

# Participatory Budgeting – lessons from recent English experience

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CLG contracted a consortium led by SQW to study Participatory Budgeting (PB) in England. The work aims to establish what works and why, and the relative costs and benefits of PB. It will be completed in December 2009.

## Background and growth of Participatory Budgeting

PB developed in Brazil, where local people engaged in decisions to prioritise the use of resources for an administrative area. Since then, the approach has been adopted and adapted across the world. The Department for Communities and Local Government has promoted PB to help revitalise local democracy. PB schemes have run in over a third of top tier local authority areas.

The approach is catching on for a number of reasons. At one level, the duty to involve people in local decision, and national indicators measuring people's views on their ability to influence local decisions, encourage local authorities to adopt PB. Falling levels of trust in politicians and representative democracy also opens a space for processes that give decision-making power to communities.

However, there may be more to it than this. Levels of enthusiasm among those involved in the process are high as is their commitment to extending the process to cover more areas, more services and larger budgets.

## Initial findings

The work to date shows that many areas run a mix of area-based and service-based processes. Some focus on user groups, such as young people, but most are open to everyone. Four-fifths use a form of 'community chest' to fund local projects; but a significant minority (two-fifths) use devolved service budgets. The scale of funding varies from around £20,000 to over £500,000 a year. The variation reflects the maturity of an area's use of PB (areas at an early stage tend to experiment with small budgets) and the size of population covered (whole-authority processes soon top £500,000).

Our survey of 34 PB 'pilots' found over one-quarter of respondents use PB as part of authority-wide decision making arrangements; and in one case, the process is applied across the local strategic partnership.

For most areas, the main objective is to improve civic activity, including improved voter turnout and greater engagement with the political process and local decision-making. In relation to local politics, the role of councillors in PB varies. In some places councillors provide advice and guidance, at decision making events, but do not vote; in others they participate as residents; and in others, they maintain the final say over how resources are allocated after votes have been held.

So, what have we learned for those who might be considering introducing PB? The figure below illustrates a simplified PB process.

Once the decision to go ahead has been made, preparatory work is required with the staff concerned and with the public. This step is crucial and it can't be rushed. Where authorities or partnerships have neighbourhood management teams, area committee structures or similar authority-wide resources, PB can be rolled out as part of these arrangements.

Prior to decision-making events, areas advertise PB. A whole host of approaches has been deployed, including adverts on local radio, posters in staff canteens and pubs, personalised invitations posted to people's homes and outreach work on the streets to encourage people to join in. A mix of methods appears to bring in a wider range of participants.

The overall decision-making process varies from area to area. Some hold events to discuss priorities in the area prior to a call for projects; others call for proposals straight away. Sometimes guidance, e.g. on accounting for costs, is provided to project sponsors. And in some areas, basic eligibility criteria are applied to projects.

Information on proposals is provided using a range of media, e.g. posters or information sheets; presentations at meetings; or, where a series of meetings are held, a DVD of proposals ensures each meeting has the same information.

Decisions are taken using many different methods. For example, local or ward-level debates can be followed by postal votes. In large areas, a series of meetings can be held with an aggregate of votes from all meetings calculated to determine priorities.

The evaluation will test the relative costs and benefits of the different approaches, with an eye to wider outcomes, such as whether PB produced different spending patterns or outcomes. This is likely to be the trickiest element of the evaluation, as verifying impacts will not be easy given the wide range of objectives the areas have set themselves; but the spirit of cooperation among the areas shows there is an appetite and commitment to do the work, so that the business case for PB can be made in a convincing fashion in these economically challenging times.

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Figure 1: Composite picture of PB processes

