

# LGIU Local Government Information Unit

Independent Intelligent Information

## Participatory Budgeting: A National Strategy (LGIU)

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### Overview

Building on from the Governance of Britain agenda launched in July 2007 and focusing on how to hold power to account and uphold and enhance citizen rights and responsibilities, CLG has published a national strategy for participatory budgeting "which provides local people with an opportunity to get involved and influence how money is spent in their area".

In the Empowerment White Paper, *Communities in control: real people, real power* the Government reiterated their commitment to participatory budgeting (PB), repeating their aim to have some form of participatory budgeting in every local authority area by 2012. To achieve this, the participatory budgeting strategy sets out four key elements:

- Promoting awareness
- Creating opportunities
- Providing guidance and support
- Learning from evaluation and research

CLG's delivery partner remains the Participatory Budgeting Unit (PB Unit) who will establish learning sets in each region to champion and promote PB.

The strategy suggests that PB could help local authorities comply with the duty to involve, which will come into force in April 2009. Communities could also use petitioning processes to call on their local councils to use participatory budgeting.

The strategy recognises that PB should be customised to meet local conditions while suggesting that some common principles and values, which are being developed by the PB Unit, are important.

The strategy provides a series of case studies from participatory budgeting pilots as well as an annex which details the results from the early consultation on the draft strategy.

### Briefing in full

As part of their drive for greater community involvement in local decision-making, the Department for Communities and Local Government have been strong advocates of participatory budgeting. The Government, in its recent White Paper, *Communities in control: real people, real power* reiterated their commitment to PB and their aim to have some form of PB working in every local authority by 2012. To aid in this, CLG has now published a

national strategy for participatory budgeting entitled, *Giving more people a say in local spending*. The strategy indicates that Comprehensive Area Assessments and Use of Resources along with the new duty to involve will add to "the momentum to achieve this ambition."

According to the strategy, "Participatory budgeting directly involves local people in making decisions on the spending priorities for a defined public budget. This means engaging residents and community groups representative of all parts of the community to discuss spending priorities, making spending proposals and vote on them, as well as giving local people a role in the scrutiny and monitoring of the process" The strategy recognises that formally, decisions taken through this process are then ratified by the relevant council committee or grant management board, in keeping with financial accountability resting with the council or public agency as budget-holders.

The strategy states clearly that councillors have a central role in this process and that participatory budgeting should be designed to meet local circumstances. It sets out some key ways PB is used at the moment:

**Spending parts of specific grant pots** where funding is from area- based grants such as Neighbourhood Renewal Funds and managed through existing neighbourhood management structures most often used for social or environmental improvements.

**Local area committees** using monies delegated for specific service delivery, like highways. This allows PB to be used on core local authority services and is seen to raise the profile of ward councillors.

**Wider local authority and local area agreement spending** priorities which can involve engaging people in commissioning decisions relating to LAAs.

Use of participatory budgeting in other areas such as discretionary councillor or area committee budgets, with parish and town councils, for commissioning of services and specific grant budgets are further encouraged in the PB national strategy.

It suggests that PB could be a tool to help local authorities meet their new duty to involve; with effect from April 2009 and that communities should have the ability to call on their local authority to use PB using petitions for example.

CLG confirms that they will provide funding to the PB Unit until 2012 for their continued work in this area, given their track record and expertise in PB. The PB Unit is working with various organisations to move this forward.

To increase the use of PB, the strategy sets out four key elements:

**Promoting awareness** - increasing the understanding of how PB can help decision makers better understand the concerns of local people based on informed public deliberations.

The PB Unit often working with other expert agencies (including LGiU) will deliver seminars and workshops to promote learning about PB nationally and will work to promote it through the media. They also view the internet as an important resource, specifically citing the PB Unit Website: <http://www.participatorybudgeting.org.uk/> and [peopleandparticipation.net](http://peopleandparticipation.net), which provides an interactive empowerment tool linking PB to the wider agenda.

Regionally, the PB Unit will be holding seminars in the nine regions followed by regional learning sets, working with the Government Offices and the Regional Empowerment

Partnerships. Locally, practical advice will be provided to those who use PB through PB Unit Toolkit, available on their website and through the regional learning sets. Projects will be analysed and reports shared to increase understanding and improvements. Various networks and associations will also be used to promote the use of PB.

