



Community Choices: Participatory Budgeting in Scotland

Framework for the operation of the 1% target for Local Authorities (2021 Update)

1. Introduction

In 2017 Scottish Local Government committed to the Community Choices 1% Framework Agreement whereby at least 1% of local government budgets will be subject to participatory budgeting (PB) by the end of 2021. This agreement and timeline have been revised to recognise the impact of the COVID-19 pandemic upon local government, people, and communities.

During 2020/21 most planned PB activity across councils was directly impacted by the work needed to respond to the pandemic, resulting in delays in meeting the target. Whilst the target to allocate at least 1% via PB remains, there is a degree of flexibility available to councils as to when they can practicably meet it. Local authorities will report upon progress for the 2020/21 year in August 2021.

Local and national government remain committed to exceeding the target while adhering to the principles of PB required to empower communities. This commitment will see Mainstream PB embedded across service areas and progress beyond 1% in coming years.

To review progress towards meeting the target, councils should complete the monitoring pro-forma annually, commencing 2020/21. COSLA will report an aggregated global figure for Mainstream PB in Scotland to demonstrate progress towards the target.

This framework sets out that, done well, and using key participation principles, the longer-term strategic aim of community empowerment and public sector reform can be achieved by allocating resources to the areas of priority need. Participation in local decisions will ensure greater control to people and communities over decisions that affect their lives. Enhanced participation of key groups will also help ensure that existing inequalities are fully recognised in community empowerment, service design and delivery. Decisions rooted in priorities identified by local communities is a key recommendation from the [Local Government Blueprint](#) to strengthen local democracy.

This framework is redrafted subsequent to a central recommendation from the Social Renewal Advisory Board's call on the public sector to give more control to people and communities over the decisions that affect their lives, with increased participation and decision-making as close to communities as possible. It has been drawn up collaboratively by COSLA and the Scottish Government.

2. What is participatory budgeting (PB)?

Community Choices is the term used in Scotland for participatory budgeting. PB enables the active participation of community voices in local financial decision making. PB 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 Mainstream PB?

Mainstream PB enables the direct participation of citizens' voices in local financial decision making, resource allocation and service design. This moves beyond allocating individual budgets, also known as small grants PB, or identifying separate budgets for community engagement and consultation, towards mainstreaming PB within decisions on the allocation of existing resources across all council services. It can be used alongside other models of community engagement as part of strategic approach to advancing participatory democracy alongside representative democracy and public sector reform.

There are also several wider benefits to local democracy associated with running mainstream participatory 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.

PB should be empowering of local communities, inclusive of diverse groups, focused upon dialogue and deliberation as part of decision making and result in meaningful outcomes for local communities and people.



The [PB Charter for Scotland](#) sets out seven key features showing what a high quality PB process should look like. It aims to ensure PB is fair and inclusive, participatory, deliberative, empowering, creative and flexible, transparent and becomes part of our democracy. More information about the benefits of PB can be found on www.pbscotland.scot

A COSLA and Democratic Society film to highlight and promote mainstream participatory budgeting can be viewed [here](#).

4. Principles of Mainstream PB

The fundamental principle of Mainstream PB, and what sets it apart from other forms of community engagement and budget consultation, is that decision making must lie with the people and communities who will be directly affected by the service area or budget.

Shifting the focus of PB from small grants models towards mainstreaming requires the integration of key elements and principles. Mainstream PB can take many shapes and forms and cover a range of approaches, priority areas and purposes, therefore flexibility of approach is left to individual authorities and councillors based on local priorities and need.

It may be useful to consider some initial questions when considering the focus and purpose of Mainstream PB; either as a whole council approach or tailored to individual projects. These key questions should be addressed regardless of the service or the budget allocated. They are fundamental in determining:

- What is the purpose of using a PB approach?
- What priorities have been identified by local communities?
- What is the scope of the project?
- Who are the strategic and community partners?
- What is the council seeking to achieve?
- What are the desired outcomes and/or objectives?
- What difference will PB make to people's lives?
- How will the activity address inequalities and overcome barriers to participation?

Mainstream PB goes beyond traditional consultation or including community representation on a decision-making panel. The involvement of strategic and community partners should happen as early as possible to embed an equalities approach within the project design. As a result, the scope and intended outcomes of PB activity may evolve over time, however clear communication and consensus building on the purpose, scope, and benefits of Mainstream PB will ensure this happens in partnership with the local community. It should seek to achieve and include:



Consequently, Mainstream PB's impact can be significantly greater if it is linked strategically to existing corporate, strategic and / or locality plans.

5. Arriving at the target

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 PB at a local level to reach the target. PB approaches can be a combination of mainstream and small grants which count towards 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.]
- Calculate 1% of this remaining figure to arrive the target

For example, Council A:

- Estimated expenditure for revenue: £599,889,000
- Less Assumed council tax intake of £97,845,000
- Total: £502,044,000
- 1% target = £5,020,440

The Local Government Finance Circular for 21/22, which contains all the information required to calculate each council's notional target, can be found [here](#).

5. Resourcing PB

There are financial costs associated with running meaningful and sustainable PB. The duty of Best Value can be met by ensuring participation in good governance and effective management of resources, with a focus on improvement, to deliver the best possible outcomes for the public.

As a guide, costs could include staff, venue/digital platforms, promotion, and evaluation. Local government is well placed to support this with its network of facilities and communication channels.

Under existing statutory duties local authorities should take steps to ensure that any planned engagement is accessible and considers how barriers to participation can be overcome. The outcomes of Mainstream PB activity should also pay due regard to fulfilling existing equalities duties such as the Public Sector Equality Duty highlighted in '[Evaluation of participatory budgeting activity in Scotland 2016-2018](#)' by Glasgow Caledonian University, the Fairer Scotland Duty (2018) and the Islands Act (2018) via project outcomes. Resourcing engagement, as set out under the Community Empowerment (Scotland) Act 2015 should also be a key strategic priority for how councils conduct day-to-day business.

Reviewing where existing statutory duties to participate and engage with communities already exists, provide a useful starting point to integrate Mainstream PB.

Councils should draw upon existing internal resources (e.g., digital and communications) and partnership arrangements with external agencies e.g., Health and Social Care Partnerships, Community Planning Partnerships. Communities and the voluntary sector can also make an important contribution. With clear parameters, communities can help in the design/re-design and specification of services within available resources.

6. Timescale

The original 1% Framework Agreement placed an expectation on Local Government to have at least 1% of local authority budgets subject to PB by the end of the 2020/21 financial year. This renewed Framework Agreement recognises the challenges and delays many councils have experienced as a result of the COVID-19 pandemic. Where councils require flexibility to meet the target it is expected that progress towards the 1% will be demonstrated through annual completion of the reporting pro-forma.

7. Reporting

For appropriate monitoring local authorities will complete high-level pro-forma and return it to COSLA on an annual basis. This proforma has been drafted with input from Local Authority Finance Officers. COSLA will collate the information and report a global figure for Local Government to the Scottish Government on an annual basis.