

## **Joining in:**

participatory budgeting and local government

May 2008



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## 1. Introduction

Participatory budgeting, in which people get a direct say in how money is spent, is gaining momentum in local government. Councils such as Bradford and Salford have a number of years' experience of participatory budgeting (PB). Many other councils are launching PB initiatives. The Government hopes that all local authority areas will be using PB by 2012.

Not surprisingly, all councils are likely to be looking with interest at the potential benefits of PB for their own areas. Ten PB pilot schemes are underway across the country. In addition, residents in a further 12 areas will get the chance to be involved in PB with their own 'community kitties' to spend on tackling the issues they think are most important in their own neighbourhood.

*Joining in* looks at PB and how it can contribute to healthy local democracy and people's involvement in and commitment to local community well-being. It examines the extent to which councils are enabling local people to join in and make budget decisions, the benefits to be gained and the challenges and pitfalls that councils face in developing such schemes. It draws on the views and experiences of local councils themselves through a survey conducted by the IDeA in December 2007 and January 2008. We look at the factors that have motivated local authorities to adopt PB and the factors that will influence its take-up by a larger number of councils. The findings help build the store of knowledge of PB, develop understanding of what it is and will help inform future studies.

At the end of the report, we include a series of 'PB dialogues' which highlight 'on the ground' experience from individual councils around the country. As well as providing information on the current extent of PB and councils' experience of it, we hope the report will be used as a resource by those councils currently starting PB projects or considering them. The 'resources' section at the end contains a round-up of useful documents, organisations and initiatives that are relevant to councils who are planning PB projects.

## 2. Executive summary

A relatively small number of councils in England have undertaken PB but interest is growing and a significant number of those who haven't so far used PB mechanisms report that they are considering doing so in the future. On the basis of the survey, as few as 14 councils to date have undertaken PB in a way that gives participants the final say over a budget. Looking ahead, however, 56 out of the 160 councils said they have plans to implement future PB programmes and a further seven reported that they might "possibly" undertake PB.

Councils that have undertaken PB are doing so principally at a neighbourhood level. They report a wide range of service areas being covered by PB. These include spending on environmental services, such as neighbourhood improvement, street cleaning and recycling, highways, community safety and crime, youth services and leisure facilities. The budgets covered by PB range from tens of thousands to nearly £1 million.

In the absence of a widely agreed definition of PB, a spread of activity is sometimes associated with the term, not all of which is actual PB. Other activities include consultation exercises on annual council budgets using participatory techniques and delegation of budgets to area forums and tenant forums. Because of the potentially varying interpretations of PB on the part of respondents, the responses from councils reporting that they had undertaken PB required more in-depth examination.

Forty four out of 160 local authorities responding to a self-completion survey for this report said they had developed some form of PB initiative in the past two years. Of these, 31 responses were in the form of a detailed questionnaire on which a further analysis was conducted by the Participatory Budgeting Unit. The Participatory Budgeting Unit's examination indicated that around half (14 out of the 31 responses where there was detailed survey information) of those reporting that they had carried out PB activity had undertaken activities with features that are core to PB – open participation, actual budget decision-making by participants and a process that delivers participant deliberation and engagement. The remainder had undertaken activity that reflected many aspects of PB but stopped short of giving participants a direct say over budget decisions.

This highlights the need for a clearer understanding of and consensus on the core characteristics of PB. Clarity on the core characteristics of PB would, in turn, provide a platform for greater awareness of its benefits and sharing of good practice. The survey shows that 'more visible, high profile examples' of PB is a key factor that would influence councils who have not undertaken PB in the past to consider it in the future.

Many such councils say they would also welcome a “higher profile national commitment” to PB.

The report highlights three case studies of PB in action. These examples show the range of ways in which PB is being put into effect by councils. The report concludes with a series of recommendations. They focus on the need to build awareness and understanding of what is PB, priorities for sharing learning and good practice, and a look at what will be of most importance to councils in measuring the gains of PB and accelerating its take-up.

### **3. Participatory budgeting - community empowerment in action**

#### **What is participatory budgeting?**

Participatory budgeting (PB) provides councils with an opportunity to boost local democracy and participation by giving people a direct say in local decisions on part of a public budget. PB is an evolving activity and it is important that it is used flexibly and to fit different communities and different situations. Definitional clarity, however, is important in developing understanding of PB. The PB Unit, a third sector organisation focusing on PB, describes it as “a mechanism of local government, which brings local communities closer to the decision-making process around the public budget” (PB Unit website). It goes on to identify various characteristics of PB such as “involvement”, “complementary to existing democratic structures” and “transparent.”

For the purposes of the survey conducted by the IDeA of local authorities in England, which is the focus of later chapters in this report, PB was described in the following terms: “participatory budgeting gives residents the opportunity to discuss how part of a specific budget may be allocated and the opportunity to have a direct say in deciding how that budget would be prioritised and spent. It may also give residents and community groups the chance to propose spending projects and to get involved in the design and scrutiny of the resulting service delivery.”

A distinction needs to be made between processes that use participatory methods, such as consultations on annual council budget priorities, and actual PB processes. PB processes have all of the following characteristics:

- (1) Open and wide participation – an important aspect of PB is that it seeks to involve people who would not otherwise be involved in budget discussions and decisions, deepening community engagement and community ownership over resource decisions in the local community. Thus, open involvement is likely to be part of the design of the project. The result of such open processes is that relatively large numbers of people will participate in PB. In some cases, open involvement might be managed in some way, in recognition of the practical reality on the ground (see the Brighton case study on work with children and young people), or because of the need to reach out and ensure participation is diverse and representative.
- (2) True decision-taking – the participants are genuinely taking decisions on a budget. The decisions they take are implemented rather than being consultative in nature.
- (3) Deliberation and engagement – the participants engage with the budget process in ways that succeed in gaining a degree of community responsibility and ownership over budget decisions as well as understanding of the potential dilemmas and trade-offs that may be involved.

