

PARTICIPATORY BUDGETING – RISKS AND REWARDS OF MOVING TOWARDS THE MAINSTREAM.

Context:

Participatory Budgeting (PB), where local people have a direct say in the allocation of publicly-funded resources, has developed into an international phenomenon since its beginnings in Brazil in the 1980s. Over 3000 cases of PB have been recorded in the last 30 years. In the UK, since 2014, all 32 Local Authority areas in Scotland have engaged in some form of PB, with approaching 100,000 active participants, and over £10million allocated through PB so far. The aspiration in Scotland is for that sum to exceed £100m annually by 2022.

The majority of PB programmes in Scotland have focussed on small grants allocation, where community groups have bid for pots of money and delivered services direct to their communities. This contrasts with the original expressions of PB in Brazil, and more recently, for example, in Paris, where a percentage of the Local Authorities' mainstream budgets have been allocated through PB.

A considerable body of evidence has emerged over the years showing that PB is a robust and respected methodology for public service reform, community empowerment and building trust in democratic institutions.

In terms of embedding PB within the decision-making framework of Local Authorities and partner organisations (Health, Crime and Community Safety, Housing, Education etc) the challenge would seem to be how to capture and maintain the enthusiasm for PB which small-scale voting events have been shown to generate, whilst also maintaining progress towards a more structured approach, whereby PB becomes part of the decision-making process in the round. That is, residents having access to, and direct influence over how mainstream budgets are allocated in their communities.

Time for a culture change?

The examples from Latin America, Europe, the USA and elsewhere demonstrate that 'PB at scale' is demonstrably achievable: the challenge regarding delivery of mainstream expressions of PB isn't therefore, primarily *technical*, but rather *cultural*. The phrase 'everything let go of has claw marks on it' springs to mind when confronted with the understandable trepidation, on the part of elected members and officers, to relinquishing control over any part of a budget.

This is the cultural change required: the ability of highly experienced and knowledgeable budget holders to trust the community with some of, what is, in fact, the community's money to begin with. A telling example is provided by the experience in the Outer Hebrides,

where residents were given the opportunity to directly commission bus service providers in Barra and Uist, the two Southern-most islands. From an initial position of scepticism, the Council's Transport Manager – who was present throughout the decision-making process, and available to answer technical queries, said at the end of the process; *“Brilliant. I have no problem at all with any of these decisions.”*

Another necessary aspect of the cultural change required relates to available resource. In practice, one of the key stumbling blocks to developing ongoing, sustainable, mainstream iterations of PB, has been the level of resource, which includes, process costs such as staff time etc as well as actual funds, required to develop and maintain PB in the long-term.

It is important to recognise that developing PB alongside existing strategies for improving levels of community engagement and empowerment isn't a 'zero-sum' game'. One where PB has to be funded and resourced in addition to existing services and statutory responsibilities in these areas.

In fact, PB's 'softer' outcomes – increased trust and improved relations between residents and budget holders, better quality data flow in both directions, greater community engagement in terms of quantity and quality, are, of course, part of the 'day job' of innovative public bodies. PB has been shown to be very effective in improving all these outcome areas. It has also been shown that, over time, PB actually leads to more efficient resource allocation, raises the recovery of taxes, and stimulates communities to develop their own capacity towards meeting their needs.

One of the other key objections raised relates to the current economic climate and policies around austerity: 'there is no money for PB.' Whilst there might not be as much 'top-up or initiative' funding available than in past times (funds which were often drawn upon to kick-start a range of small grants PB programmes), there is *always* a budget: mainstream resources will continue to be spent. The question, from a PB perspective is quite simple: who decides how the budget is allocated, and what percentage of these decisions can most usefully be taken by the communities themselves?

How can we develop PB to help transform and empower peoples' lives?

The value of both Small Grants and Mainstream PB has been established in a range of contexts, from Scotland to Brazil. The most 'holistic' way forward, and one with the best chance of achieving positive, and lasting change in peoples' lives, would be to combine the two approaches, most obviously at the level of community planning. Smaller scale interventions identified during community planning consultations might be addressed by community organisations bidding into a dedicated small grants pot. Whereas more strategic responses could be commissioned from service providers through a 'resident-led commissioning' process (as, for example, recently trialled with £1.2m of Dundee Council's mainstream budget.)

An annual small grants offered to communities would provide an ongoing 'PB presence' in communities, and act as a recruiting ground for those interested in becoming involved in

more strategic deliberative processes. Participants in those processes provide a ready pool of engaged community members, often going far beyond traditional community gatekeepers, who can become part of more strategic conversations.

The challenges inherent both in terms of changing some budget holders' mindsets and providing adequate ongoing resources to maintain an ongoing PB programme can be met, provided the focus remains on the outcome. That is, a real transformation of the relationships between residents and service providers. Moving from an 'us and them' culture to genuinely shared ownership of decision-making, with co-production at its heart. This approach promises a shift towards greater investment in active communities and into preventative spending aimed at reducing demands on public services, rather than traditional top down service-led models.

A slightly left-field example as a closing thought. A teenage boy in Liverpool who was attending a newly-established school for pupils with behavioural issues was asked to compare his new school with where he had been previously.

His response: *"It's completely different here. The teachers trust us. And if they trust us, we can trust them"*.

PB in a nutshell? Trusting the community with some of their own money can be genuinely transformative, is more than worth the effort involved, and, we would argue, an idea whose time has come.

Think Piece by Alan Budge, PB Partners, 2019