

Participatory Budgeting mainstreaming activity

Policy Development

The Scottish Government's "Programme for Government" contained a commitment to a target of 1% of local government's budgets should be subject to participatory budgeting by the end of the Scottish Parliamentary term. Discussions over how this would work in practice have been open and flexible.

The report covers the framework drafted by COSLA, the Directors of Finance and the Scottish Government. It also covers the work plan of COSLA's Participatory Budgeting Development Manager who is funded by the Scottish Government to support mainstreaming activity. The item also seeks comments and possible endorsement of the Improvement Service members' briefing on the subject.

Summary and Recommendations

This paper highlights the expected endorsement of the 1% framework by Leaders which provides flexibility and choice for local decision making to embed mainstream PB .

The paper invites Board members to:

- i. Note the framework for the operation of Community Choices within the 1% target for 2021;
- ii. Note the work plan of the Participatory Budgeting Development Manager;
- iii. Consider and provide comment on the Elected Members briefing; and
- iv. In principle endorse the Elected Members briefing mandating the Spokesperson to sign off a final version.

References

Previous reports covering

- Participatory Budgeting report to Community Wellbeing Executive Group November 2016
- Community Choices Budgeting 1% framework agreement report to Leaders October 2017

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Policy Development

1. The COSLA endorsed Report of the Commission on Strengthening Local Democracy (2014) stated that participatory budgeting was seen as becoming ‘the standard by which [participation in decision making] is delivered in Scotland’. In the Programme for Government 2017 the Scottish Government included a commitment to extend the community engagement strands of action outlined in the Community Empowerment Act, by giving *“councils a target of having at least 1% of their budget subject to Community Choices budgeting.”*
2. 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 in local decision making and strengthening local representative democracy.
3. In October 2017, Leaders considered and were asked to endorse a framework which would help develop our joint agreement to work towards this target, without the need for any legislation. It provided an opportunity for local government to shape and develop the approach into one that is workable and not burdensome. COSLA officers worked with Scottish Government officials and Directors of Finance to deliver an acceptable framework addressing all sides’ concerns and to deliver a level of autonomy that enables authorities to implement the process based on local need.
4. As part of the development of Participatory Budgeting a Development Manager (Simon Cameron) has been appointed to support members and local authorities to develop this work. His main focus is to develop a base of good practice material that addresses the challenges and opportunities members see and then develop informal guidance.

Current COSLA Position

5. The Framework (appendix 1) defines Community Choices as the term used in Scotland for PB and sets PB as the enabler for active participation of citizens in local decision making. It establishes a shared expectation that elected members, senior officers, civil society and local communities will use PB to go beyond the current arrangements for consultation and engagement. The Framework sets out that, done well, and within set rules, the longer term strategic aim of public sector reform can be achieved by applying spend to the greatest areas of need, where social cohesion can be developed or maintained. Actively involving local people can make them less passive consumers of public services and more supportive of new models of delivery. It is clear that how councils approach mainstreaming PB is for them to decide at a local level.
6. The 1% of budgets is defined as ‘total estimated expenditure for revenue, as per the local government finance circular, less assumed council tax intake.’ Council tax has been excluded as it is a local tax and already directly and locally accountable in its dispersal. The total target figure across Scottish Local Authority budgets is £95m, to be applied pro-rata. It will be up to individual councils to decide what service(s) PB is applied to. There is no prescription as to whether this is capital or revenue. All sides

agree that this degree of discretion is key to embedding a mainstream approach. It is clear that it is not about creating separate or additional resources. Instead it is about involving communities and individuals in decisions over how current resources are spent locally.

What is changing?

7. Councils will be supported by COSLA to work towards achieving a target of 1% of their budgets subject to PB by the end of financial year 2020/21. There will be light touch reporting in line with efficiency statements on an annual basis.

Proposed COSLA Position and Next Steps

8. COSLA is committed to ensuring local democracy is strengthened. The framework now provides the flexibility required to enable Councils to develop and implement participatory budgeting as part mainstream decision making over the next 4 years.
9. COSLA will work with member authorities to develop and share good practice and possibly develop guidance to enable local level development. This will be done through the creation of an officers group and an online portal to ensure experiences & practice are shared effectively.
10. All authorities have received correspondence from the Development Manager to arrange appropriate discussions at a local level with members and senior officers to understand the local context. The intention is to gather views on the opportunities and challenges. COSLA is also wishing to seek appropriate representation on a working group from across services. Its purpose will be to draft a framework and governance structure that can support mainstreaming activity.
11. If participation in decision making is to be meaningful we will need to see this process rolled out to all parts of the public sector. Councils will need to work with Community Planning Partners where thematic work is already taking place. To energise PB the Scottish Government needs to take part and encourage or even instruct its non-departmental public bodies to do so too. .
12. Audit Scotland are wanting to ensure they can support activity through a focus on outcomes and what evaluation of this can look like. They will likely to good practice and guidance material to inform their approach which may well extend to other parts of the public and third sector partners.
13. Across Scotland we have seen strong examples of partnership approaches to PB focusing on a small grants model (the PB Scotland website highlights work going on across the country visit <https://pbscotland.scot/map>). The opportunity exists to build on these areas of good practice and the skills base that is developing to broaden out PB to a mainstream model where communities are involved in decisions that are service delivery focused.
14. There is currently an incomplete picture across Scotland with not all Councils engaged with PB. To drive uptake a draft members briefing (appendix 2) has been produced with the Improvement Service, PB Partners and Scottish Government. It promotes PB and highlights the benefits to both representative and participatory democracy. The paper acknowledges key challenges as well as opportunities.