We put these forward as core characteristics of PB. They serve to distinguish PB from other community mechanisms as well as initiatives such as annual budget consultations.

### **How is PB being used by local councils?**

In the UK, PB is being used by a number of local authorities, local strategic partnerships and regeneration agencies to improve their engagement with residents. Forty four out of 160 local authorities responding to a self-completion survey for this report said they had developed some form of PB initiative in the past two years. Looking ahead, 56 councils of the 160 said they have plans to implement future PB programmes and a further seven reported that they might “possibly” undertake PB.

Because of the potential for varying interpretations of what is PB, a follow-up analysis of the responses was undertaken by the Participatory Budgeting Unit (PBU), supplemented where necessary by contact with the relevant councils. Of the 44 councils who said they had carried out PB activity, 31 were responses in the form of a detailed questionnaire. The PBU’s examination of these responses indicated that only 14 councils of the 31 had undertaken activity that gave participants a direct say in budget decisions. In the case of nine out of the remaining 17, there was insufficient information to form a definite view. The remaining eight had undertaken activity that was more consultative in nature with participants being involved in budget priorities and proposals but not having a direct say on decisions. This range of activities highlights the need for a clearer understanding of PB and consensus on its core characteristics.

Examples such as those in the Newcastle and Salford examples illustrate the three core PB characteristics in action. Meetings or events take place with participants scoring or voting on alternative spending proposals. Participation is open and a relatively high number of people are involved. They form the focal point of a wider community engagement process whereby community groups and individuals are also involved in putting forward and developing project ideas. Similar initiatives are also being used by councils to engage with children and young people as illustrated again by the Newcastle case study and also by the Brighton/Novas Scarman Group case study. Of course, this is not to suggest that meetings are the only way in which such activity can be delivered: far from it. The Newcastle initiative has an online element and Salford is considering an outreach-style model for the future with open events held in a range of locations.

In other instances, councils are undertaking initiatives that may have elements of PB but might not include all three characteristics outlined above. Thus, for example, in Dartford, elected tenants’ representatives control £30,000 and take decisions on the

environmental improvements that will improve the borough's housing stock. It is a valuable initiative in giving tenants' representatives direct responsibility for prioritising investment in improvements. It does so by delegating spend to an elected community group committee and, while it is likely to achieve outcomes that touch upon all three characteristics of PB outlined above, all three characteristics are not part of the actual process. It highlights the fact that PB is one tool in a range of ways that councils can succeed in giving local people a more direct say and control over budget decisions that affect them.

## **PB and the wider evolution of community engagement**

PB is part of a wider evolution that places an emphasis on community engagement. As the Quirk Review put it: "we are moving from an assumption that the state's role is to try to solve all social problems, to one where the state's role is to help communities solve their own problems" (Making assets work: The Quirk Review, May 2007). The process of PB itself, hopefully, not only improves spending decisions and outcomes but enables communities to feel more involved, empowered, closer to their neighbours and other groups in the locality, and benefits community cohesion. It encourages debate between local people about the future of their area, and helps to build links between them.

A key part of this evolution is "An Action Plan for Community Empowerment: Building on Success" published by Communities and Local Government in October 2007 and produced in partnership with the Local Government Association. It sets out how the government will deliver on its commitment to bring about greater devolution and empower communities. The plan contains over 20 actions designed to give residents and communities a greater say in the facilities and services in their local areas. Among these is the encouragement of community kitties and the development of a strategy with the aim of participatory budgeting being adopted or offered by all local authorities by 2012.

In March 2008, Communities Secretary, Hazel Blears, launched for consultation a draft national strategy on participatory budgeting. This sets out how CLG proposes to work towards the government's aim of participatory budgeting being used in every local authority area by 2012. Alongside and as part of this, the Government has an ambition for local authorities to devolve up to 5 per cent of their budget for youth services to young people's influence by 2010 and that, by 2018, young people could actively shape decisions on one quarter of these budgets.

## **4. Extent and experience of participatory budgeting**

In December 2007 and January 2008, the IDeA invited all local authorities in England to self-complete a survey to assess how many of them were undertaking some type of participatory budgeting (PB) activity and to gain insight into their experience of or perspective on PB. In total, 160 local authorities responded, representing 41.2% of all English local authorities. 117 of these responses took the form of a completed in-depth questionnaire. The remainder of responses were replies to two key benchmark questions asking whether the council had undertaken PB in the past two years and whether they had plans to do so in the future. The responses were representative of all types of local authority and geographical location. Details of the survey methodology and response profile are given in the appendix.

### **How many councils have experience of PB?**

Forty four out of 160 respondents reported that they had carried out some form of PB activity in the past two years. Of the 44, 31 were responses in the form of the lengthier questionnaire. However, the responses need to be treated with caution. As discussed in the previous chapter, there are varying interpretations of PB and examination of questionnaire responses indicates perhaps as few as 14 had undertaken activity that gave participants a direct say over budget decisions. What is clear is that the number of councils who have carried out PB is relatively small.

### **Consultation on budget priorities**

Although the vast majority of councils have not begun any PB, 92% (108 out of the 117 completing the full questionnaire) reported that they had consulted with the public on setting broader council priorities and 43% (50 out of 117) had carried out public engagement activities that involved putting draft spending priorities to some form of vote with the public. In some cases, these latter activities include participatory techniques. However, they do not involve a budget being earmarked for decision by members of the public and, instead, are more consultative in nature. Thus, they are not included in our review of PB activity but they do represent excellent budget engagement work that plays an important role in strengthening local democracy.

