



Communities in the driving seat: a study of  
Participatory Budgeting in England  
**Final report**



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## Key findings

1. Participatory Budgeting has been described in the following terms:

*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.*

2. This study of Participatory Budgeting in England found that:

- Participatory Budgeting was most effective when used in conjunction with other community engagement processes.
- Good decision-making processes need to be followed by the delivery of good projects. In other words, Participatory Budgeting works as part of a package of community engagement and empowerment; but in order for everyone's confidence in the approach to be maintained, it has to ensure those who receive funds do what they said they were going to do, when they said they were going to do it.

3. The study looked at how Participatory Budgeting could change mainstream services. It found Participatory Budgeting could:

- attract additional funds into deprived areas by providing an effective means of distributing resources that funders felt confident they could work with
- lead to different types of projects getting funding than might otherwise have been the case, breaking the *status quo* in some areas
- improve the level and quality of information available to service providers, thereby enabling them to meet local needs more effectively
- demonstrate to local authority officers (and others) the need for greater inter-organisational co-operation, in order to meet local needs more effectively – as issues raised at decision-making events often could not be solved by one department acting alone
- enhance the ability of mainstream providers to address local service needs amongst hard-to-reach groups by opening up new channels of engagement.

4. The research also found that Participatory Budgeting may:
  - improve individuals' and organisations' self-confidence in tackling neighbourhood issues and in negotiating with public sector organisations
  - bring together people from different backgrounds who might not normally meet, enabling them to pool knowledge, views and experience, in order to tackle local issues
  - act as a spur to people to build local voluntary and community organisations, e.g. to address local issues and access Participatory Budgeting funds
  - encourage participants to get more involved in their communities, as shown by rising memberships in local organisations following Participatory Budgeting events
  - improve inter-generational understanding, as young and old come together to discuss their own needs and common issues
  - raise councillors' profiles in the local community, making it more likely that people will contact them in future
  - open up councillors' lines of communication to new groups in their ward
  - raise councillors' awareness of issues in their wards, improving their ability to act as 'community champions'
  - increase people's confidence in local service providers, due to interaction with managers and service providers at events
  - increase turnout at elections, in some cases, where increased engagement in the political process was an objective of the Participatory Budgeting project.
5. Over the course of the research, there were significant political, economic and organisational changes at national and local levels – with a change in UK government, changes in local administrations, the 'credit crunch' and subsequent economic recession and fiscal retrenchment. Thus, the context in which Participatory Budgeting operated altered significantly. Furthermore, with the advent of the Big Society, and the Coalition Government's promotion of localism and community involvement, the potential development paths for Participatory Budgeting altered.
6. This study looked at what might be termed, Participatory Budgeting Version 1.0 in England (PB 1.0). In PB 1.0 most projects were concerned with

relatively small area-based arrangements and the allocation of additional, discretionary funds to projects, rather than providing a process for commissioning mainstream services.

7. In order to apply Participatory Budgeting in new circumstances, policy-makers and practitioners need to consider the development of Participatory Budgeting Version 2.0 in England (PB 2.0). This approach would apply the lessons outlined above to new national and local policy contexts. It would also devise new approaches to take account of changed requirements, for example:

- as Community Budgeting is rolled out across England, Participatory Budgeting processes could be used to inform the use of pooled budgets across a range of services in an area – this would require significantly more preparation with participants than would have been the case with project-based PB 1.0, in order to make sure those involved understood fully the service implications
- PB 2.0 could be used as a vehicle to increase diversity of local service provision – by providing the opportunity and the means to discuss with communities and voluntary groups opportunities for bidding to provide services; and, furthermore, providing an alternative form of decision-making to traditional commissioning processes that may not lend themselves to changing current patterns of provision.

## Executive summary

1. This report is for those working in public, voluntary and community sectors, such as community development workers and community activists. It is also for those policy makers who are encouraging community involvement and promoting the devolution of power from central government to local areas, and from local authorities to local communities and neighbourhoods.

### **Background to the study**

2. In October 2008, the Department for Communities and Local Government (DCLG) commissioned SQW, Cambridge Economic Associates (CEA) and Geoff Fordham Associates (GFA), to undertake a study of Participatory Budgeting in England. The work was thus commissioned by one Government and completed under another. The findings retain their relevance, however, as they reflect on the processes achievement and possibilities associated with engaging the public in making decisions on local spending priorities.
3. The report sets out the study's findings, which are based on a literature review; consultations with key national and local players; two e-surveys of areas using Participatory Budgeting; two waves of fieldwork in case study areas; and a series of practitioner workshops that were run in order to share and test research findings.

### **Purpose of the study**

4. The primary purposes of the study were to:
  - improve implementation of Participatory Budgeting in local government and encourage its take-up
  - spread good practice
  - build understanding of how to maximise the beneficial impacts and cost effectiveness of Participatory Budgeting.

### **Research/evaluation framework**

5. A research/evaluation framework (based on a 'logic model') provided the structure of the research. The framework looked at the Participatory Budgeting process and the projects/services funded using Participatory Budgeting in the study areas, in terms of context for the project; objectives of the project; inputs to/cost of the project; processes and activities carried out by the project; outputs, outcomes and impact achieved by the project.

6. The brief called for the development of a 'typology' of Participatory Budgeting. The study team identified six potential 'dimensions' of Participatory Budgeting: degree of control; scale of the geography involved; users/constituencies involved in the process; source/s of funds; scale of resources; and mechanisms used for allocating resources. The research found groupings across the different dimensions, but these did not necessarily lead to a typology of Participatory Budgeting that could identify 'models' appropriate for different contexts, e.g. urban and rural etc.

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

7. The Department for Communities and Local Government (DCLG), in conjunction with the Participatory Budgeting Unit, developed the following description of Participatory Budgeting:

*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.<sup>1</sup>*

### **How does participatory budgeting fit with moves towards greater localism?**

8. There has been no specific policy announcement on Participatory Budgeting from the Coalition Government. However there is recognition in government of the role Participatory Budgeting could play in building the 'Big Society' and promoting 'localism'. For example, Participatory Budgeting's aims and approach are in line with announcements on open access to data on public sector spending, devolution of power from the centre to local areas and communities, and empowering local people to take charge of local assets and services. Furthermore, the Participatory Budgeting process provides a mechanism with which to engage the public, and encourage people to get more involved in activities in their local areas. Finally, at a time of reduced local government spending, it is possible that Participatory Budgeting may be used in order to build people's understanding of local spending decisions and engage communities in efforts to achieve more with less.

### **The bottom up picture**

9. In March 2010, the study team conducted an e-survey of areas operating Participatory Budgeting. Thirty-three responses were received (53% of those

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<sup>1</sup> CLG, (2008) *Participatory Budgeting: a national strategy*.

surveyed). The survey found **a majority of areas had adopted Participatory Budgeting in order to increase community engagement; to empower people and give them confidence to engage in decision making; and to increase community cohesion and community pride.** Participatory Budgeting was not seen as a means of generating savings or efficiencies in services.

10. **Most Participatory Budgeting arrangements operated at a small scale** – neighbourhood or ward level – few were authority-wide. The relatively small scale of the activities was reflected in the size of budgets involved – the majority of respondents to the survey indicated they had budgets of £100,000 or less.
11. The most common approach to engaging people was running events open to all residents ('universal events'), with direct votes by the public; rather than events targeted on specific groups or events where votes were cast indirectly via representatives. However, around one-quarter of areas ran targeted processes that were open to a specific group, e.g. young people. Just over one-quarter of areas reported attendances of between 1 and 100 people and just under one-quarter of areas reported attendances between 101 and 500 people.
12. The most popular themes against which money was spent were: activities for young people; crime and public safety; environmental improvements; community and cohesion activities; health initiatives; and play and sports facilities. When asked about the impact of the process, areas reported progress in self-esteem and confidence; community cohesion; community pride and enhanced community capacity. They also reported Participatory Budgeting had increased the number of people involved in local decision-making and enhanced their ability to influence change. Areas found it more difficult to identify specific improvements in services, often they said as it was 'too early to tell'.

### **The study areas and the six dimensions of Participatory Budgeting**

13. The study team worked with areas to plot where they were on the 'six dimensions' of Participatory Budgeting developed by the evaluation (Table 1).

**Table 1: Basic characteristics of Participatory Budgeting in the case study areas**

<b>Dimension</b>	<b>Manton</b>	<b>Newcastle</b>	<b>Southampton</b>	<b>Stockport</b>	<b>Tower Hamlets</b>
<b>Control</b>	Collective Choice	Collective Choice/Service Control	Service Control	Responsible accountability/Collective Choice	Collective Choice
<b>Geography and Governance</b>	Neighbourhood	Ward and city-wide	Neighbourhood	Neighbourhood	Several wards
<b>Targeted/open participation</b>	Open to all	Open to all	Open to all	Open to all	Open to all
<b>Source of funding</b>	Delegated budget plus mainstream funding	Delegated and mainstream service budgets	Mainstream service budget	Multiple sources	Mainstream service budget
<b>Scale of resources</b>	Small-medium scale	Small-medium scale	Small-medium scale	Small scale	Large scale
<b>Voting mechanism</b>	Direct voting	Direct voting	Direct voting	Direct voting	Direct voting

Source: SQW analysis

14. In practice most of the study areas demonstrated similar levels of control (e.g. collective choice and control over commissioning, as opposed to consultation etc.) and in most cases this level of influence represented an increase in the level of citizen control relative to earlier arrangements. Where residents had had control of resource allocation in the past, e.g. in New Deal for Community areas, the use of Participatory Budgeting increased the numbers of people involved in taking decisions over the allocation of resources. The study found **Participatory Budgeting increased local people's control over the allocation of resources where it had been limited in the past; and expanded the number of local people involved making decisions on the use of resources in areas with a history of community control.**
15. The scale of resources and the geographic coverage were intimately linked – with relatively small amounts of money associated with tightly defined geographic areas and larger amounts of money involved in Participatory Budgeting initiatives covering large areas up to and including a whole authority. Although **none of the study areas experienced a fundamental shift in the way mainstream decisions were taken, the evidence from the study areas indicated that the larger the area covered and the larger the amounts of money involved the greater was the likely impact on the culture and practices of those in positions of authority.** In that sense the study found that 'size matters'.
16. Phase 1b of the research included examples of areas using Participatory Budgeting with particular groups in the community – the research showed that such processes could be used to re-balance the distribution of resources (by ring-fencing a sum to a particular group) and improve the design of services for excluded or disadvantaged groups. The research also showed this tailored approach had a positive impact on participants' self-esteem. Phase 2 research found similar gains for young people involved in general or universal Participatory Budgeting processes, as well as the process generating improvements in understanding between the generations. However, research also showed adults were sometimes uncertain as to the appropriate age at which people should be allowed to vote in a process. Thus, **the research indicated that there could be positive process outcomes from both targeted and universal events.** And that **consideration needed to be given as to the degree of 'specialist' user-knowledge required to form a sound judgement on proposals** (e.g. on services for young disabled people); and **the degree to which the process should provide an opportunity for people who wouldn't normally meet to come together.**
17. The source of funding tended to set the parameters within which decisions could be taken, e.g. transport budgets could only be spent on local transport

projects; and health budgets had to be spent on projects that would deliver health outcomes etc. Thus, the funding did not necessarily address the most pressing local priorities; rather it allowed local people to allocate funding to reflect local priorities within a specific theme. However, within the confines of the respective budget, Participatory Budgeting processes did lead to changes in the types of projects that received funding. The challenge for the future is to what extent, in a time of austerity, Participatory Budgeting can be developed to inform prioritisation of spending decisions across a range of mainstream budgets in an area.

