took the opportunity to relay the views of the Executive Group, and in particular the nervousness around potential prescription of participatory budgeting and the lack of clarity on the target itself. In response, the Minister stated that he was aware of the good participatory budgeting work already taking place across the country and he wished to work in partnership with local government to develop this.
11. As discussions progressed, it became clear that the Minister does not have any immediate firm proposals in defining either the 1% target or Community Choices. Indeed, upon raising the questions identified by both the Executive Group and Directors of Finance in September the Minister didn't have any additional information to provide.
12. In discussing the question of whether the 1% target consisted of total budget, Capital, Revenue or both, the Minister noted that most of the international experience of Participatory Budgeting has focused on Capital Budgets, but that he was more minded to look at Revenue budgets. However, that said, Mr Stewart was very clear that he did not want to be prescriptive and understood the need for flexibility and to reflect local variation and choice. Additionally, the Minister was firmly of the view that any reporting mechanisms should be light touch and not create additional bureaucracy. It was agreed that further detail is required to determine;
 - Is it 1% of total budget?
 - Does this include Capital, Revenue or both?
 - Does this include ring-fenced budgets or only budgets where there is discretionary spend?
 - What will the light-touch monitoring requirements be?
13. The term Community Choices was also discussed at the meeting, with the local government side highlighting the variety of work currently undertaken by councils which involve communities in budgeting decisions. The Minister again emphasised that he did not wish to be overly prescriptive and cited a recent example of a collaborative exercise in the Western Isles involving bus services which, while not a traditional PB approach, he felt was a successful example of the type of activity he would consider Community Choices. It was agreed that further detail is required to determine;
 - What activities are considered to be 'Community Choices' and contribute to the 1% target?

- How do we include work, such as consultation exercises on budgets and service delivery, already undertaken by local authorities to be included?
- Do local Community Choices conflict with or support the national policy direction?
- How will Community Choices operate within the legal governance and best value requirements that local authorities are subject to?

While the discussion was positive, both sides recognised that detail on both the 1% and what is considered as Community Choice is required as outlined above.

Next Steps

14. It was agreed therefore that Scottish Government and COSLA officials would work together to establish an officer group to scope out a framework for the operation of the target. In particular, the framework will define how the 1% target is comprised and provide clarity and detail around what would be considered to be Community Choice. The group will also involve Local Authority Directors of Finance to provide a practitioner perspective and ensure that the framework developed is workable at Local Authority level.
15. Members are asked to note that once developed, the Executive Group will be invited to consider and politically endorse a framework for 1% of local government budgets being subject to Community Choices.
16. Given the Minister clearly indicated that the framework needs to reflect flexibility, local variation, take a light touch approach and not be prescriptive, this is a real opportunity for local government to help shape and develop the target into one that is workable and not burdensome for Local Authorities.
17. On that basis, COSLA officers would welcome the views of members in order to inform the officer group discussions. In particular, while members of the Resources & Capacity Executive Group have focused on the make-up of the 1% target, officers are keen to hear from the Community Wellbeing Executive Group on what should be considered as 'Community Choices'. However, officers would welcome comments on any of the issues raised in this report.

Conclusion

18. This report informs Executive Group members of the approach from Scottish Government regarding participatory budgeting proposals contained in the Programme for Government and how Ministers wish to see this taken forward. It also updates the group on the Ministerial meeting that took place regarding participatory budgeting and the resulting agreement that an officer group is to be established to draft a framework for the target of 1% of Local Authority budgets to be subject to Community Choices. It seeks a steer from members as to the flexibilities required within a framework and notes that once developed, the framework will be taken back to the Executive Group for consideration and political endorsement.

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December 2016