### **How much was allocated for PB projects?**

Among those councils saying that they had undertaken PB, the amounts of money allocated to PB projects varied considerably, ranging from £18,000, in the case of Bournemouth's Safer and Stronger Communities Partnership in 2007/8, to a cumulative total of £1million in the case of Bradford. In Salford, elected council members approved the devolution of £800,000 worth of spending on highways improvements to eight community committees. The community committees for Claremont and Weaste

and East Salford decided to prioritise their £100,000 devolved highways budgets via a participatory budgeting process. Other local authorities reporting significant PB budgets included Hartlepool and Richmond, although in the latter case not enough information was gathered to be sure of the exact form of PB. In addition, councils such as Portsmouth are utilising participatory processes to inform and influence multi-million pound regeneration budgets and PB is used by local strategic partnerships, such as Bradford Vision which has allocated a cumulative total of over £1 million using PB. Whatever the size of initial budgets, it would appear that, as councils across the country develop experience of PB, the sums of money allocated increase. For example, in Newcastle, the city council provided £65,000 to PB projects in 2006/7 and increased this to £160,000 in 2007/8.

### What are PB initiatives investing in?

There are two aspects to this question. First, there are the service areas covered by PB funds. Second, though, there is the community capacity-building, self confidence and cohesion that come as a direct result of the PB process. The case studies at the end of this report illustrate this capacity-building investment. A wide range of service areas are potentially the focus on PB schemes. Figure 1 shows the range of spending areas identified by respondents who said their councils had undertaken PB. Although this also includes schemes where participants did not have a direct say in decisions (see earlier section on 'how is PB being used by local councils'), it is indicative of the wide range of services that can be covered. Initiatives were most common in spending on environmental services, such as neighbourhood improvement, youth services, street cleaning and recycling and leisure facilities. There was a high level of 'other' responses for this question and about a quarter of these were community safety or crime. Not surprisingly, the principal focus for schemes is at the neighbourhood level (see figure 2).

Figure 1: Service area coverage

	Enviro. services	Street cleaning and recycling	Health	Road mainten.	youth services	education	Leisure facilities	Other*
Yes	19	14	11	8	16	8	14	23
%	61	45	32	26	52	29	45	74

(Total: 31 local authorities self-reporting that they had undertaken PB projects)

Figure 2: Geographical area coverage

Geographical level	Yes	% of total
local authority wide	7	26
local strategic partnership	1	4
neighbourhood	13	48
other*	6	22

(Total: 31 local authorities self-reporting that they had undertaken PB projects)

### Scheme design and stakeholder reaction

Many councils involve local people in the design of the PB process itself. Eleven out of the 31 councils saying they had undertaken PB, and responding to our more detailed survey, reported that they had involved local people in PB design. Again, this includes some schemes where participants did not actually have a direct say in budget decisions but, nonetheless, it is indicative of the commitment to public involvement in scheme design. When it came to the voting events themselves, three-fifths of the councils that had held such events found that attendance did not exceed 100 people with many (42%) having less than 50. However, five local authorities reported attendance levels between 100 and 200 - Bradford, Lewisham, Newcastle, South Somerset and St Helens.

Not surprisingly, councillors are also actively involved. Twenty three of the 31 councils saying that they had carried out PB reported councillor involvement in the scheme. These councils described a number of different aspects to the role of councillors. For example:

- “Engaging their communities in the process and attending events. Providing feedback - leadership role”
- “In most of the pilots local councillors acted as informal supporters - or active advocates - for some project proposals in district wide and individual neighbourhood events”

Councils that said they had undertaken PB activity were very positive about the gains for those taking part, both members of the public and councillors (see figure 3). Eighty eight per cent either agreed or strongly agreed that participants had had a positive experience. Eighty one per cent said councillors were broadly positive although rather fewer were in strong agreement with this statement. Seventy one per cent either agreed or strongly agreed that the PB activity had engaged well with different sections

of the community. However, the one significant challenge that councils felt they faced was in ensuring that participation was representative of the wider community. Thirty nine per cent could not be sure that their PB events had attracted a cross-section of involvement from across the community.

Figure 3: Council views of participant and stakeholder reaction

	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree	Don't know
engaged well with different sections of the community	30%	41%	19%	4%	7%	0%
participants are representative of wider community	23%	38%	23%	8%	4%	4%
participants positive about experience	42%	46%	4%	0%	0%	8%
councillors broadly positive	29%	52%	7%	0%	0%	4%

(Total: 31 local authorities self-reporting that they had undertaken PB projects)

## 5. Spreading participatory budgeting practice

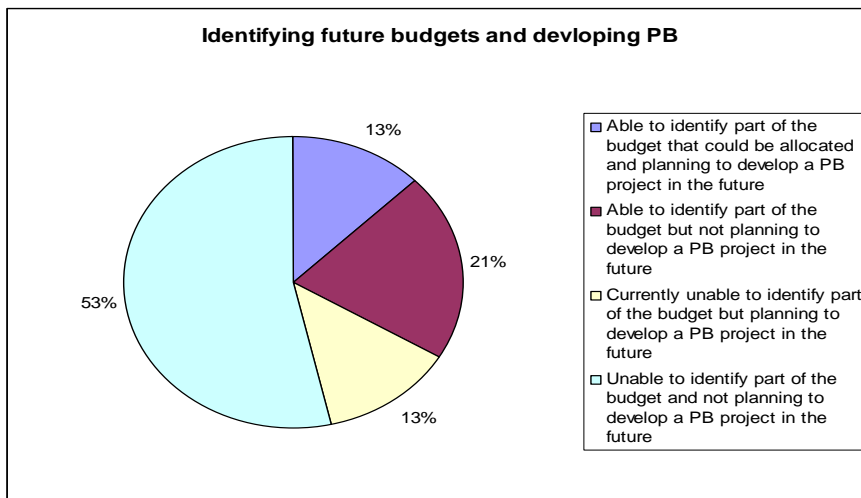
### Future PB intentions

Momentum is undoubtedly gathering behind PB among local councils. Twenty nine out of the 86 councils that said they had not, thus far, undertaken any PB activity, reported that they had plans to develop a future PB project. A range of ideas for PB are being considered by survey respondents:

- “ the introduction of a modest budget for community councillors to use in their local wards to enable local projects”
- “potentially use Area Committees and voting software”
- “the approach would need to fit with our current approach to citizen engagement, the broader LAA process and Neighbourhood Action Planning (which enables local people to influence partners' services planning processes)”
- “to request a presentation from the PB unit and a simulation exercise and then to pilot PB in three areas in the borough during the spring/summer 2008/09, prior to deciding to roll it out across the borough for the 2009/10 financial year”
- “we are hoping to incorporate PB within our emerging neighbourhood management structures” .