18. The study areas used a range of mechanisms by which participants made their decisions. The different approaches included electronic voting systems (to provide privacy and immediate results); run-offs between projects after an earlier 'elimination round' (in an effort to avoid block voting); facilitated deliberation on tables prior to votes (to build community cohesion and the sharing of ideas); anonymous proposers (to ensure the best ideas not the most influential or popular bodies received funding) etc. Effective marketing and outreach were essential to the process; with prior registration helping to monitor equalities issues and inform further outreach work to make sure attendees reflected the local population profile.
19. The different approaches did not appear to be determined by the type of local authority or area; rather they reflected the relative costs of different approaches given the budget available, and learning from earlier rounds of Participatory Budgeting (e.g. methods that cut out 'block voting').
20. One key difference in the approaches used was whether the process focused on prioritising projects or services provided by a lead body (usually a local authority); whether the process focused on building local community and voluntary sector capacity; or whether it was a hybrid of these two approaches with statutory agencies and voluntary and community groups all making proposals. In a time of austerity with different organisations competing for revenue, the type of approach used may well become more of a 'hot topic'. Furthermore, the Government has announced policy changes that allow communities and public sector staff to set up new bodies to run public services; in this context Participatory Budgeting could become a vehicle for assisting that process, provided preparatory work on proposals is carried out.

### **Financial costs of running Participatory Budgeting**

21. The research team worked with data provided by study areas in Phases 1 and 2 of the study in order to generate estimates of the costs of operating Participatory Budgeting (i.e. those costs excluding the actual budgets that were allocated to projects). The data were analysed in order to give an

indication of ‘benchmark costs’ for different stages of the process – set-up, running an event, and ongoing management after the decision-making event. For those areas running the process at the level of the whole local authority the cost was between 9 pence and 52 pence per head of population; and for those running participatory budgeting at neighbourhood level the costs ranged from 7 pence to 81 pence per head of population.

22. As well as cost per head of population, the study looked at the costs of the process per participant. For those operating an authority-wide process the costs ranged from nearly £10 per participant to over £90 per participant; and for those operating Participatory Budgeting processes at the neighbourhood level the cost ranged from under £3 per participant to over £36 per participant.

**Critical success factors for processes and activities associated with Participatory Budgeting**

23. The study team worked with areas to understand the processes they used and the factors that led to their success at each stage of development, from inception to delivery. Table 2 summarises the study team’s findings. It shows the stage, the supporting factors and how each factor contributed to the successful delivery of Participatory Budgeting. This list is a useful guide/checklist for areas seeking to adopt or roll out Participatory Budgeting. It should be noted that findings from the study areas provide a strong indication that **Participatory Budgeting can be most effective when it is used in conjunction with other neighbourhood and/or community engagement processes**. In other words, Participatory Budgeting is not an alternative to other forms of community engagement; it is part of the community empowerment tool box.

<b>Category</b>	<b>Critical Success Factors</b>	<b>Outcome</b>
<b>Inception</b>	Senior level buy-in and drive within the Council or governing body	Decision-making processes support Participatory Budgeting, removing obstacles to implementation and roll out of Participatory Budgeting
	Commitment to the provision of funding	Enables the process to be taken forward both in terms of money to allocate via Participatory Budgeting and resources to cover the cost of introducing a new form of decision-making

Category	Critical Success Factors	Outcome
Planning and set-up	Sufficient planning and development time – ensure training and capacity building undertaken	All parties are informed of the role they are to play in the process, which alleviates any anxieties or concerns – including councillors, officers and residents  Development of more formal capacity building at the outset of a process
	Development of a vision which sets out what initial Participatory Budgeting events will lead to in terms of involvement in wider decision-making	Clear objectives and goals are set for the process, which means people know what is to be achieved and can track progress over time
	Access to sufficient levels of external support to set up and plan the process	Independent support provides background on what's been learnt from elsewhere – so pitfalls can be avoided and brings a 'challenge' function to the set up process, making sure the process is rolled out effectively
	Embedding of a strong partnership approach with associated strong leadership	Drawing together a range of agencies and partners enables the contribution of different sources of funding, the sharing of skills, in-kind resources to support the facilitation of the process and the ability to utilise wider networks to access community groups and residents
	Successful branding and marketing	Strong branding of Participatory Budgeting activities in conjunction with marketing campaigns which utilise a variety of mechanisms – posters, leaflets, radio adverts etc – have helped to raise awareness of the process and led to increased engagement of harder to reach communities
Delivery	Embedding the process within low level and easily recognisable geographies that are in line with the level of funding available for allocation via Participatory Budgeting	Residents relate to and witness tangible benefits within their area, thereby securing higher levels of buy-in to the process and building local people's confidence that the process can make a difference
	Appropriate delivery team to facilitate the process – e.g. Neighbourhood Management team, who work closely with local residents and community organisations – as community development activities are key	Full range of community development techniques used to engage a wide range of residents and therefore increased participation – furthermore, increased levels of participation in other civic events or activities

Category	Critical Success Factors	Outcome
	Technical expertise required to test the feasibility of ideas and to cost prospective projects	Introduces theoretical and practical knowledge of relevant policy areas  Selection of appropriate/affordable shortlisted projects and presentation of accurate material to the wider community – reducing the possibility of dashed expectations, if proposals have to be withdrawn at a later date as they are not practical or have not been costed correctly
	Communication and transparency throughout the process – including successful marketing at the beginning of each process	High levels of attendance and participation at events  Buy-in from the community  Re-enforces the outcomes and impacts of the process raising awareness
	Clear decision-making/funding criteria, which is disseminated to all potential bidders	Clarity of purpose and provision of clear and informed project applications
	'Pitching' at a level and in a form that the community can understand and respond to	Communities understand the purpose the intentions of the process and each prospective project and therefore are actively engaged in the process – leading to more effective decision-making processes
	Transparent decision-making process	Helps build confidence in the process and illustrates tangible results to those participating
	Effective monitoring and evaluation processes to ensure the benefits of the process and its subsequent activities are recorded and are fed back to local residents and funders	Maintains local engagement and enthusiasm for the process  Funders understand what they got for their money and are therefore more willing to fund activity in the future
<b>Representati on</b>	Ensure the decision-making event is attended by a balanced representation from the relevant groups of interest in a local area without introducing bias into the process, particularly from specific well organised groups	Resultant projects are based on the pooled knowledge and views of the local community  Increased community cohesion and social capital

## **Outputs, outcomes and impacts**

24. The study looked at how Participatory Budgeting could change mainstream services. It found Participatory Budgeting could:
- attract additional funds into deprived areas by providing an effective means of distributing resources that funders felt confident they could work with
  - lead to different types of projects getting funding than might otherwise have been the case, breaking the *status quo* in some areas
  - improve the level and quality of information available to service providers, thereby enabling them to meet local needs more effectively
  - demonstrate to local authority officers (and others) the need for greater inter-organisational co-operation, in order to meet local needs more effectively – as issues raised at decision-making events often could not be solved by one department acting alone
  - enhance the ability of mainstream providers to address local service needs amongst hard-to-reach groups by opening up new channels of engagement.
25. The research also found that Participatory Budgeting may:
- improve individuals' and organisations' self-confidence in tackling neighbourhood issues and in negotiating with public sector organisations
  - bring together people from different backgrounds who might not normally meet, enabling them to pool knowledge, views and experience, in order to tackle local issues
  - act as a spur to people to build local voluntary and community organisations, e.g. to address local issues and access Participatory Budgeting funds
  - encourage participants to get more involved in their communities, as shown by rising memberships in local organisations following Participatory Budgeting events
  - improve inter-generational understanding, as young and old come together to discuss their own needs and common issues
  - raise councillors' profiles in the local community, making it more likely that people will contact them in future

- open up councillors' lines of communication to new groups in their ward
- raise councillors' awareness of issues in their wards, improving their ability to act as 'community champions'
- increase people's confidence in local service providers, due to interaction with managers and service providers at events
- increase turnout at elections, in some cases, where increased engagement in the political process was an objective of the Participatory Budgeting project.

### **Prospects for the future development of Participatory Budgeting in England**

26. Over the course of the research, there were significant political, economic and organisational changes at national and local levels – with a change in UK government, changes in local administrations, the 'credit crunch' and subsequent economic recession and fiscal retrenchment. Thus, the context in which Participatory Budgeting operated altered significantly. Furthermore, with the advent of the Big Society agenda, and the Coalition Government's promotion of 'localism' and community involvement, the potential development paths for Participatory Budgeting altered.
27. This study looked at what might be termed, Participatory Budgeting Version 1.0 in England (PB 1.0). In PB 1.0 most projects were concerned with relatively small area-based arrangements and the allocation of additional, discretionary funds to projects, rather than providing a process for commissioning mainstream services.
28. In order to apply Participatory Budgeting in new circumstances, policy-makers and practitioners may need to consider the development of Participatory Budgeting Version 2.0 in England (PB 2.0). This approach would apply the lessons outlined above to new national and local policy contexts. It would also devise new approaches to take account of changed requirements, for example:
  - as 'Community Budgeting' is rolled out across England, Participatory Budgeting processes could be used to inform the use of pooled budgets across a range of services in an area – this would require significantly more preparation with participants than would have been the case with project-based PB 1.0, in order to make sure those involved understood fully the service implications

- PB 2.0 could be used as a vehicle to increase diversity of local service provision – by providing the opportunity and the means to discuss with communities and voluntary groups opportunities for bidding to provide services; and, furthermore, providing an alternative form of decision-making to traditional commissioning processes that may not lend themselves to changing current patterns of provision.

# 1: Introduction

- 1.1 The report is primarily for those working in public, voluntary and community sectors, such as community development workers and community activists. It provides detailed findings on costs (Annex D), processes (Annex E) and achievements associated with Participatory Budgeting (Chapters 6 and 7) as well as signposting to useful tools (Annex C) and critical success factors (Chapter 5).
- 1.2 The report is also for those policy makers who are encouraging community involvement and promoting devolution of power from central government to local areas and from local authorities to local community groups and neighbourhoods. It highlights some of the practical issues to do with decision-making frameworks, incentives for action and institutional and partnership arrangements that affect the likelihood of the successful operation of community empowerment at the local level (Chapter 8).
- 1.3 The report also provides some reflections on research methodology and lessons learnt (later in this chapter) that might be of use for researchers and evaluators, including the use of a logic model approach, and the development of an evaluation framework (Annex A) that is flexible enough to take account of different (and changing) national and local priorities.
- 1.4 In October 2008, the Department for Communities and Local Government (DCLG) commissioned SQW, Cambridge Economic Associates (CEA) and Geoff Fordham Associates (GFA), to undertake a study of Participatory Budgeting in England. This report sets out the study findings based on a literature review; consultations with key players; two e-surveys of areas using Participatory Budgeting; two waves of fieldwork in case study areas; and a series of practitioner workshops run in order to share and test findings.
- 1.5 The report has six further chapters:
  - **Chapter 2: Findings from the e-survey of Participatory Budgeting areas** – providing a summary of the key findings and points for further study identified in the survey of areas operating Participatory Budgeting.
  - **Chapter 3: An introduction to the study areas** – providing a profile of the areas taking part in the second phase of the research.
  - **Chapter 4: Cost of inputs to the Participatory Budgeting Process** – providing information on the range and types of costs that areas incurred in operating different approaches to Participatory Budgeting,

to assist those considering using Participatory Budgeting and to inform value for money judgements.