**Creating opportunities-** increase the number and range of local spending decisions that involve the public.

The strategy sees PB as part of a wider plan for engagement and empowerment of the public. The PB Unit will work with local authorities and other local bodies to develop PB, building on existing innovative engagement processes. It encourages councils to use their powers to devolve discretionary budgets to councillors who can use PB allocate these resources and encourages councillors to use PB with area committee or assembly budgets.

It further highlights the community governance partnership model, where towns and parish councils work with local people to develop a collective action plan, as a way to incorporate PB. Use of PB will also be encouraged in future guidance around the Working Neighbourhoods Fund. This supports the idea of using PB as part of local neighbourhood management systems and that it can influence spending on wider service delivery such as with community safety budgets. The strategy also suggests that PB could be used as a way of engaging communities in commissioning of local services and in delivery of LAAs.

**Providing guidance and support:** ensuring provision of quality and consistent advice by providing guidance and training to those delivering PB.

Guidance such as the PB Unit's newly published *Participatory Budgeting: Values, Principles and Standards* along with their PB toolkit are aimed to assist those who are looking to implement PB in their area. The PB Unit, working with training providers, will also be developing national training programmes to help practitioners with PB.

In Spring, 2009 non- statutory guidance will be produced by the Community Development Foundation on the Duty to Involve, which will include PB as a tool to meet this duty. This, along with work by the Network of Empowering Authorities, will promote improvement in empowerment, including the use of PB. Comprehensive Area Assessment evaluates the level and quality of public engagement in service improvements and the Use of Resources KLOEs will examine council's engagement with local communities in financial planning and will likely include the impact of tools such as participatory budgeting. Councillors could also use the call for action to press for the introduction of PB locally and communities could petition for its use.

**Learning from evaluation and research:** through gathering and disseminating research findings so those who work to deliver PB events can learn from others and improve their own practice.

Recognising that participatory budgeting is still relatively new in England, there is a need to share the experience and learning from current initiatives with a wider audience. The strategy sets out the three levels for how they will evaluate PB:

- **Locally**

The PB Unit is developing a common evaluation component to give individual projects a common approach to assessment and the collection of data, along with their *Common Values, Principles and Standards* guidance.

- **Nationally**

CLG has commissioned an independent national evaluation of how PB has been implemented in England. The evaluation "will be a comparative analysis of various PB projects looking at the drivers of success and the importance of contextual factors, looking at the outcomes for communities".

The strategy sets out various other opportunities to use PB as part of the wider empowerment agenda and the potential for capacity building through community anchor organisations, the Capacitybuilders Fund from the Office of Third Sector and others.

Evaluations should also provide an understanding of the cost, benefits and effectiveness of PB with tools and methods which practitioners can use to assess their local activities and link with the work of the National Empowerment Partnership.

- **Internationally**

PB models and developments used in other countries which many have resonance in England will be identified so that learning from good practice and alternative approaches can be captured.

Such evaluations will provide an evidence base which can be used to promote and improve participatory budgeting in England.

## **Comment**

The national strategy for participatory budgeting is to be welcomed by those already doing some form of PB as well as those who are considering its implementation. LGiU has advocated the use of participatory budgeting as one of many tools which can be used to empower local communities. PB allows people to have a direct influence in the way that public money is spent in their local area. We are pleased that CLG's strategy reflects our understanding that PB complements rather than conflicts with local democratic institutions, recognising the central role councillors should play in this process, as community champions. It supports the Councillors Commission recommendation "that councillors should be given tools to engage with new participatory activity in their unique positions as the interface between the council and the local community. "

It is particularly important that learning from evaluation and research is one of the four key elements of this strategy, as councils will benefit from evidence of how PB can be used to positively impact their local area.

The strategy is also careful to recognise that the use of PB, like any of the empowerment tools, will need to be built around local circumstances while based on common standards and principles. There is a danger, with the enthusiasm for PB expressed by CLG that it would become an end in itself, and the strategy is reassuring as it clearly indicates otherwise. Local Authorities as well as local partners will likely find the resources of the PB Unit and others to be valuable as they consider use of PB.

For local authorities and partners who are interested in learning more about PB, LGiU is holding a good practice seminar, in partnership with the PB Unit, on 27 November. The seminar provides information to improve understanding of PB as well as the opportunity to hear from current practitioners.

## Additional Information

The following are the 12 new PB Pilots recently announced by CLG:

- Haringey
- Tower Hamlets
- Norfolk
- Walsall
- Staffordshire
- Cumbria
- Hull
- Redcar (Coast and County Housing)
- York
- Leeds
- Wansbeck, Northumbria
- Hartlepool

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