Councils were also asked to provide information about the budget they could allocate in the future. A quarter of the respondents were able to identify a part of the council's budget that could be allocated under the PB process. When asked to specify the budget, a wide range of responses were given including: area committee budgets, area and community grants, community cohesion fund, community initiative fund (CIF), environmental improvement grants, community safety grants and learning disability development funds. Overall, more than half (53%) of councils either had plans to develop a PB project in the future or could identify a budget that could be used for PB.

Figure 4: Plans for the future - councils who had not undertaken PB

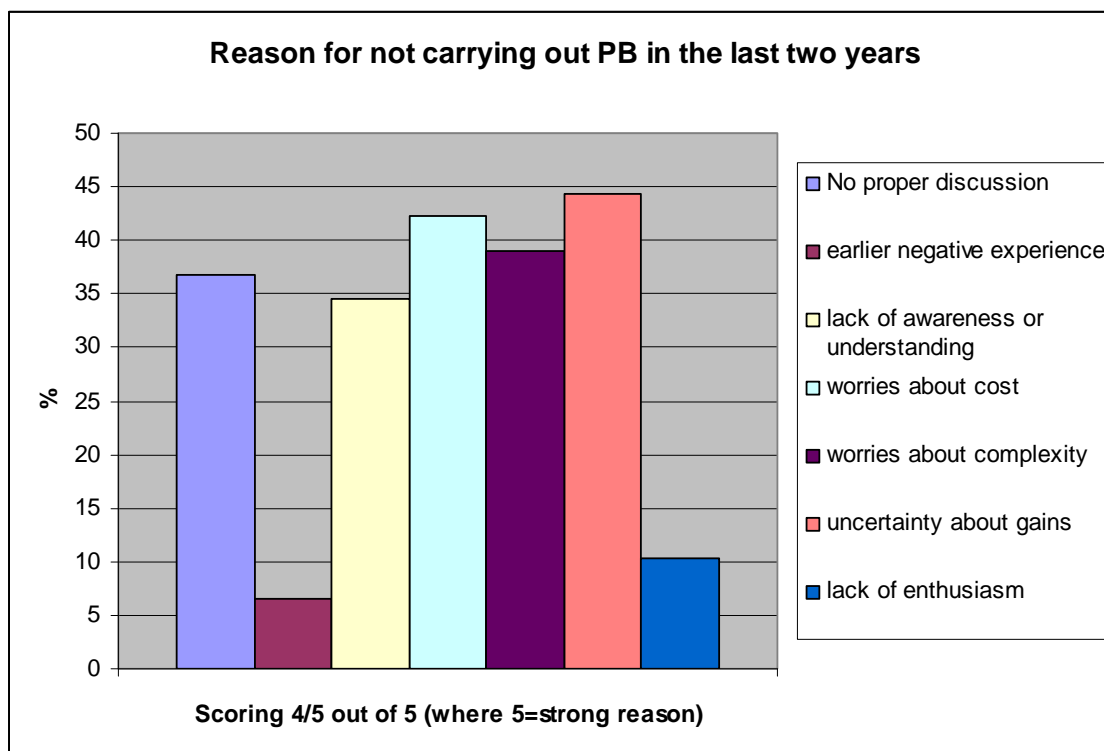


(Total: 86 local authorities reporting that they had not undertaken PB projects)

### Barriers to PB

The IDeA survey sought to discover the reasons why those local authorities that had not developed PB projects over the past two years had not adopted PB. Respondents were invited to score a range of possible reasons. Figure 5 reports the results. By combining the higher scores (four and five) it is possible to see which reasons rate highest amongst the responding local authorities. No single reason emerged as a predominant factor in the minds of respondents which indicates that there is no single significant drag anchor preventing the development of PB. Indeed, there appeared little resistance in the sense of councils having actively considered PB and deciding against. However, 44% felt uncertain about the gains that would flow from PB, 42% identified possible concern about the cost, 37% thought there might be worries about the complexity of PB and 37% said that there had been no senior discussion about, and hence impetus for, PB.

Figure 5: Reasons for not having undertaken PB activity



(Total: 86 local authorities reporting that they had not undertaken PB projects)