- **Chapter 5: Processes outputs, outcomes and impacts** – reviewing how the operation of Participatory Budgeting has affected the public's interaction with services and politicians and changes in the way mainstream decision-making processes operate in areas that have used and are using Participatory Budgeting.
- **Chapter 6: Project/service improvement outputs, outcomes and impacts** – assessing the achievements of the projects that have been funded by Participatory Budgeting, with a view on whether when compared to other arrangements they have been better targeted to meet needs, cheaper and/or more effective in meeting local needs.
- **Chapter 7: Thematic studies: equalities and diversity and the role of the councillor** – setting out the findings from two thematic case studies exploring particular issues raised by Phase 1 of the research.
- **Chapter 8: Summary and conclusions** – setting out the main findings from the research and reflections on the role and challenges facing Participatory Budgeting in the context of the Big Society.

### **Approach to the research**

- 1.6 This chapter provides a summary of the study aims; research issues; methodological approach and research framework; the research carried out; the adaptations to the research approach made over the life of the project; and observations on the lessons learned that may be useful for future studies and evaluations of a similar nature.

### ***Aims and purposes of the study***

- 1.7 The aims of the study, as set out in the terms of reference, were as follows:
- to develop and provide evidence on different types of Participatory Budgeting approaches/models; track the processes and experiences of Participatory Budgeting, exploring how and why different types of Participatory Budgeting have an impact in different environments
  - conduct a pre-Participatory Budgeting baseline exercise and post-implementation cost and impact analysis of Participatory Budgeting in the study group.

- 1.8 The primary purposes of the study were to:
- improve implementation of Participatory Budgeting in local government and encourage its take-up
  - spread good practice
  - build understanding of how to maximise the beneficial impacts and cost effectiveness of Participatory Budgeting.

***Key research issues and challenges to the study***

- 1.9 By September 2008 there had been three announcements by government of areas pioneering Participatory Budgeting. The cumulative total of areas was 34. It was from this list that the research had to draw its evidence to address the study aims.
- 1.10 The scoping phase of the study highlighted a number of issues that the evaluation needed to take into account, these included:
- The object of study was not a 'traditional' national programme supported by DCLG finance. Instead there was a group of areas using their own resources to operate different Participatory Budgeting processes in different contexts to achieve different ends. Thus, there was no set of national objectives against which progress could be measured, and only a limited number of shared objectives between the areas. This made judgements on the effectiveness of Participatory Budgeting difficult as there were no specific, measurable, agreed, realistic and time-bound targets against which progress could be measured.
  - There was no clear start date for the operation of Participatory Budgeting in the 34 areas; in some cases, Participatory Budgeting had been used for a number of years. This made it difficult to develop 'before and after' comparisons within areas.
  - Areas operated very different approaches to engaging the public in decision-making processes and not all areas were operating Participatory Budgeting as 'defined' by DCLG or the Participatory Budgeting Unit; therefore the evaluation needed to take account of variations in how Participatory Budgeting was practised in different study areas. Thus, there was an issue of fidelity to the principles of Participatory Budgeting, which could limit the relevance of findings in some study areas.

- The evolutionary/developmental nature of the activities meant they could change over time; therefore, the subject of analysis would not be the same at the end of the study as it was at the beginning. The research, therefore, had to track changes in the way Participatory Budgeting was practised in the areas, in order to assess the impact of different practices on the impact of the process.
- Areas were part of the 'programme' and the research out of choice. They were not bound to participate in a national study of their activity and could drop out of the study at any time, if they so wished. Thus, while having national research objectives the research team had to respond to local needs, if areas were to engage fully with the study process.
- The voluntary and diverse nature of the 'programme' meant different types of approaches, processes and projects were being delivered for different reasons, in different contexts, over various timescales; therefore monitoring data were collected at different frequencies and covered different subjects and themes. This made ('sensible') aggregation of evidence on costs and results difficult and potentially questionable.
- Finally, the areas reported difficulties in measuring impact and tracking costs accurately, not least because effective monitoring was not necessarily proportionate to the scale of resources allocated under Participatory Budgeting.

### **Policy context**

1.11 This section provides:

- a definition of Participatory Budgeting in the English context
- a brief history of the national policy context for the development of Participatory Budgeting in England.

1.12 It should be noted, however, that during this study there was significant change in the social, political, economic environment:

- an economic recession
- a change of Government at the national level
- announcement of major cuts in public sector spending

- moves towards greater devolution from central government to local government, and promotion of civic engagement and the Big Society agenda, to put more power in to the hands of individuals and communities.

1.13 There has been no specific policy announcement on Participatory Budgeting from the Coalition Government. However there is recognition in government of the role Participatory Budgeting could play in building the Big Society and promoting 'localism'. For example, Participatory Budgeting's aims and approach are in line with announcements on open access to data on public sector spending, devolution of power from the centre to local areas and communities, and empowering local people to take charge of local assets and services (Box 1-A). Furthermore, the Participatory Budgeting process provides a mechanism with which to engage the public, and encourage people to get more involved in activities in their local areas. Finally, at a time of reduced local government spending, it is possible that Participatory Budgeting can build people's understanding of local spending decisions, and engage communities in efforts to achieve more with less.

**Box 1-A Key features of the localism agenda of relevance to Participatory Budgeting**

- General power of competence for local authorities – so they are permitted to do anything not proscribed by law.
- Allowing councillors more freedom to engage in debate on local planning matters.
- Community right to express an interest in running a local service that must be considered by the local authority.
- Community right to bid to take over local amenities.
- Local referenda on local issues.
- Right to veto 'excessive' council tax increases.
- Neighbourhood planning, so local communities can influence the planning system.
- Community right to build small scale developments of public good.
- Requirement to consult local communities on large planning applications.

Source: CLG, *A plain English guide to the Localism Bill*, 2011

1.14 In this spirit, the Big Society Network and the National Endowment for Science, Technology and the Arts are supporting nine pioneer areas in their use of Participatory Budgeting to engage the public in decision-making

processes on mainstream budgets that need to find significant savings.<sup>2</sup> The aim of the 'Your Local Budget' project is to develop new ways to involve local people in tough spending decisions, building on the pioneering approaches to Participatory Budgeting that have been developed around the world. This may involve engaging local people in decisions about out-sourcing local authority services, e.g. to voluntary and community groups or proposed employee-led organisations to take the provision of services out of local authorities.

- 1.15 Consultations with practitioners and policy makers inevitably reflect these wider changes; however, enthusiasm for Participatory Budgeting among many practitioners and policy makers has not dimmed in the face of these changes and challenges.

### ***What is Participatory Budgeting?***

- 1.16 In the English context, the Department for Communities and Local Government (DCLG) in conjunction with the Participatory Budgeting Unit developed the following definition of Participatory Budgeting:

*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.<sup>3</sup>*

### ***What is the history of Participatory Budgeting in England?***

- 1.17 Participatory Budgeting is a global phenomenon. It was born in Porto Alegre, Brazil, in the late 1980s; where it is estimated around 10 per cent of the local population took part in the city's annual budget setting process; resulting in a shift in the city's spending priorities in favour of disadvantaged communities.
- 1.18 Participatory Budgeting has been in operation in the UK for some time now. In 2002, the then Office of the Deputy Prime Minister started to examine Participatory Budgeting's potential in England. In 2004, its Special Grants Programme helped set up the Participatory Budgeting Unit, which was subsequently commissioned to explore how Participatory Budgeting might work in a number of pilot areas.

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[http://www.nesta.org.uk/press/assets/features/pioneering\\_projects\\_to\\_share\\_local\\_budget\\_decisions\\_with\\_citizens](http://www.nesta.org.uk/press/assets/features/pioneering_projects_to_share_local_budget_decisions_with_citizens)

<sup>3</sup> CLG, (2008) *Participatory Budgeting: a national strategy*

- 1.19 In terms of the development of national policy, the previous administration issued a series of papers setting out a framework for citizen engagement and neighbourhood-level working, including: *Citizen Engagement and Public Services: Why Neighbourhoods Matter*<sup>4</sup> (2005), the local government white paper, *Stronger and Prosperous Communities* (2006), the joint DCLG/LGA *Community Empowerment Action Plan* (2007) and the white paper, *Communities in Control: Real People, Real Power* (2008). The 2008 white paper also endorsed the wider roll-out of Participatory Budgeting – it was hoped that all local authorities would facilitate some form of Participatory Budgeting for local citizens by 2012.
- 1.20 Some of the key messages from the white paper *Communities in Control: Real People, Real Power* were reinforced in the National Strategy for Participatory Budgeting, *Giving more people a say in local spending* (2008). This set out four key elements to expanding the use of Participatory Budgeting in England: promoting awareness by increasing decision-makers' understanding of how participatory budgeting might help them respond effectively to local concerns; creating opportunities by increasing the number and range of local spending decisions that involve local people; providing guidance and support through published guidance and training to help those devising Participatory Budgeting processes and events; and learning from evaluation and research by gathering and disseminating research findings so that those planning and delivering participatory budgeting events could learn from others.
- 1.21 Other government departments, in addition to DCLG, also sought to increase the level of public participation in decisions over the use of resources. For example, in relation to the Youth Opportunity Fund and Youth Capital Fund, the (then) Department for Children, Schools and Families said: "*The involvement of young people, especially disadvantaged young people, is central to the Funds. Giving young people genuine influence over local services is recognised as the most effective way of ensuring better access and increasing participation in positive activities.*"<sup>5</sup> While the Home Office committed in the 2008 Policing green paper<sup>6</sup> to develop Community Safety Participatory Budgeting pilots.

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<sup>4</sup> ODPM and Home Office (2005) *Citizen Engagement and Public Services: Why Neighbourhoods Matter*, ODPM: London.

<sup>5</sup> <http://www.everychildmatters.gov.uk/youthmatters/youthfund/>

<sup>6</sup> Home Office (2008) *From the neighbourhood to the national: policing our communities together*

### ***Participatory Budgeting in theory and in practice***

- 1.22 It is possible to draw from the literature some common aspirations for how Participatory Budgeting should operate.

#### *Aspirations for Participatory Budgeting*

- 1.23 European academic literature has sought to map the defining characteristics of Participatory Budgeting. For example the Marc Bloch Centre identified the following defining characteristics of Participatory Budgeting:
- the financial and/or budgetary dimension must be discussed; Participatory Budgeting is dealing with the problem of limited resources
  - the city level has to be involved, or a (decentralised) district with an elected body and some power over administration (the neighbourhood level is not enough)
  - it has to be a repeated process (one meeting or one referendum on financial issues are not examples of participatory budgeting)
  - the process must include some form of public deliberation within the framework of specific meetings/forums (the opening of administrative meetings or classical representative instances to 'normal' citizens is not Participatory Budgeting)
  - some accountability on the output is required.<sup>7</sup>
- 1.24 A paper produced for ODPM in 2006<sup>8</sup> set out the features that should characterise Participatory Budgeting, much of which still holds true: a focus on mainstream spending; an emphasis on local flexibility within the city-wide strategy to enable priorities to be shaped through dialogue between neighbourhoods and the centre; the need for a city-wide framework for local community engagement; an annual cycle of dialogue and decision making; a network of community outreach workers; budget workshops for residents, councillors and voluntary and community sector; transparent systems for identifying budget allocations and accounting for spending; and control and responsibility for the budget remains with the council and local councillors.
- 1.25 The Participatory Budgeting Unit also drew up a set of values, principles and standards, agreed with DCLG, in order to provide a framework within which Participatory Budgeting should take place (Annex C).

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<sup>7</sup> Yves Sintomer, Carsten Herzberg, Anja Röcke (2006) *Participatory Budgets in Europe: Between Civic Participation and Modernisation of Public Administration*, Marc Bloch Centre, Hans-Böckler-Stiftung

<sup>8</sup> Zipfel T, (2006) *Participatory Budgeting: Background paper for seminar*, NRU, ODPM.