Summary and Recommendations

15. 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.

16. Board members are asked to note and provide comment on the direction of travel of the Development Manager Role.
17. Board members are asked to provide comment on the briefing paper and endorse it for publication.

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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:

The Improvement Service

ELECTED MEMBER BRIEFING NOTE

Participatory Budgeting

2017



About this briefingnote

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

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

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



What is Participatory Budgeting?

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

PB is recognised internationally as a way for local people to have a direct say in how, and where, public funds can be used to address local needs. PB empowers citizens, builds trust in democracy and can improve the way public money is spent. It has been best described as: 'If it feels like we've decided, it's PB. If it feels like someone else has decided, it isn't'.

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

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

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

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

A key outcome of PB is to deliver services more efficiently, as service delivery programmes will be based on a clearer understanding of residents' needs and priorities. Over time the proposals emerging from communities are also likely to improve as understanding of what can be achieved matures.

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



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

Why use PB?

“Democratic power should be delivered from communities up, not drip down from above. Democratic innovations such as ... participatory budgeting ... should ... become the standard by which [participation in decision making] is delivered in Scotland.”

The Commission for Strengthening Local Democracy, 2014.

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

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

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



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

The City of Edinburgh Council has produced a series of videos outlining the benefits of PB for projects, communities and democracy. <https://pbscotland.scot/resources-1/2017/6/14/participatory-budgeting-in-edinburgh>

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

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

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

The role of elected members with PB?

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

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

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

What does good practice look like?

Many areas within Scotland have explored how the small grant giving model of PB can support local communities and improve neighbourhood working. Many examples appear on the PB Scotland website www.pbscotland.scot

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

Below are some examples taken from the PB Scotland website:

Case studies: Scotland

Grant giving model:

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



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

13 projects were successful and are being funded through this PB process. All bids evidence how money will be spent eradicating Islamophobia or associated prejudice behaviour in Edinburgh, the projects aim to foster good relations and/or reduce prejudice. There are plans underway to repeat and extend PB, with a focus on community safety in the Edinburgh area.
<http://www.scotland.police.uk/contact-us/hate-crime-and-third-party-reporting/shared-vision-your-decision-islamophobia-edinburgh-project>

Maintreaming model:

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

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



Comhairle nan Eilean Siar

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

In the longer term, the participatory budget methodology will enable communities to become more involved in determining the outcomes of other aspects of service delivery. Benefits from the process are the community has gained an understanding of public sector procurement processes and suppliers are able to respond to public demand more easily. (<http://www.innovationexchange.scot/wi-uist-and-barra-public-bus-redesign-project.html>).

International examples of PB:

Paris:

Launched in 2014, Paris implements a successful method of citizen participation. Ideas are developed and submitted on an internet platform by residents or groups of residents. In 2015, Parisians submitted over 5,000 projects. In 2014, the first year of its operation, over 40,000 Parisians chose 9 winning projects at a cost of 17,7 million €.

In 2015, this increased to nearly 67,000 participants. They selected 8 projects for Paris as a whole and 180 projects for arondissements (city districts). The Paris projects and the arondissements in 2015 represent an allocated budget of around 67 million Euro. Equivalent to about £57m at January 2017 rates. (<https://pbnetwork.org.uk/participatory-budgeting-what-are-parisians-dreaming-about/>).

More UK and international examples can be found on the PB network website: www.pbnetwork.org.uk

The UK PB Network list these following principles as good standards for PB:

The UK PB network list these following principles for PB:

1. Local Ownership: Residents should be involved in setting budget priorities and identifying projects for public spend in their area wherever possible.

2. Direct Involvement: PB should involve direct as well as representative engagement.

3. Support for representative democracy: Participation mechanisms such as PB should be seen as supporting representative democracy rather than undermining it. PB can increase citizens' trust of councillors and boost the role of ward councillors.

4. Mainstream Involvement: Over time PB processes should move towards residents being involved in decisions over mainstream budgets (as opposed to only small grants processes).

5. Accessibility: Participants must have good and clear access to PB processes.

6. Transparency: PB processes are designed to give citizens full and clear knowledge of public budgets in their area, even those over which they do not have a direct say.