### Influences on future PB activity

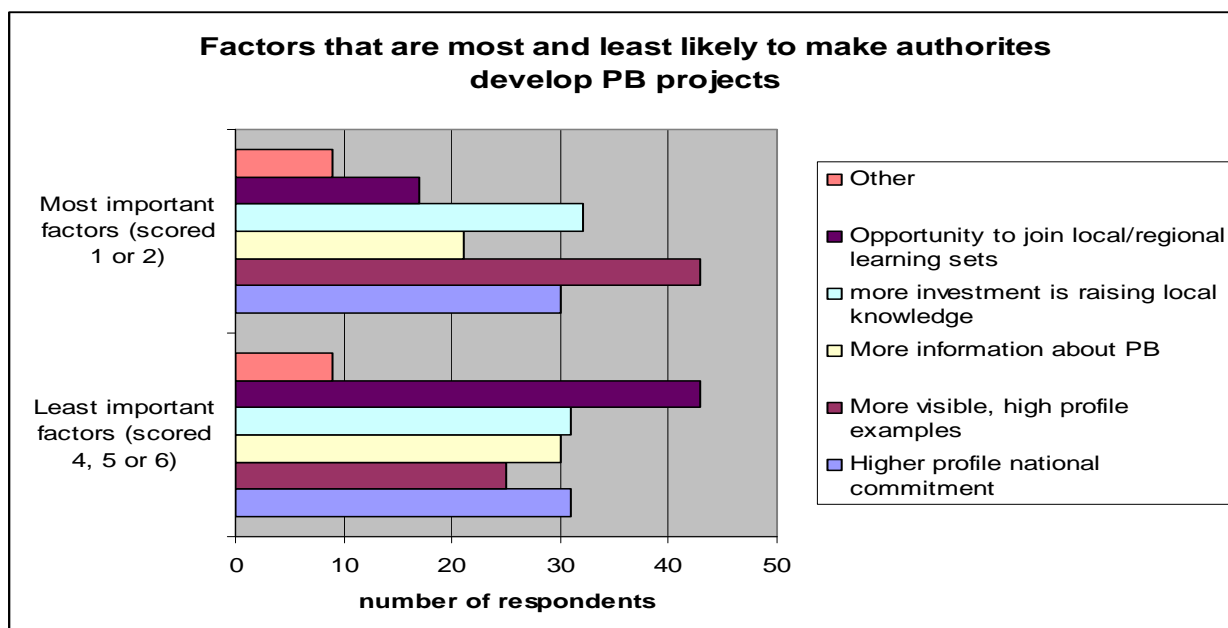
Respondents who had not developed PB over the past two years were also invited to identify the factors that would make them most likely to develop a PB project in the future (see figure 6). Again they scored a list of factors. In addition, they were able to add reasons that were not on the pre-prepared list. 1 is the most important and 5 (6 if they specified an 'other') is the least important. 'More visible, high profile examples of successful PB projects' together with 'more investment in raising local knowledge' were the most highly rated factors that councils thought would increase take-up of PB. Least highly rated was the 'opportunity to join a local or regional learning set'.

The results also indicate that councils do vary in terms of what would make a difference to them. For example 'more investment in raising local knowledge' and 'higher profile national commitment' are important considerations for some councils and unimportant to others. A second table below indicates the most important (scores 1&2) and least important (scores 4, 5&6) factors. Many respondents took the opportunity to add an 'other' reason of their own. No one single 'other' theme stood out. 'More available funding' was recorded more than once as one of the factors most likely to make them develop PB. For several authorities, their current involvement in local government reorganisation was a key factor as to why they were not thinking about developing PB.

Figure 6: Influences on future PB activity (councils who have not undertaken PB)

	1 (most important)	2	3	4	5 (least important)	6 (least important if included "other")
higher profile national commitment	13%	25%	24%	16%	19%	4%
more visible, high profile examples	24%	28%	18%	17%	8%	5%
more information about PB	10%	16%	36%	20%	15%	3%
more investment is raising local knowledge	21%	19%	22%	23%	12%	2%
opportunity to join local/regional learning sets	8%	14%	25%	30%	20%	4%
Other	35%	10%	10%	15%	30%	0%

(Total: 86 local authorities reporting that they had not undertaken PB projects)



(Total: 86 local authorities reporting that they had not undertaken PB projects)

## **6. Conclusions and recommendations**

### **Greater clarity on what is PB**

Descriptions of PB have traditionally avoided precise definitions of PB. While PB is a flexible mechanism, the lack of terminological exactitude means that there is no widely understood consensus on what is PB and what is not PB. A description was used for the survey. This sought to put some precision on PB but the absence of any pre-existing widespread common understanding of PB means that the responses to questions about whether councils have undertaken PB or not, and are planning to in the future, need to be treated with some caution.

Future research on PB should be more explicit about the characteristics of PB. Focusing on the characteristics that lie at the core of PB rather than an overly prescriptive description would be appropriate given that PB is evolving and that the range of situations in which it can be used is diverse. It would be useful to identify the different forms that PB activity can take, in particular distinguishing it from consultative activities where participatory mechanisms are used to inform council decisions, such as on the annual budget, and also from other types of resource allocation delegated to local people such as tenant forums and area forums.

### **Awareness of PB and sharing of good practice**

Clarity on the core characteristics of PB would, in turn, provide a platform for greater awareness of its benefits and sharing of good practice. The survey shows that 'more visible, high profile examples' of PB is the most important factor that would influence councils who have not undertaken PB in the past to consider it in the future. Many such councils say they would also welcome a 'higher profile national commitment' to PB.

A key challenge for councils who report that they have undertaken PB is trying to ensure that participation is representative of the community as a whole. For example, some councils have been more successful than others in ensuring that the age of participants is balanced, that initiatives reach younger people and that meetings don't just attract older people. Key issues for councils who have yet to embark on PB are uncertainties about the gains of PB, possible concern about the cost, worries about complexity and the lack of senior member/executive discussion of and, thus, impetus for PB.

Opportunities should be maximised both to raise the profile and understanding of PB among councils and to encourage sharing of learning and good practice. This 'Joining In' publication is designed, in part, to provide an opportunity for this but it also needs to be part of a wider programme to raise awareness of the benefits of PB and to share good practice on its implementation.

### **Maximising the effectiveness of PB for councils**

The benefits of PB are various but it offers three major gains for local councils:

- (1) Strengthening local democracy - PB augments and, potentially, helps reinvigorate local democracy by enabling local people and communities to take ownership of spending decisions that affect them.
- (2) Improved community cohesion - the process of PB itself enables communities to feel more involved, empowered, closer to their neighbours and other groups in the locality, and benefits community cohesion. It encourages debate between local people about the future of their area and helps to build links better links between them.
- (3) Better investment of resources - PB, potentially, leads to more effective spending and use of resources.