- 1.26 The basic thrust of these aspirations and criteria is that in order to be relevant Participatory Budgeting needs to be part of mainstream budgeting and wider governance arrangements in a systematic way.

### ***Framework for the study***

#### *A logic model-based evaluation framework*

- 1.27 An 'evaluation framework' (Annex A) was developed. It was based on a 'logic model'<sup>9</sup> that looked at both the Participatory Budgeting process and the projects and services funded using Participatory Budgeting in the study areas (Table 1-1).
- 1.28 A National Indicator Set (Annex B), which sought to measure the performance of local government, was in operation for most of the study period. Study areas used these national indicators, as well as locally determined indicators, to guide their activities and measure their impact. Following the change of Government in May 2010, the National Indicators, and the Local Area Agreements<sup>10</sup>, were dropped from the national policy tool box. However, as study areas used (and consultees referred to) National Indicators during the research, therefore, National Indicators are still referred to in this report.

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<sup>9</sup> A logic model links outcomes with programme activities/processes and the theoretical assumptions/principles of the programme.

<sup>10</sup> Local Area Agreements were agreements about local priorities between central government and local authorities and their partners in Local Strategic Partnerships.

**Table 1-1: Main elements of the research**

Key elements of research on Participatory Budgeting processes	Key elements of research on impact of local projects promoted as part of a Participatory Budgeting process
<ul style="list-style-type: none"> <li>• <i>Context</i> i.e. the baseline situation, including the characteristics of the area, such as previous decision-making arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Context</i> i.e. evidence on the existence (or not) of 'local projects' and/or services in the area of operation; including information on costs and outputs and outcomes from 'local projects' and services prior to the introduction of Participatory Budgeting</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Objectives</i> i.e. the purpose of the Participatory Budgeting process from the view of the local participants – this will be a mix of quantitative and qualitative information</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Objectives</i> i.e. the different aims and objectives of the different types of 'local project'/service covered by the Participatory Budgeting process</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Inputs</i> i.e. the financial and non-financial inputs in to the process of Participatory Budgeting, including any set-up costs, e.g. capacity building work or external consultants/facilitators</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Inputs</i> i.e. the financial and non-financial resources required by the 'local projects'/services</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Process/activities</i> i.e. what happens and how; as well as what did and did not work</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Process/activities</i>, e.g. does the Participatory Budgeting process change the way services are delivered?</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Results/outputs</i> early outputs from the introduction of the Participatory Budgeting process, such as increased levels of community engagement</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Results/outputs</i> the changes achieved by the 'local projects' and services, e.g. reduced time to deliver housing repairs</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Outcomes</i> what the process has delivered in terms of the quality of the process, its effect on participants etc.</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Outcomes</i> the effect the outputs have had, e.g. greater satisfaction, increased number of people who feel they can influence local decisions</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Impacts</i>, e.g. significant changes in local decision-making processes</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Impacts</i> changes in the indicators that can assess changes in the contextual conditions surrounding the original rationale for the local project/service</li> </ul>

*Dimensions of participatory budgeting in England*

1.29 The brief called for the development of a 'typology' of Participatory Budgeting. In response to this request, the study team identified six potential 'dimensions' of Participatory Budgeting, which informed the study team's understanding of different 'models' of Participatory Budgeting. The dimensions were developed using an iterative process, based on a (logical) mapping of possibilities that were subsequently tested against evidence drawn from an initial e-survey of areas operating Participatory Budgeting and evidence from the literature review. The six dimensions are summarised below.

- **Control** i.e. the extent to which the public is in control of the allocation of resources. In theory, each area should show an element of collective choice and/or control over commissioning – but at an early stage in the research it was important to test the extent to which citizens had the final say over the allocation of resources in order to test fidelity to the principles of Participatory Budgeting.
- **Geography and governance**, i.e. the size and type of area covered by Participatory Budgeting (e.g. a housing estate, ward, a number of wards in an area committee, or a whole authority) and how Participatory Budgeting arrangements related to overall governance in a local authority district (e.g. links to the Local Strategic Partnership if Area Based Grant was used by the Participatory Budgeting process). This dimension was identified as potentially important in determining the extent to which Participatory Budgeting affected mainstream services and traditional approaches to allocating resources, i.e. it was thought possible that the larger the geography covered by Participatory Budgeting the more pervasive Participatory Budgeting arrangements might become.
- **Targeted user groups/constituencies**, i.e. where a Participatory Budgeting process was held exclusively for one group, e.g. elderly or young people. This dimension was tested, in part to see if targeting affected the types of Participatory Budgeting process in operation and the types of outcomes achieved – with the expectation that its impact on wider citizenship may be more limited than universal approaches; but the intensity of engagement around a specific group’s concerns could potentially lead to more satisfaction with the process and more detailed input into projects and services.
- **Source/s of funds used in a Participatory Budgeting process**, i.e. where the resources used in a Participatory Budgeting process came from (e.g. grants from national government; money from developers via a Section 106 agreement in a planning consent; a mainstream service; or a devolved budget for use in a ward or group of wards). This dimension was tested as it was thought possible that the source/s of funding could place a limit on the topics a Participatory Budgeting process might cover (e.g. transport funding may only be used on transport-related projects); and in turn these limits could affect the way a Participatory Budgeting process operated and the results achieved.
- **Scale of resources allocated by Participatory Budgeting**, i.e. the amount of money under the control of citizens as part of a Participatory Budgeting process. This would demonstrate the scale of the likely

impact to be expected. It also provided a means to assess the relative costs of operating Participatory Budgeting, when set against the inputs identified as necessary to operate Participatory Budgeting effectively (e.g. using a cost per pound sterling allocated figure).

- **Mechanisms used for allocating Participatory Budgeting resources**, i.e. the different ways in which decisions were arrived at in different areas (e.g. deliberation events to discuss priorities, prior to calling for proposals for funding; open annual decision-making events to score projects; use of multiple sites for votes etc.). It was thought that the evidence gathered for this ‘dimension’ could be used to inform the roll out of Participatory Budgeting to other areas and provide evidence on which (if any) approaches might be more successful than others.

1.30 The study team worked with areas to assess where they were against these six dimensions:

- prior to Participatory Budgeting being introduced
- during the study period
- where they might be in five years.

### ***The work carried out***

1.31 The study was in two phases: Phase 1a, a scoping study and the development of the research/evaluation framework, and Phase 1b a ‘process evaluation’; and Phase 2, an ‘impact evaluation’.<sup>11</sup>

#### ***Phase 1a***

1.32 Phase 1a of the study consisted in:

- a literature and data review – looking at international and national experience of Participatory Budgeting and the national policy context<sup>12</sup>
- consultations with policy-makers, researchers and local practitioners, in order to understand their needs, formulate research questions and identify risks associated with the study

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<sup>11</sup> A process evaluation seeks to explore what is working well and what is not in a project/programme/policy and is therefore aimed at improving an intervention during its implementation. An impact evaluation assesses the changes in the well-being of individuals that can be attributed to a particular project, programme or policy.

<sup>12</sup> Key findings from the literature review are included in the next chapter.

- the development and deployment of an e-survey of the 34 'pilot' areas to understand the scale and nature of their activities, plus analysis of responses
- development of a research/evaluation framework and key research questions
- a workshop open to all Participatory Budgeting areas to introduce and test the approach and to explain the tools for those who wished to carry out self-evaluations.

### *Phase 1b*

1.33 Phase 1b consisted in conducting a series of in-depth case studies; plus providing materials and 'light touch' support to a number of Participatory Budgeting areas that wished to carry out self-evaluations; and a workshop open to all Participatory Budgeting areas at which early findings were reported and tested. Table 1-2 provides a summary of the study areas and the self-evaluation areas involved in Phase 1b of the research.<sup>13</sup> Case study areas were selected on the basis that they should:

- provide coverage of both urban and rural areas
- give a mix of political control
- ensure adequate coverage of the dimensions of Participatory Budgeting (control, different geographies, targeting and universal engagement, and scale of resources)<sup>14</sup>
- be 'information rich'
- be recommended by stakeholders as sites of good practice.

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<sup>13</sup> For findings from Phase 1b see:

<http://www.communities.gov.uk/publications/communities/nationalevaluationparticipatory>

<sup>14</sup> None of these first three factors proved do be significant in determining approaches to (or the processes of) Participatory Budgeting.

**Table 1-2: Phase 1b study areas and basic characteristics**

Area	Local area characteristics	Urban/rural	Political control
<b>Case study areas</b>			
<b>Haringey</b>	<ul style="list-style-type: none"> <li>• London Borough</li> <li>• Participatory Budgeting delivered at the level of the Community Committee across the area</li> <li>• Population size: 225,00</li> </ul>	Urban	Labour
<b>Manton</b>	<ul style="list-style-type: none"> <li>• Neighbourhood Management Pathfinder – forms part of the District Council</li> <li>• Participatory Budgeting delivered across the Pathfinder area</li> <li>• Population size: 7,900</li> </ul>	Urban	Conservative
<b>Newcastle</b>	<ul style="list-style-type: none"> <li>• City Council</li> <li>• Participatory Budgeting delivered on a ward basis, over several wards, and on a thematic basis across the area</li> <li>• Population size: 270,000</li> </ul>	Urban	Liberal Democrat
<b>Salford</b>	<ul style="list-style-type: none"> <li>• City Council</li> <li>• Participatory Budgeting delivered in 2 out of 8 Community Committees (CCs)</li> <li>• Population size: approx 62,000/ 220,000 (x2 CCs/city total)</li> </ul>	Urban	Labour
<b>Southampton</b>	<ul style="list-style-type: none"> <li>• Thornhill Plus You New Deal for Communities project in City Council</li> <li>• Participatory Budgeting delivered across the New Deal for Communities area</li> <li>• Population size: 10,900</li> </ul>	Urban	Conservative
<b>St Helens</b>	<ul style="list-style-type: none"> <li>• Metropolitan Borough Council</li> <li>• Participatory Budgeting delivered at the level of the Ward Committee across the area</li> <li>• Population size: 177,000</li> </ul>	Urban	Liberal Democrats/ Conservative

Area	Local area characteristics	Urban/rural	Political control
<b>Salisbury</b>	<ul style="list-style-type: none"> <li>• Unitary Authority</li> <li>• Participatory Budgeting has been piloted in a particular part of the authority as part of a theme based exercise</li> <li>• Population size: 41,000</li> </ul>	Mixed	Conservative
<b>York</b>	<ul style="list-style-type: none"> <li>• Unitary Authority</li> <li>• Participatory Budgeting delivered uniformly across the authority</li> <li>• Population size: 193,000</li> </ul>	Urban	Minority Liberal Democrats
<b>Self evaluation areas</b>			
<b>Buckinghamshire</b>	<ul style="list-style-type: none"> <li>• County Council</li> <li>• Participatory Budgeting piloted in three sub-district local community areas using theme based approaches</li> <li>• Population size: 491,000</li> </ul>	Rural	Conservative
<b>Hartlepool</b>	<ul style="list-style-type: none"> <li>• Unitary Authority</li> <li>• Participatory Budgeting delivered within priority neighbourhoods across the area</li> <li>• Population size: 91,000</li> </ul>	Urban	Minority Labour
<b>Mansfield</b>	<ul style="list-style-type: none"> <li>• District Council</li> <li>• Participatory Budgeting delivered at the level of the Area Assembly across the area</li> <li>• Population of relevant Area Assemblies: 100,000</li> </ul>	Urban	Other
<b>Redcar and Cleveland</b>	<ul style="list-style-type: none"> <li>• Coast and Country Housing Association</li> <li>• Resident population size: 12,000</li> </ul>	Mixed	Labour/ Independent
<b>Sefton</b>	<ul style="list-style-type: none"> <li>• Metropolitan Borough Council</li> <li>• Participatory Budgeting has been piloted in a particular part of the authority</li> <li>• Population size: 276,000</li> </ul>	Urban	No Overall Control
<b>Tower Hamlets</b>	<ul style="list-style-type: none"> <li>• London Borough Council</li> <li>• Participatory Budgeting delivered at the level of the Local Area Partnership across the area</li> <li>• Population size: 215,000</li> </ul>	Urban	Labour

Area	Local area characteristics	Urban/rural	Political control
<b>Walsall New Deal for Communities</b>	<ul style="list-style-type: none"> <li>• New Deal for Communities project in Metropolitan Borough Council</li> <li>• Participatory Budgeting delivered across the New Deal for Communities area as part of a theme based exercise</li> <li>• Population size: 13,000</li> </ul>	Urban	Conservative

Source: National Evaluation of Participatory Budgeting in England - Interim Evaluation Report, Communities and Local Government, March 2010, pp 35-36

1.34 In reporting the findings from Phase 1b, the study sought to answer four basic questions that constituted what might be termed the business case for Participatory Budgeting:

- Why do Participatory Budgeting?
- What does Participatory Budgeting involve?
- How much will Participatory Budgeting cost?
- What will we get for our money?