7. Deliberation: PB processes should take citizens beyond personal choice and involve real deliberation around budget decisions

8. Empowerment: Citizens, officers, councillors and partners should plan and lead PB events together, demonstrating local people's empowerment.

9. Shared responsibility: PB should build common purpose and a commitment from all stakeholders.

The full 2009 version of PB network Values, Principles and Standards are available at:

<https://pbnetwork.org.uk>

See <https://pbnetwork.org.uk/tackling-islamophobia-in-edinburgh-building-bridges-not-walls> accessed April 2017.

See <https://pbnetwork.org.uk/> and <https://pbscotland.scot/> accessed April 2017

See <http://whatworksscotland.ac.uk/publications/review-of-first-generation-participatory-budgeting-in-scotland/> accessed April 2017

Key challenges for consideration

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

Some of these challenges include:

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

With limited resources and concerns about the withdrawal of cherished services there is a concern that vested interests will try to unfairly influence the opening up of decision-making.

Questions such as whether voting processes will be fair. Or how to avoid decision-making events being flooded by people only interested in supporting their friends. This can be prevented through agreeing a clear definition of what PB is in Scotland. Not simply focusing on what the process is and when embedding PB, using flexible voting mechanisms and appropriate facilitation at meetings that make the activity accessible and representative of communities. Visible and engaged elected members at an event can build trust.



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

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

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

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

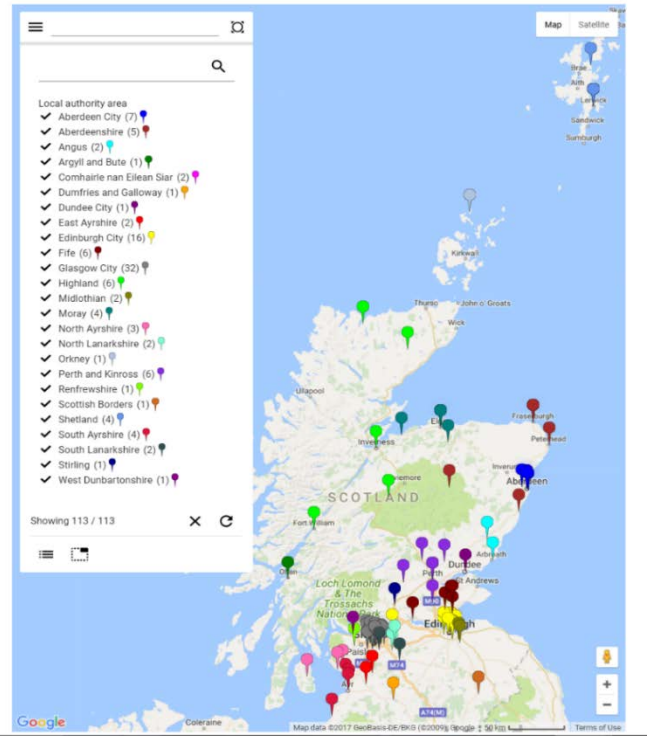
Actions to take as an elected member

- Read about PB in action through the resources and case studies available on the PB Scotland and PB network website: <https://pbscotland.scot> and www.pbnetwork.org.uk
- Talk to senior officers and other elected members about what mainstream budget or up and coming commissioning process PB can be used for.
- Contact elected members in other areas that have tried PB and ask to visit one of their projects. Seeing PB in action makes it real.
- Start by running a small grants PB process in your area using existing funds, perhaps even your own discretionary funding. Through its ability to engage people in decision-making PB adds value to small grant programmes already in operation. Use it to build trust and confidence in decision making.
- Commit to using PB on a larger scale as is already happening in areas across Scotland and in the rest of the world. Build the confidence of other elected members in your area, enabling the move on to widening engagement in mainstream budgets and involvement in local decision making from communities.

Crowdsourced map of PB in Scotland

This is a crowdsourced map of PB projects, past, present and future in Scotland. You can search for participatory budgeting projects near you and submit ones you know about that aren't there already.

[ADD A PROJECT](#)



Further support and contacts

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

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

For any queries on how to implement PB please email: info@pbscotland.scot

For any policy queries: community.empowerment@gov.scot

There are also three new briefings on PB... Grant Making, Mainstreaming and Evaluation:

Guide to Grant Making through Participatory Budgeting

<https://pbnetwork.org.uk/grant-making-through-participatory-budgeting-a-how-to-guide/>

Briefing on PB at Scale

<https://pbnetwork.org.uk/mainstreaming-participatory-budgeting/>

Guide to Evaluating PB

<https://pbnetwork.org.uk/hear-the-voice-make-the-change/>

Community Choices Fund 2016/17 Report

<https://pbscotland.scot/blog/2017/10/12/the-right-choices-read-the-community-choices-fund-201617-report>

COSLA - [insert link to 1% framework]