These are important gains but clarity about the 'business case' for PB and methodologies for assessing and measuring these gains is not so evident. For example, while councils were clear about the size of the budget allocated to PB, there was less clarity about how much PB itself costs. Closer examination and measurement of the gains of PB is needed so that councils can understand where PB is likely to be effective and where it is less likely to be of value. It would also help accelerate the take-up of PB – many councils who have not undertaken PB, for example, said they were uncertain about the gains that would flow from PB and identified possible concerns about the cost.

Councils should be able to identify the 'cost ratio' of PB (the additional cost of carrying out PB vs. the size of the budget covered) and the 'cost benefit' of PB (the additional cost of carrying out PB vs. the range of outputs from PB such as more effective project outcomes, improved community cohesion etc). Both these measures are relevant – it is quite conceivable, for example, to imagine a situation where the 'cost ratio' appears very unfavourable but the 'cost benefit' is very favourable. Developing better cost-benefit methodologies around PB will be important to its more widespread use in local government.

Finally, in respect of the first of the gains listed above, it may be useful to place a stronger focus on how PB interacts with and complements local democratic processes.

Councils will want to consider this from a procedural and legal point of view in terms of spending decisions but, equally importantly, from the point of view of wider community engagement in terms of the role of councillors and how elected members interact with PB processes. Again, sharing of learning and good practice on the role of councillors in PB and the relationship of PB to local democracy will be an important part of the development of PB by local councils.

## 7. Case studies

### **PB dialogue:**

**Mike Holdgate, regional director south east, Novas Scarman Group**

#### **What PB mechanisms have been used in your area?**

The 'Children Can Do' programme is partnership work that we're doing with Brighton & Hove Children and Young People's Trust. It's been implemented over the last five years and it's now taking on more of a participatory budgeting type approach. The programme seeks to engage 5 – 13 year olds in decision making processes.

#### **How are the ideas for schemes generated?**

We involve children right from the very beginning in designing their own activities. This is really important because, so often, you get young people's services promoted in particular areas and then nobody turns up. The problem is that you haven't engaged children and young people right from the very beginning in designing what it is that they want.

#### **How do you enable children to develop proposals?**

There is a fully resourced facilitator. The approach is very much one of ensuring the facilitator is not taking over ownership of the process and the children's independence is maximised so not becoming dependent on us.

#### **How much money do they take decisions on?**

£50,000 per annum is on the table for children and young people to take decisions on. The whole emphasis across all the processes is about the programme being children-led.

#### **Tell us about the decision-making process that is used?**

Children form the core of the decision making processes about how the money is going to be spent. Obviously you've got to have informed and robust decisions so we also engage appropriate adult support in various different forms within the decision making process. We have a group of people that come together but it is the children, the youngest child being seven years old, who are central in making the decisions. We provide training for this group of people because it's really important that children and the adults do get appropriate training. Training is important so that the panel is equipped with the skills, knowledge and experience that they need as well as ensuring that their expectations are realistic. It is the children who are the ones who vote, but they can get the technical support that they need from the adults as well as the facilitator who will have visited all of the groups, often more than once. The children decide which projects are going to be funded and by how much. As you can imagine with children, this can be quite a difficult process because children are often not used to dealing with such large amounts of money.

### **How do the children come to be involved?**

Participation comes via schools, after school clubs and various networks. We aim to reach more marginalised groups of children working with outreach workers and development workers. Much of it is linking into networks in a relatively informal way which I think is important. Otherwise you get the usual suspects coming in and you don't actually engage the people you are really wanting to reach.

### **How many children have participated?**

I would estimate that 4,000 children have benefited directly from involvement in developing their ideas and participating in activities. There have been a total of 140 or so activities that have been funded. They are often very different to the usual activities that the Children and Young People's Trust would support. They are often new initiatives developed by the children themselves. The numbers of children involved in actual decision-making processes is less. You have a choice of either filling a room with a large number of children and getting into some kind of voting system, or you try and have really informed discussions about what's going on with a smaller number. I would say maybe 50 to 60 children have been involved in decision-making to date. At any one time, it is about ten. That's our challenge at the moment - how we keep the level of debate and discussion informed while opening it up to as many children as possible.

### **What successes spring out?**

As well as the quality of the projects we have supported, some of which have now been running for five years, one of the interesting things that I find is that there are progression routes for the children and young people who become involved. Because we are engaging children at a young age, they are then linking into other decision-making processes across the city. So you find the Children and Young People's Trust then links in with these children as they get older. There's one person, now a young adult of 18, who is a trustee of a programme in one of the neighbourhoods here. You see these children growing up to do all sorts of positive things in the community.

### **What have been important ingredients of that success?**

Trusted and effective facilitation that the children can relate to and that can enable their voices to be heard. Also, the involvement and support of the local authority, particularly through their Children and Young Peoples Trust has been really positive. The continuity of support there has been very important.

### **What advice would you pass on to other councils considering similar initiatives?**

Have a go, start small and build up your experience, don't be afraid! Constantly reflect on activities and be willing to make changes listening to what people have to say. I think councils can be frightened of losing control but they shouldn't be because actually the benefits more than justify the perceived risks. The time and energy that needs to be put in initially is well worth it in the longer term.

## **PB dialogue:**

### **Vince Howe, manager social policy team, Newcastle City Council**

#### **Give us an overview of PB in your area?**

PB fits very well with many aspects of our engagement strategy. Having looked at PB projects elsewhere, we decided to be one of the pilot authorities. Our PB initiatives are branded 'U decide.' We are running two pilots over two years. One pilot involves people from three political wards and focuses on environmental improvements. The other is city-wide with young people focusing on the priorities within the children and young peoples' plan.