#### *Phase 2*

1.35 At the end of Phase 1b, the study team and the steering group – led by DCLG – reviewed progress and discussed priorities for Phase 2 of the research. It was agreed that the eight case studies and seven self-reports had provided a rich seam of information on approaches, processes and activities; but more evidence and good practice was required on:

- diversity issues, e.g. under or over representation of certain demographic groups at decision-making events and ways to rectify imbalances
- the role of elected members in the Participatory Budgeting process and the impact of the Participatory Budgeting process on the role of elected members
- links between Participatory Budgeting and wider governance and decision-making processes.<sup>15</sup>

1.36 The steering group agreed two thematic case studies should be carried out as part of Phase 2, in order to gather more evidence on these issues, in addition to the main case study areas. The steering group also agreed revisions to the

<sup>15</sup> These issues had been highlighted as areas for further research by participants at the final Phase 1b workshop Phase, where research findings were discussed.

list of case study areas. The changes reflected some of the risks outlined in the section on research issues and challenges for the study (e.g. some areas opted out or could not confirm involvement in the study at the time Phase 2 was being finalised; and others were not operating a Participatory Budgeting as defined by DCLG and the Participatory Budgeting Unit). Five areas were selected to be full case studies in Phase 2. Manton in Bassetlaw, Thornhill in Southampton and Lemington in Newcastle all continued as study areas from Phase 1b. Tower Hamlets and Stockport were additions to the process – although Tower Hamlets had undertaken a self-evaluation in Phase 1b. Two further areas were selected to provide thematic evidence on Participatory Budgeting and elected members and mainstream decision-making (Norfolk) and diversity and equality (Tameside). These areas are introduced in more detail in Chapter 3.

- 1.37 Prior to Phase 2 fieldwork, a second e-survey was carried out – key findings are reported in the next Chapter – and a briefing session was held between the study team and the study areas, so that national and local research needs could be identified. The briefing session also provided an opportunity for study areas to set out how they thought the national study could add value to local work and to share details of the level of local evaluation and monitoring data that they had available. This exchange led to a differentiated approach to fieldwork in the different study areas – that depended on local monitoring and evaluation arrangements and needs.
- 1.38 Following the briefing session, a menu of research tools was drawn up that included:
- aides-memoire for consultations with:
    - Participatory Budgeting lead officers
    - senior managers
    - members and ex-members of local councils
    - representatives of third party organisations whose decision-making process may have been affected by the local operation of Participatory Budgeting
    - managers of projects that had been successful (or unsuccessful) in accessing funds via a Participatory Budgeting process in order to get their views on the relative merits of the Participatory Budgeting process
  - telephone survey questions for participants/residents, where contact details were available

- focus group structures/formats for participants and non-participants in local Participatory Budgeting processes.
- 1.39 The fieldwork took place between July and October 2010. The mix of research tools to be used in each study area was agreed by the study team, the client and the study areas in advance of fieldwork, e.g. only one area had details to enable a telephone survey of participants; only two areas thought consultations with third parties was relevant to their needs etc.
- 1.40 The research (by necessity) involved different study approaches in different areas, in order to take account of local variation in aims and approach; and to ensure study areas felt they got value from the study and, therefore, maintained their involvement. Thus, the case study evidence has not been gathered using the same approaches in all areas and judgements on effectiveness have not been made against a common standard or set of targets.
- 1.41 As the policy and funding environment moves to a situation where there are fewer nationally funded programmes and more voluntary initiatives – with many local areas seeking to achieve varied ends by different means – the difficulties of designing robust evaluation methodologies, especially for impact evaluations will grow. Those commissioning research and evaluation in this context will need to take these issues into consideration. Furthermore, policy-makers and practitioners will need to bear in mind the caveats that researchers place on their findings in such circumstances.
- 1.42 This chapter has introduced the concept of Participatory Budgeting, the policy context in which it has developed in England and the approach to the research. The next chapter provides a bottom up picture of developments in England based on the findings from an e-survey of areas operating Participatory Budgeting.

## 2: Findings from the e-survey of Participatory Budgeting areas

- 2.1 This chapter provides a summary of the findings from an e-survey of areas operating Participatory Budgeting. The e-survey was carried out in March 2010. The Participatory Budgeting Unit tested the willingness of 120 areas on its database to take part in the e-survey, and 64 agreed to take part. Thirty-three responses were received (53% of those surveyed). The responses came from 22 local authorities, four local strategic partnerships, three housing associations, two police authorities, one neighbourhood management pathfinder and one response did not specify the type of respondent. Thus, the survey represents only a small sample of those undertaking Participatory Budgeting and should be treated as a snapshot of a dynamic process only. However, the responses to the survey allowed the team to understand the nature of activity underway in terms of aims and objectives; spatial scale; source of funding; scale of funding; uses to which the funding was put; type of Participatory Budgeting process used; and evidence of impact. The findings informed the work with study areas, e.g. ensuring they reflected the main characteristics of the general population of areas using Participatory Budgeting; and enabling the study team to probe areas where for good practice examples that would assist those who want to operate Participatory Budgeting overcome potential barriers to Participatory Budgeting and move closer to the aspirations outlined above.

### *What were the aims of Participatory Budgeting?*

- 2.2 Respondents were asked *What is/will be the main purpose of your Participatory Budgeting project?* They were given the option to select as many pre-specified possibilities as appropriate (Table 2-1).

**Table 2-1: What is/will be the main purpose of your Participatory Budgeting project?**

<b>Purpose of Participatory Budgeting</b>	<b>N</b>	<b>%</b>
Increased community engagement	30	97
To empower more people with confidence and skills to engage in decision making	28	90
Increased community cohesion, different people coming together	24	77
Increased community pride/ownership	20	65
Improved quality of services and/ or better tailored services to the area	17	55

Purpose of Participatory Budgeting	N	%
Improved relations between citizen and councillor and council official	10	32
Better citizen understanding of the Council and role of councillor	9	29
Improved Governance processes	7	23
Other	6	19

Source: SQW e-survey. Total possible respondents – 31.<sup>16</sup>

- 2.3 Nearly all respondents said that the purpose of their Participatory Budgeting project was ‘increased community engagement’ (30 respondents) and ‘to empower more people with the confidence and skills to engage in decision making’ (28 respondents). Between 17 and 24 respondents indicated that increased community pride, community cohesion and improved or tailored services were a main purpose of their work. Thus, the balance of emphasis in areas was linked to the process of engagement and the outcomes of the process of engagement, rather than issues to do with the re-distribution of resources to those in most need; or the re-allocation of resources to different types of projects; or achieving increased value for money from lower costs or improved efficiency. A finding that had implications for the tests of the costs and benefits of Participatory Budgeting, i.e. savings and efficiencies, if achieved at all, were more likely to be an indirect than a direct outcome of a Participatory Budgeting process.

*At what spatial level was Participatory Budgeting operating?*

- 2.4 The survey asked respondents about the geographic level at which they operated Participatory Budgeting. The majority of Participatory Budgeting activity was reported to take place below the level of the local authority district.<sup>17</sup> Thus, in many, indeed most, cases Participatory Budgeting was not of a scale to match the aspirations set out in the Participatory Budgeting literature (outlined above).

<sup>16</sup> Responses to this question included those who had filled in both the Phase 1 and Phase 2 questionnaire.

<sup>17</sup> The majority of Participatory Budgeting activity was below the level of the overall local authority district. Indications of the size of populations covered (not the number of participants) by the Participatory Budgeting process showed a range of between 1,500 and 1,400,000 people with the vast majority below 100,000.

**Table 2-2: At what spatial level does the Participatory Budgeting process operate?**

Spatial level	N	%
Neighbourhood-level (i.e. population of less than 20,000)	13	39
Ward-level	7	21
More than one ward, e.g. Community Committee/Area Forum	6	18
Local authority-wide	5	15
In more than one local authority district	1	3
At more than one of the spatial levels outlined above	1	3

Source: SQW e-survey. Total possible respondents – 31.<sup>18</sup>

*How much money was involved?*

- 2.5 Respondents were asked to indicate the level of resources going into the Participatory Budgeting process in their area in the current, previous and following financial year. A few respondents indicated a level of resources in excess of £200,000 a year and only one respondent indicated over £1,000,000 a year. Many were unable to say what level of resources they would have in the subsequent financial year.

**Table 2-3: Cost in current financial year (£)**

	N	%
Don't Know	3	9
0 - 20,000	5	15
20,000 - 50,000	9	27
50,000 - 100,000	8	24
100,000 - 200,000	3	9
200,000 - 500,000	4	12
1,000,000 +	1	3

Total possible respondents: 33

<sup>18</sup> Responses to this question included those who had filled in both the Phase 1 and Phase 2 questionnaire.

<b>Table 2-4: Cost in previous financial year (£)</b>		
	<b>N</b>	<b>%</b>
Don't Know	5	15
0	11	33
0 - 20,000	1	3
20,000 - 50,000	5	15
50,000 - 100,000	3	9
100,000 - 200,000	1	3
200,000 - 500,000	1	3
1,000,000 +	1	3
(blank)	5	15

Total possible respondents: 33

<b>Table 2-5: Cost in next financial year</b>		
	<b>N</b>	<b>%</b>
0	3	9
0 - 20,000	3	9
20,000 - 50,000	1	3
50,000 - 100,000	4	12
100,000 - 200,000	4	12
200,000 - 500,000	2	6
Don't Know	13	39
(blank)	3	9

Total possible respondents: 33

*Where did the money come from?*

- 2.6 The survey asked about the sources or types of funding covered by the Participatory Budgeting process (Table 2-6). The majority of respondents reported delegated, as opposed to service-specific budgets. Although, it should be noted that subsequent investigation indicated some of the delegated budgets were within specific services; thereby providing more restrictions on use than may appear from an initial look at the responses.

**Table 2-6: Please identify the source of funding which is to be allocated by Participatory Budgeting?**

Source of funding	N	%
Service- specific budgets (only)	7	21
Delegated budgets (only)	25	76
Service-specific and delegated budgets	1	3

Source: SQW e-survey. Total possible respondents – 33.

*Where did the money go?*

- 2.7 Table 2-7 and Table 2-8 show responses regarding the services or themes/issues to which funding was allocated. These responses were in line with expectations that much Participatory Budgeting activity was limited to area-based funds, delegated to address local issues, not mainstream services. Where services were involved, the most favoured ones were youth services, environmental services and police.

**Table 2-7: Which services have budgets been allocated to? (multiple choice)**

Service	N	%
Does not apply	18	55
Other	8	24
Local Authority - Youth Services	7	21
Local Authority - Environmental Services	6	18
Police Services	4	12
Primary Care Trusts (including local GPs)	4	12
Local Authority - Leisure services (play/sport/culture/libraries)	3	9
Local Authority - Social Services	2	6
Public Transport services	2	6
Local Authority - Regeneration Services	2	6

Service	N	%
Local Authority - Education Services	1	3
Local Authority - Housing Services	1	3
Registered Social Landlords/Housing Association services	1	3
Further/Adult Education	0	0

Source: SQW e-survey. Total possible respondents – 33.

**Table 2-8: What themes have budgets been allocated to? (multiple choice)**

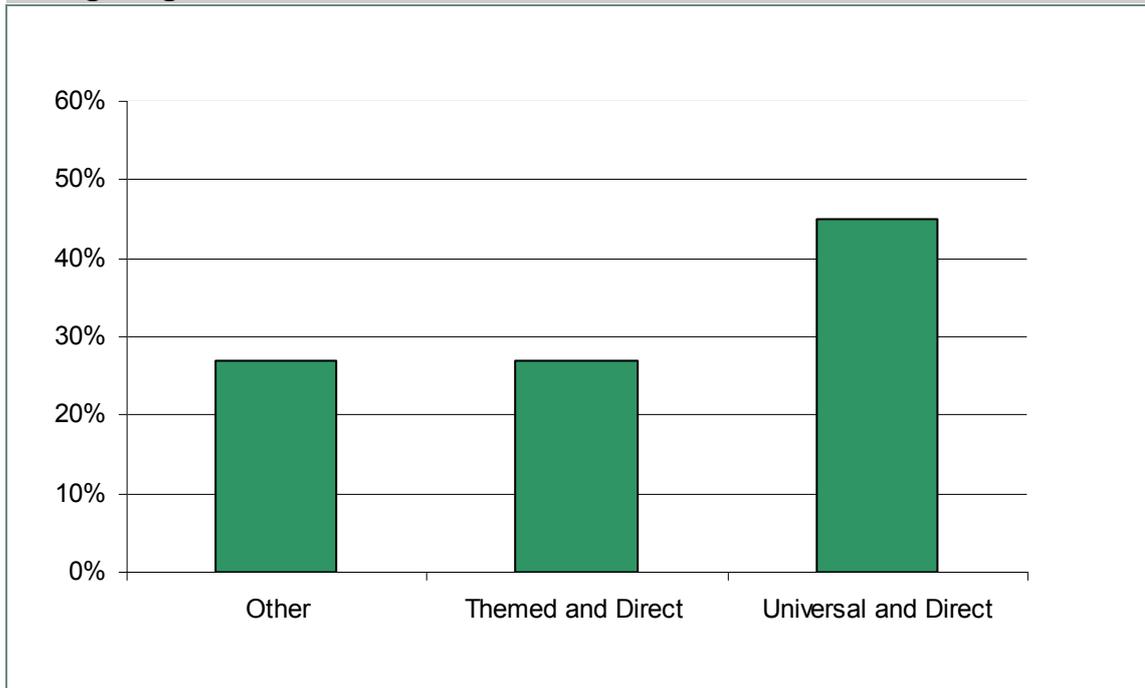
Theme	N	%
Activities/facilities for young people	27	82
Crime and public safety initiatives	22	67
Environmental improvements	21	64
Other community and cohesion activities	21	64
Health initiatives	20	61
Play/sports facilities	18	55
Arts and culture e.g. local theatre, gallery or community arts group	16	48
Public realm improvements, including parks	14	42
Skills/worklessness initiatives	9	27
Other	7	21
Housing improvements	1	3
Does not apply	1	3

Source: SQW e-survey. Total possible respondents – 33.

*What did the process look like?*

- 2.8 Respondents were asked to state whether they used a ‘Themed and Direct’ approach (where only citizens from within a particular target group had the right to participate); a ‘Universal and Direct’ approach (where all citizens had the right to participate) or some other approach (Figure 2-1).

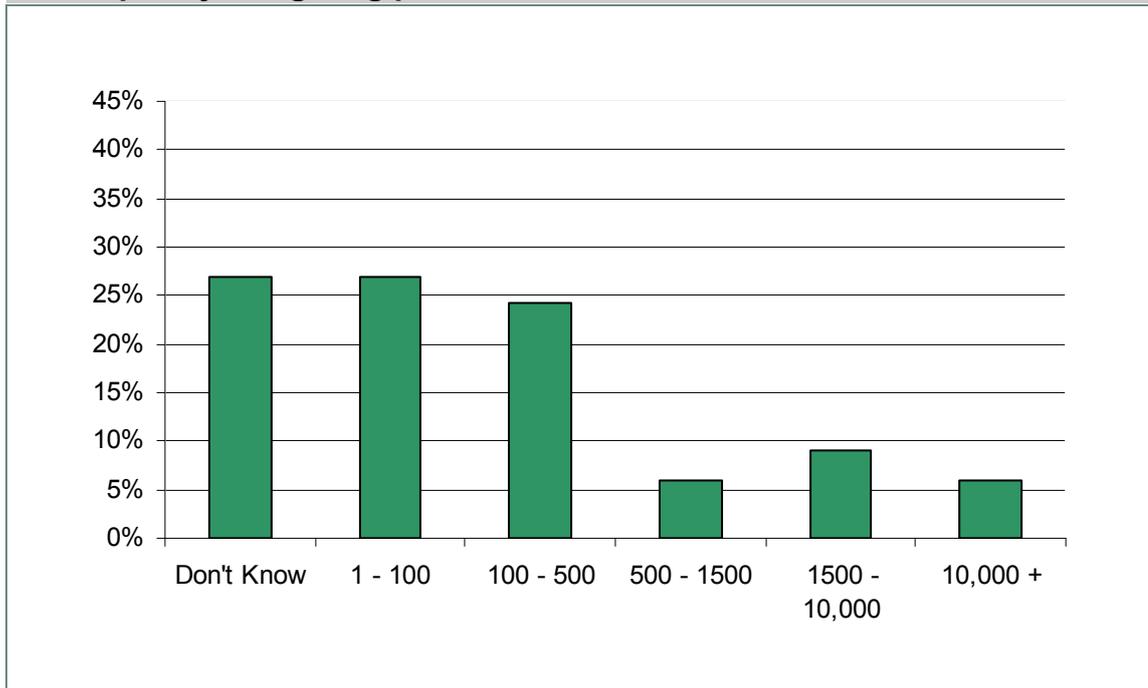
**Figure 2-1: What mechanisms are used to make Participatory Budgeting/resource allocation decisions?**



Source: SQW e-survey. Total respondents – 33.

- 2.9 Fifteen respondents said that they employed a universal and direct approach. Nine utilised a themed and direct method. Nine respondents indicated they used another approach. In most cases, they applied restrictions on who could vote: one respondent said community organisations voted; others reported 'peer' or 'group' voting; in one area, only housing association tenants could vote; and in another area, some votes were restricted to people with an interest in the specific theme under consideration (e.g. carers); whilst other votes (e.g. environmental project votes) were open to all.
- 2.10 Respondents were then asked: *On average, how many people are involved in the Participatory Budgeting process?* (Figure 2-2). Some areas were unable to say how many people took part or could only be specific on the number of staff involved. Of those who were able to quantify the number of people who usually took part in their Participatory Budgeting process, the majority reported figures between either 1 and 100 or 100 and 500. Seventeen respondents reported less than 500 people were typically involved in their Participatory Budgeting process. However, large scale examples were reported: two respondents cited the involvement of more than 10,000 people.

**Figure 2-2: On average, how many people are involved in the Participatory Budgeting process?**



Source: SQW e-survey. Total respondents – 33.

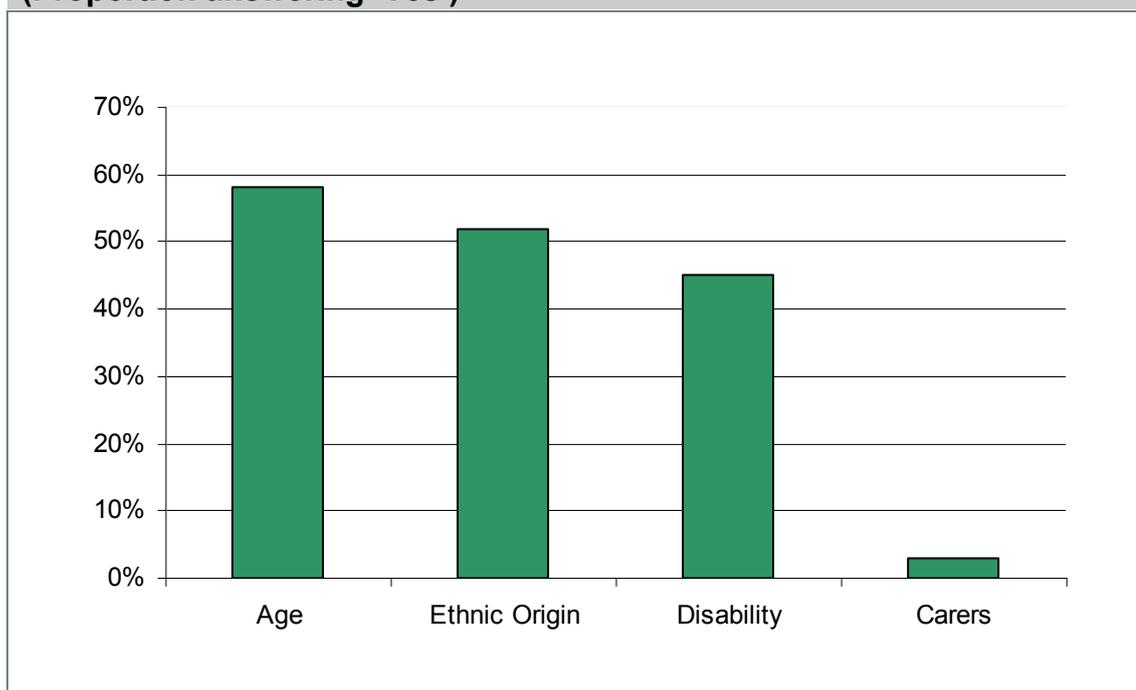
2.11 Respondents were asked which groups were involved in the process and whether or not these groups were involved in the decision-making process (Table 2-9). Finally, respondents were asked about the demographic information they recorded on individuals who contributed to the decision making process (Figure 2-3, Table 2-9). Seven respondents reported collecting no demographic information on those who contributed to the decision making process. Nineteen respondents collected information on the age of participants, 17 on ethnic origin and 15 on disability status. Only one of 33 respondents collected information on whether or not a participant was a carer. Thus, the e-survey showed there were issues related to how areas assessed the impact of Participatory Budgeting on different groups. If the sums of money involved in decisions using Participatory Budgeting grow, the ability to engage diverse groups and to demonstrate the impact of decisions on those groups will grow too. This issue was explored in the study areas.

**Table 2-9: Which of the following groups were involved in the Participatory Budgeting process? and Which of the following groups participated in the decision making process?**

Groups	Involved in the process		Participated in decision making	
	N	%	N	%
Residents	33	100	32	97
Councillors	30	91	15	45
Local Authority Staff	28	85	5	15
Staff from Education Services	15	45	3	9
Staff from Police Services	22	67	5	15
Staff from Health Services	17	52	4	12
Staff from other mainstream services	18	55	3	9
Housing Association Staff	17	52	5	15
New Deal for Communities staff/ Neighbourhood RenewalF staff	5	15	3	9
Neighbourhood Management Staff	23	70	5	15
Community and Voluntary Sector representatives	27	82	13	39
Arts and Culture Organizations e.g. local theatre, gallery or community arts group	12	36	8	24
Other	7	21	8	24

Source: SQW e-survey. Total possible respondents – 33.