#### **How do people get to participate?**

In the wards, we invited the local residents and local groups along to a kind of community lunch and explained the process to them. The thirty to forty or so people that turned up that day agreed to be part of a working group that effectively organised the events, they did the advertising, the marketing, they drew up the rules, they drew up the criteria, the priorities. They made all of the decisions about how this thing would operate, supported by officers from the local authority, so local people have been very much at the centre of the planning of everything. We see PB very much as a way to galvanise communities and to develop and empower people.

#### **How are the ideas for schemes generated?**

From participants and local groups. Ideas can be submitted on-line. For the wards, every single household in the area was provided with information that 'U decide' was happening in their area. Anyone could submit an idea. A key thing with PB is that there has to be some sense of prioritisation. You don't want lots of people coming up with lots of ideas about all sorts of things. There has to be focus. With the ward pilot, we were quite fortunate because there had been a detailed residents' survey just a few months before the working group met. Everybody agreed we should use the top priority from the residents' survey which was developing cleaner, greener, safer areas and so that was the focus.

#### **How much money do they take decisions on and do they really take the decisions?**

In the three wards people are deciding on how to spend £110,000 of extra resources (across the three areas) for residents to use to make their neighbourhoods cleaner, safer or greener. Across the whole city, children and young people have £110,000 to improve the things they have already told us matter to them. In both cases, yes, they really do take the decisions.

**Isn't this small beer when set against overall spending?**

I would say our approach has been gradual. We've stepped it up, we've done it one step at a time, ensuring that local people are kept up to pace. We have built a strong base. We haven't gone for something massive, something too early. We think that there are lots of issues that need to be explored and developed along the way so we've taken it nice and gradually and worked with local people to do it. I expect more budgets to use PB in the future.

**Tell us about the decision-making process that is used?**

We've held eight events to date. Each has been different depending on theme / criteria. Recent events have included the opportunity for deliberation which we feel has added value to the process and helped participants make more informed decisions. Our more recent events have looked at commissioning services as well as funding small projects. About a third of those attending were age under 25. All of the ideas were summarised in a paragraph or two and that information was sent out to people in advance. At the events themselves each project got three minutes to explain their idea. Immediately after the three minutes participants were asked to score the proposal. We used electronic voting equipment. All of the scores were added up and, at the end of the event, the top scoring projects were prioritised against the amount of money available.

**How would you summarise the successes?**

We've got a significant number of people now involved in decisions about their community, many of whom have never been involved in any kind of participative activity before. People are not just involved but enthused by this programme and there is a real buzz which you can just feel when you go into the room. We've found new people who are now involved in activities around their community. They are involved in a process that is becoming well known and is becoming very popular and has respect within their communities. I think it's terrific in terms of cohesion. We have young and old people going to events and planning things together. It's also very visible within the council with senior people looking at other budgets where we might explore this further.

**What has been important to that success?**

Marketing and positioning of it has also been important. It is important that the events are enjoyable. We try not to make it look like this is the council doing something. We have linked it into our strategic partnership so it is very much a partnership-developed activity. We've got bright colours and interesting marketing which makes it attractive to local people. We also made a conscious effort to look at getting a spread of age groups. We make a real effort at trying to draw in young people by going out to projects such as Sure Start. Preparatory work is also crucial. We have employed a community development worker to help get everyone involved.

**Is there anything that has really surprised you?**

How much it has contributed to cohesion. I had some concerns that it could become competitive and it could almost set one group against another, one age group against another or one locality against another. The evidence that we have doesn't support that at all. In fact, quite the opposite. It has been a force for bringing communities together and, at the start, that was not something I'd necessarily assumed. So I certainly think that that is something that was really positive.

**With the benefit of hindsight, is there anything you would have done differently?**

I think I would have spent a little bit more time with the elected members and council officers talking through the principles and processes of the initiative before we started approaching them asking for their support. PB can be perceived by some as a threat whereas actually it helps them make sure that what they do has public support and that the projects supported have real 'value' for their community.

**What would you say to other councils considering similar initiatives?**

You need a broad range of different techniques to engage with communities. You need everything from newsletters going out, IT stuff, community development etc. If you are a council that is looking to develop some work that is supporting communities doing things for themselves, this is something you really should take seriously. It has certainly ignited a lot of enthusiasm in our city and I can see it being developed in other places successfully too.

## **PB dialogue:**

### **Mick Walbank, neighbourhood manager, Salford City Council**

#### **What PB mechanisms have been used in your area?**

Community committees have operated in Salford for over a decade. Currently, there are eight across the city. Each committee comprises elected members for those wards and representatives of bona fide community or voluntary groups in the area. The latter form the majority on the committee and outnumber the councillors. This year, we went further and did a PB pilot where the final decision was made at a PB event which was more open than the community committee. We had an event where almost 50 people, which is probably three times as many that would vote at a community committee, came along and scored a number of proposed schemes.

#### **How do people get to participate?**

Community or other groups can ask to put forward members onto the community committees. There is an approval process but it's a low hurdle, if you like. So it's a combination of trying to get people who are seen to represent more than just themselves but not making it so bureaucratic that small local groups don't get a chance. The meetings are open to anyone but only councillors and nominated members can vote at the Community Committee.

#### **How much money do they take decisions on and do they really take the decisions?**

£623,000 devolved to the eight community committees for spend on local priorities plus £800,000 to be spent upon highways capital investment and £80,000 for highways revenue expenditure. In theory, for legal and probity reasons, the council could overrule decisions but in practice that has never happened. Effectively it's a decision made by the residents and ward councillors on the Community Committee.

#### **How are the ideas for schemes generated?**

We use a range of channels of communication with local people and groups to get them to put forward ideas for schemes. For the highways proposals, our highways people then visit the site and prepare a rough scheme design and costing.