**Figure 2-3: Is information recorded on the following characteristics? (Proportion answering 'Yes')**



Source: SQW e-survey. Total respondents – 33

*What difference did it make?*

- 2.12 Respondents were asked about the results achieved to date, e.g. changes in service delivery or themes and changes to mainstream budget funding priorities (Table 2-10).

**Table 2-10: Which of the following outcomes have occurred as a result of Participatory Budgeting?**

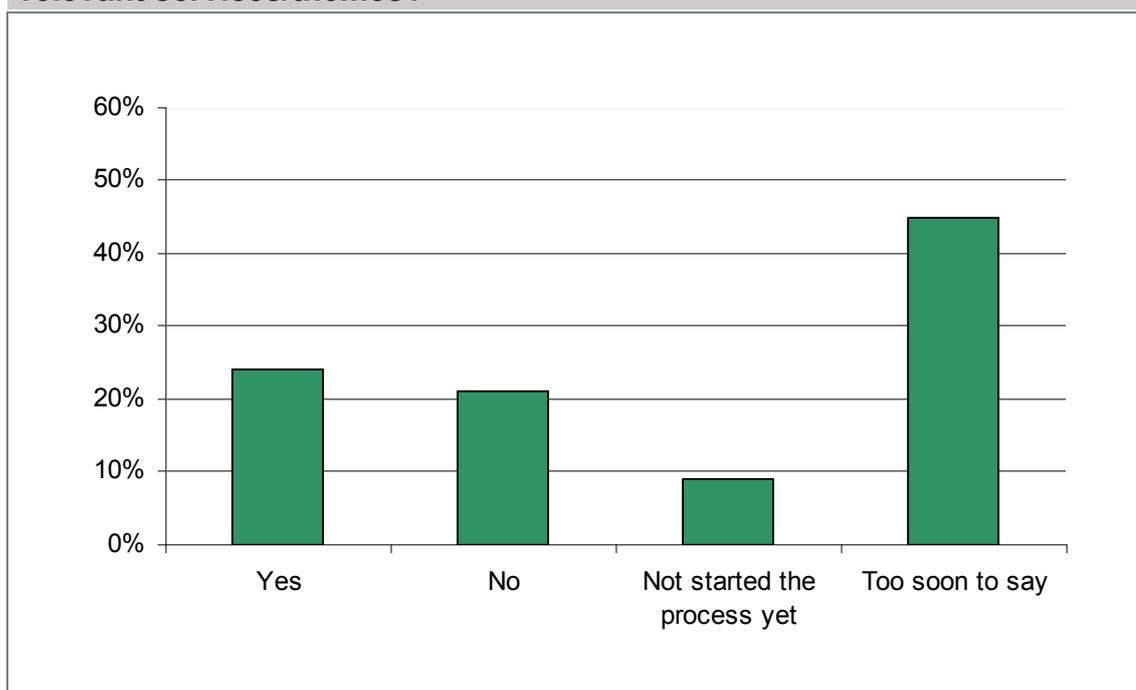
Outcome	N	%
Increased self esteem and confidence for the residents that participated in the Participatory Budgeting process	22	67
Increased community cohesion. Different people coming together	21	64
Increased community pride/ownership	19	58
Increased community capacity in an area	18	55
Increased engagement from hard-to-reach groups	16	48
Improved resident understanding of budget setting and the local democratic process	15	45
Better resource allocation that reflects the needs of the local area	15	45
Improvements in social capital	14	42
Improved ability to lever in additional resources in the area	13	39
Other	13	39

Outcome	N	%
Improved relations between councillors and their constituents	11	33
Better citizen understanding of the council and role of the councillor	8	24
Increased empowerment of councillors	6	18

Source: SQW e-survey. Total possible respondents – 33

- 2.13 Increased community cohesion and increased self-esteem and confidence were the most common outcomes cited. Most of the pre-defined outcomes (based on the indicators set out in the evaluation framework in **Annex A**) were selected by at least ten respondents. The least cited outcome was ‘increased empowerment of councillors’, which was cited by only six areas. The role of councillors was explored in more detail with study areas.
- 2.14 Thirteen areas were able to provide details of additional outcomes, not covered by the pre-selected list. Some areas said stronger links between different public sector groups had been an important outcome. More than one area said that citizen perceptions of the local authority had improved and that citizens had become more informed about the work of the council.
- 2.15 Respondents were also asked: *To date has there been any change to the delivery of the relevant services/themes?* Those who answered ‘Yes’ were then asked what form the changes had taken (Figure 2-4 and Table 2-11). The relatively small number reporting change should be noted.

**Figure 2-4: To date has there been any change to the delivery of the relevant services/themes?**



Source: SQW e-survey. Total respondents – 33

**Table 2-11: Are the Participatory Budgeting-influenced changes taking the form of: (multiple choice)**

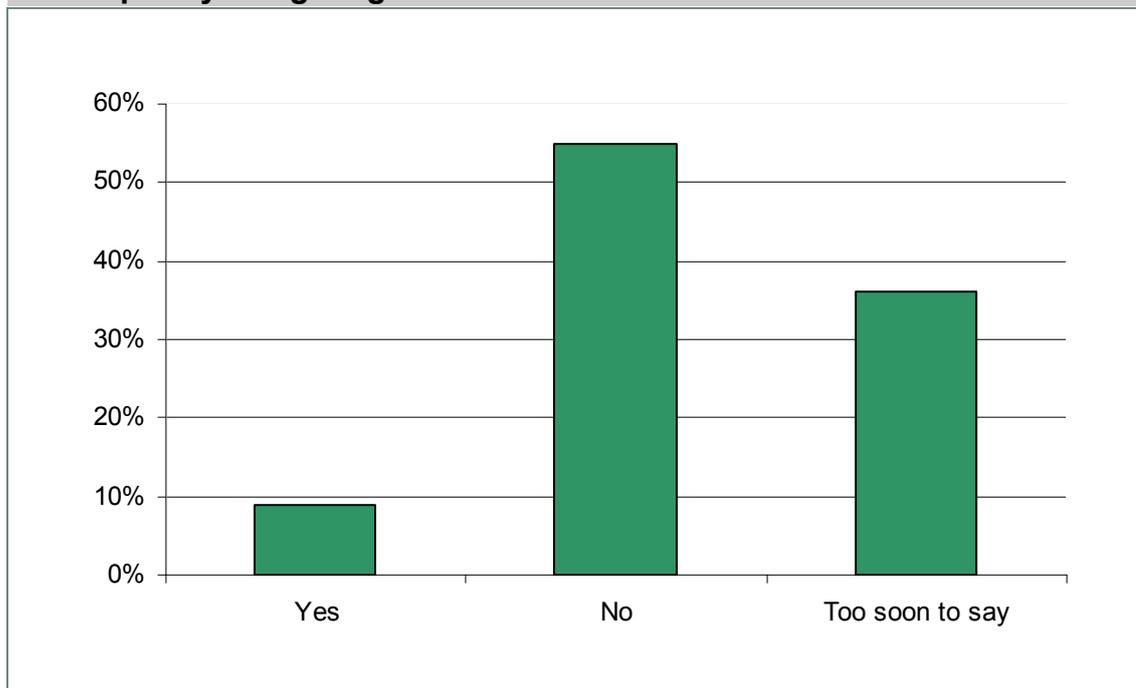
	N	% of respondents
Enhancements to service levels or frequencies	2	25
Enhancements to service quality	6	75
Changes to the way the service is delivered in an area	6	75
Other enhancements (please specify)	3	37

Source: SQW e-survey. Total possible respondents – 8

- 2.16 Of the eight respondents who reported changes in delivery, six said they took the form of enhancements to service quality and the way in which a service was delivered. A further two said that there had been enhancements to service levels or frequencies. One area reported changes to the allocation of an environmental budget to support children’s play areas. Another area reported increased participation in the democratic process as an outcome, which contributed to its NI 4 score.<sup>19</sup>
- 2.17 Of those unable to report changes, the vast majority (18 respondents) said either they had not started the process or that it was too soon to say. Of the 15 respondents who felt it too soon to say if improvements had been made, the majority (10 areas) had been delivering Participatory Budgeting for less than a year. Of those who had been delivering Participatory Budgeting for over a year, four reported a change as a result of Participatory Budgeting; five said Participatory Budgeting had not produced a change; and four felt it was too soon to say.
- 2.18 Respondents who did not report any change to the relevant services or themes were asked when they expected a change. Over one-half of respondents (13) said they ‘Did not know’ or that the question was not applicable. The remaining responses were split between ‘Less than six months’ (two areas), ‘six months to one year’ (five areas) and ‘one to two years’ (four areas). Thus, there was a degree of uncertainty among respondents about the impact Participatory Budgeting would have, especially in the short-term. The time taken to set up and run Participatory Budgeting effectively was explored with study areas – but as can be inferred from the survey, Participatory Budgeting is not a ‘quick fix’.
- 2.19 Respondents were asked: To date has there been any change in the way mainstream public sector budgets are managed and/or allocated as a result of Participatory Budgeting? (Figure 2-5). Only three respondents said there had been any change in the way mainstream budgets were allocated or managed.

<sup>19</sup> NI 4 was ‘the percentage of people who feel they can influence decisions in their locality’.

**Figure 2-5: To date has there been any change in the way mainstream public sector budgets are managed and/or allocated as a result of Participatory Budgeting?**



Source: SQW e-survey. Total respondents – 33

2.20 Respondents were given a series of statements about the wider impact of Participatory Budgeting in their area. Table 2-12 provides a summary of the numbers who agreed with the different statements about the wider impact Participatory Budgeting had had in their area.

**Table 2-12: Please indicate the extent to which you agree or disagree with the following statements**

	N (Agree)	%
Participatory Budgeting: has helped to increase the number of residents engaged in local decision-making processes	25	74
Participatory Budgeting: has increased local people's ability to influence decisions that affect their area	21	62
Participatory Budgeting: has helped to increase the number of 'harder to reach' groups engaged in local decision-making processes	16	47
Senior managers are fully engaged in the Participatory Budgeting. process	10	29
Councillors are fully engaged in the Participatory Budgeting. process	9	26
Lessons from the Participatory Budgeting. process have influenced wider decision-making processes	5	15

Source: SQW e-survey. Total possible respondents – 33

2.21 Twenty-five areas agreed Participatory Budgeting 'helped to increase the number of residents engaged in local decision making processes' and 21 areas agreed that Participatory Budgeting 'increased local people's ability to influence decisions that affect their area'. Furthermore, 16 respondents said that Participatory Budgeting had helped engage harder to reach groups in local decision-making. However, when asked about engagement of councillors and senior managers markedly fewer areas responded positively; and only five respondents agreed that the lessons from Participatory Budgeting had influenced wider decision-making processes. Thus, the e-survey pointed to Participatory Budgeting's ability to engage the public, but it also highlighted difficulties in effecting change in mainstream decision-making processes and in engaging senior managers and councillors.

### **Conclusions**

2.22 The survey provided evidence of Participatory Budgeting's power to increase the number of people involved in local decision-making, the influence they have over local decisions and their self-confidence in being able to make a difference in their areas. It also provided indicative evidence that Participatory Budgeting could lead to improvements in mainstream services, although these improvements could take some time.