#### **Tell us about the run-up to the voting event?**

We gave ourselves quite a long lead-in time because we felt we wanted to get it embedded in people's consciousness. We picked a well-known venue and publicised the event with leaflets, posters and e-mail shots. We asked people to register to vote and, when we were getting an inkling that it was going to be about 50 people probably, we got agreement from the community committee that no more than five from one group could have a vote.

### **What were people voting on?**

Twenty schemes were put forward and, depending on how costs work out, around four will be funded this year. We publicised details of the schemes in advance so there was some knowledge of the schemes. We had a lot of debate about having an advocate for each scheme but a lot of the schemes didn't have an obvious advocate and it would have taken too long. In the end, for consistency, we had a display for each scheme. The rough scheme design and cost that had been provided for us by highways was blown up onto A3. We took the digital camera out and took photos of every location – although most of them would be reasonably familiar probably to people because it was all local.

### **What were the successes and what were the shortcomings of the initiative?**

We got more people involved in deciding a budget than before. It's easy to be cynical about just fifty people participating but it is a first step. It came out with clear outcomes and the feedback that we got about it was overwhelmingly positive. People enjoyed the event, they thought it was a good idea to give people a chance and it went pretty smoothly. Downsides were we didn't get a good cross section of residents – 90% or so were 55 and older. There was some dissatisfaction about not being allowed to present and about the fact that £100,000 is not a lot, in highways terms.

### **How do you plan to change things in the future?**

Our plan for next year is that, instead of an event, we'll have a mobile display which we'll take to, perhaps, six venues over two days, for example primary schools at opening and closing time, youth centres etc. People will vote at these venues and we might have something almost like a golf competition leader board so people can be kept up to date and, if they want to, they can come to the last event and see the final result. Colleagues in East Salford used PB to decide two years' highways capital funding last month. They took the materials to three locations throughout one day and had almost 150 people taking part.

### **What advice would you pass on to other councils considering similar initiatives?**

You need to think about your locality, how people will get involved and, obviously something that we're working on, how you'll get a range of people. I think the scoring worked ok. We actually had a two stage voting process but that didn't add anything. With one minor exception, the second top ten was the same as the first. Make sure you have a dry run – we had hoped to use a 'Who Wants To Be A Millionaire' type of electronic scoring but, when we practised that, it wasn't sophisticated enough to work in the way we wanted.

## 8. Resources

### **National initiatives relating to community engagement**

An Action Plan for Community Empowerment: Building on Success, Communities and Local Government, October 2007

Making assets work: The Quirk Review of Community Management and Ownership of Public Assets, May 2007

Participatory Budgeting: a draft national strategy: Giving more people a say in local spending, consultation issued by Communities and Local Government, March 2008 ([www.communities.gov.uk/publications/communities/participatorybudgeting](http://www.communities.gov.uk/publications/communities/participatorybudgeting))

### **CLG key contact**

Community Empowerment Unit, Delivery Division Local Democracy and Empowerment Directorate Department for Communities and Local Government Floor 5, Zone H9 Eland House Bressenden Place London SW1E 5DU. Tel 0207 944 3430

### **Third sector organisations focusing on PB or carrying out PB-related initiatives**

National Youth Agency, [www.nya.org.uk](http://www.nya.org.uk),

Novas Scarman Group, [www.novascarman.org](http://www.novascarman.org), contact John Gillespie, 0870 906 3200

Participatory Budget Unit, [www.participatorybudgeting.org.uk](http://www.participatorybudgeting.org.uk), 0161 236 9321

Save the Children, [www.savethechildren.org.uk](http://www.savethechildren.org.uk)

### **IDeA resources**

Voluntary and community sector resource, [www.idea.gov.uk/vcs](http://www.idea.gov.uk/vcs)

National programme for Third Sector Commissioning,

[www.idea.gov.uk/3scommissioning](http://www.idea.gov.uk/3scommissioning)

## 9. Appendix : survey methodology and response profile

In December 2007 and January 2008, the IDeA surveyed all local authorities in England to assess how many of them were undertaking some type of participatory budgeting (PB) activity. This brief report summarises the responses received. In total the IDeA received 160 responses, representing 41.2% of local authorities. This is lower than anticipated but still provides a good basis to form a baseline against which to monitor future activity.

### Methodology

A written e-mail questionnaire was distributed to each of the 388 English local authorities by the IDeA, to be self-completed by local authorities. The survey was e-mailed on 20 November 2007 with reminder and follow-up activity in December. It was sent to heads of policy and heads of governance. A subsequent e-mail, asking for replies to two key benchmark questions on whether the council had undertaken PB in the past two years and whether they had plans to do so in the future, was sent to directors of finance in non-responding councils in early January 2008.

By late January 2008, 160 local authorities responded, representing 41.2% of all English local authorities. 117 of these responses took the form of completion of the full questionnaire. The remainder of responses were replies to the two key benchmark questions sent to directors of finance.

The data from all the questionnaires was collated on a database. The questionnaires are also available in hard copy.

### Response rate by type of authority

All five types of local authority are represented. Response rates range from 35% to 58% and, among all five types, response numbers are robust.

Council type	Number of surveys received	Total number of LAs	Response rate (%)
Borough/district	84	238	35
County	17	34	50
London Borough	15	33	45
Metropolitan	21	36	58
Unitary	23	47	49

## Response by region

All of the nine English regions are represented. With one exception, response rates were 31% or higher with six of then nine having response rates above 40%.

Region	Number of surveys received	Total number of LA's within region	Response rate (%)
East Midlands	19	45	42
East of England	17	54	31
London	15	33	45
North East	10	25	40
North West	19	46	41
South East	28	74	38
South West	25	51	49
West Midlands	10	38	26
Yorkshire and the Humber	17	22	77