2.23 The survey also highlighted areas where further research might be required:

- the impact of the scale at which Participatory Budgeting operates on its relative effectiveness
- the effect of the approaches used – general and universal or service-specific and limited to particular groups – and process employed – direct voting, scoring systems, outreach and preparatory work to identify local priorities prior to calling for projects and holding votes etc.
- engagement of councillors and senior officers
- effecting change in the way decisions on mainstream budgets are taken
- the management of diversity
- the balance that is struck between the gains associated with the process of Participatory Budgeting (e.g. greater community involvement, improved self-esteem of participants) and gains in terms of reduced costs, improved efficiency or improved effectiveness in projects and services.

2.24 These issues and others were explored with study areas. The rest of the report sets out the findings from the study areas. The next chapter provides an introduction to the study areas, so that the reader may understand the context in which Participatory Budgeting operated. Subsequent chapters review the inputs and costs; the main factors in the processes and activities used in study areas; the outcomes from the process; and evidence on outcomes from the projects supported as part of the Participatory Budgeting process.

### 3: Introduction to the study areas

- 3.1 This chapter provides an introduction to the five in-depth case studies – the two thematic case studies are introduced in Chapter 7.

#### **Introduction to the five in-depth case study areas**

- 3.2 In order to understand how flexible Participatory Budgeting is, in what types of circumstances it can operate, and whether local context affects the inputs and processes and/or the results achieved, a mix of case study areas was selected. The five in-depth case study areas – Manton, Newcastle, Stockport, Southampton and Tower Hamlets – were selected on the basis that they were: information rich; exhibited variety in their characteristics; and that they had run at least one full cycle of Participatory Budgeting, i.e. they had facilitated the relevant process and delivered the subsequent projects; thereby enabling the research team to assess the subsequent outputs, outcomes and impacts of both the process and resultant projects.

#### ***Basic characteristics of the areas***

- 3.3 Table 3-1 summarises some of the key characteristics of the in-depth case study areas.

<b>Area</b>	<b>Local area characteristics</b>	<b>Urban/rural</b>	<b>Political control at time of selection</b>
<b>Manton</b>	<ul style="list-style-type: none"> <li>• Neighbourhood Management Pathfinder – forms part of the District Council</li> <li>• Participatory Budgeting delivered across the Pathfinder area</li> <li>• Population size: 7,900</li> </ul>	Urban	Conservative
<b>Newcastle</b>	<ul style="list-style-type: none"> <li>• City Council</li> <li>• Participatory Budgeting delivered on a ward basis, over several wards, and on a thematic basis across the area</li> <li>• Population size: 270,000</li> </ul>	Urban	Liberal Democrat
<b>Southampton</b>	<ul style="list-style-type: none"> <li>• Thornhill Plus You New Deal for Communities project in City Council</li> <li>• Participatory Budgeting delivered across the New Deal for Communities area</li> <li>• Population size: 10,900</li> </ul>	Urban	Conservative

Area	Local area characteristics	Urban/rural	Political control at time of selection
<b>Stockport</b>	<ul style="list-style-type: none"> <li>Metropolitan Borough Council</li> <li>Participatory Budgeting delivered in the Priority 1/most deprived areas</li> <li>Population size: 17,500</li> </ul>	Urban	Liberal Democrat
<b>Tower Hamlets</b>	<ul style="list-style-type: none"> <li>London Borough Council</li> <li>Participatory Budgeting delivered at the level of the Local Area Partnership across the area</li> <li>Population size: 215,000+</li> </ul>	Urban	Labour Independent Mayor elected in 2010

Source: SQW

### ***Arrangements prior to Participatory Budgeting***

- 3.4 In order to see what difference Participatory Budgeting made, the evaluation sought to understand what processes and activities might otherwise have been in use in the study areas. Developing this understanding helped answer the question: What would have happened without Participatory Budgeting?
- 3.5 Although each area had its own history, it is possible to say that, in general, the allocation of local authority resources was led by relevant members of the council, with resident-input gathered using a wide range of methods. These methods included large-scale statutory consultation exercises and resident representation through elected members and councillor roles.
- 3.6 At the local/ward level, many areas previously facilitated some form of devolved decision-making through organised governance structures, such as Local Area Partnerships, Ward Committees or Community Forums.<sup>20</sup> This generally involved the delegation of a limited level of discretionary funds or a community chest to the relevant local level, which could be spent on community projects. The decision making processes for allocating these local funds tended to be councillor-led and involved some form of discussion and consultation at the local level. Extensions to this devolved approach sometimes involved a panel which was collectively responsible for decision making and was made up of both councillors and other stakeholders (including residents). Figure 3-1 provides an example of this local form of delegation.

<sup>20</sup> The e-survey found 90 per cent of areas had operated some form of community engagement prior to employing Participatory Budgeting.

### Figure 3-1: Local level delegation of discretionary funds

#### Example 1: Stockport Area Committees

Area Committees have existed in Stockport since 1974. They are made up of two to four wards and meet monthly. They are part of the formal decision making structures of the Council, and have delegated planning powers. Since 2001, they have had an 'Area Flexibility Fund' (£6,000-£12,000 per Area Committee), which has funded a wide range of projects: equipment for sports clubs; 'friends of parks' groups; renovations of community centres; day trips for older people to improve their engagement in community activities. Area Committees have public question times and public speaking on planning applications, but funding decisions were made by councillors.

#### Example 2: Tower Hamlets Local Area Partnerships

Prior to the introduction of Participatory Budgeting, Tower Hamlets devolved funding from the Council to its Local Area Partnership Steering Groups. This involved the allocation of £500,000 to each of eight local areas partnerships, which was distributed at public steering group meetings according to consensus or votes within the steering group. Funding was rarely spent on council services, it focused on supporting local community groups to facilitate activities that sought to address local issues.

Source: National Evaluation case study research

3.7 Notable exceptions to either centrally-led or councillor-led arrangements were illustrated in the areas covered by New Deal for Communities or neighbourhood management arrangements, where either:

- projects were developed on the premise that the community/local residents should lead the process

or

- residents were given the opportunity to influence the behaviour and budgets of mainstream service providers.

3.8 It is evident from the study areas that Participatory Budgeting has tended to be developed as part of (or as an extension to) earlier forms of community development and engagement. For this reason, Participatory Budgeting is often viewed as part of a continuum of community engagement and empowerment, which aims to complement existing activities.

3.9 As a means of setting the scene for the remainder of the report, a summary of the basic characteristics of the five Participatory Budgeting processes facilitated in the five in-depth case study areas are set out below.

#### ***Manton, Bassetlaw***

3.10 Manton is a large estate with a population of 6,300 people. It is located in Worksop, one of the two main market towns in Bassetlaw in Nottinghamshire. Manton was a coal mining town with the pit representing both the economic

and social hub for the area. The pit closed in 1994. This had a significant impact on the estate, causing wide spread unemployment and upheaval in the area.

- 3.11 The decision to introduce Participatory Budgeting in Manton was taken as part of the Manton Community Alliance's – the neighbourhood management pathfinder – approach to building 'social capital'. Manton Community Alliance saw Participatory Budgeting as one tool among many for engaging and empowering the local community. Manton Community Alliance's involved and consulted residents about local priorities and also sought to make them part of the solution.
- 3.12 Manton Community Alliance's broad objectives for introducing Participatory Budgeting in Manton were to:
- increase the levels of community engagement by reaching more people who have otherwise not engaged with Manton Community Alliance to date
  - empower more people with confidence and skills to engage in decision making processes
  - increase community pride/ownership
  - improve the quality of services and/or better tailor services to the area
  - improve local governance processes.
- 3.13 More widely, the District Council, Manton Community Alliance's Accountable Body, saw the Participatory Budgeting process as central to their broader community strategy and key to the achievement of (what was prior to the change in Government) National Indicator 4: 'the percentage of people who feel they can influence decisions in their locality'.
- 3.14 Participatory Budgeting was introduced in April 2007, following an agreement by the Manton Community Alliance board to use it to distribute £50,000 of its neighbourhood management pathfinder monies. The process (known locally as 'Voice your Choice') has been run on an annual basis and is led by Manton Community Alliance through its Participatory Budgeting Steering Group.
- 3.15 Prior to the introduction of Participatory Budgeting in Manton, residents had no direct control of budgets. As such, the process has empowered residents to control service delivery as it has provided them with an opportunity to commission additional local services using the Neighbourhood Management Pathfinder monies, which would have previously been allocated by the Pathfinder Board. However, this control is limited by two inter-related factors. First, the process has only involved a limited amount of financial resource

(£50,000); and second, up until the current cycle (2009-10), the resource was a delegated budget specifically for the Manton area.

- 3.16 The process and its associated governance structure operated at the Manton neighbourhood level and the financial resource was allocated to activities that were delivered at this spatial level. As such, the process was open to all residents in the neighbourhood.
- 3.17 For the first two years of the process, Manton Community Alliance allocated £50,000 of its delegated Neighbourhood Management budget per annum to the process, which acted as the sole source of funding. No restrictions were placed on how this funding could be spent and funding was spent as part of an annual cycle. For the third (current) and fourth (next year) years of the process, the Primary Care Trust and Nottinghamshire County Council have both committed an additional £10,000 per annum. Both the Manton Community Alliance and additional monies have been rolled together for this two year period, leading to a total of £140,000. However, as a result of the delegation of a mix of delegated and service specific budgets, various restrictions were placed on how the money can be spent. These included a requirement for projects to cover one of the priority areas across the five themes of activity – children and young people, community safety, environment, education and health – and for the Primary Care Trust funding to be used to support the facilitation of health-related projects.
- 3.18 Allocation of the Participatory Budgeting resources occurred through a three-stage process for the first two years. This process involved the community identifying priorities, voting on the proportion of funding to be allocated to each priority and voting on the individual projects to be funded. For the third year, the process was concertinaed so that the identification of priorities and the apportioning of funding occurred as a single stage.
- 3.19 Table 3-2 presents a summary of the basic characteristics of Participatory Budgeting in Manton against the six dimensions of Participatory Budgeting outlined above.

**Table 3-2: Basic characteristics of Participatory Budgeting in Manton**

Dimension	Characteristic	Description
Control	Collective Choice	Residents have been empowered but the process is limited due to the amount of funding involved
Geography and Governance	Neighbourhood	Operated at the Manton neighbourhood level with resource allocation also delivered at this level
Targeted or open participation	Open to all	The process was open to all residents living in Manton
Source of funding	Delegated budget plus supplementary mainstream funding	Year one and two: <ul style="list-style-type: none"> <li>£50,000 Neighbourhood Management Pathfinder monies</li> </ul> Year three and four additions: <ul style="list-style-type: none"> <li>£10,000 Primary Care Trust</li> <li>£10,000 Nottinghamshire County Council</li> </ul>
Scale of resources	Small-medium scale	£50,000 - £140,000
Voting mechanism	Direct voting	All citizens had the right to participate directly and each participant took part in the vote/scoring system

Source: National Evaluation case study research

### ***Newcastle and Lemington Ward***

- 3.20 Newcastle's involvement in Participatory Budgeting dates back to 2005, when the city was invited to join a European learning network, *Participando*, as a result of which officers learned of the development of Participatory Budgeting in Italy. The council's then Social Policy Team in conjunction with the Newcastle Partnership subsequently took a decision to introduce Participatory Budgeting.
- 3.21 A working group was established of relevant council officers, Elected Members, New Deal for Communities officers and community and voluntary sector officers who considered the relative merits of Participatory Budgeting and possible options for a pilot scheme. The development of Participatory Budgeting was seen as an innovative method with significant potential for developing community-led approaches to service provision and community involvement.
- 3.22 The first two pilots were launched in 2006 with £280,000 Neighbourhood Renewal Fund monies. The objectives of the pilots were to:

- 'get local people to understand better how public money is spent'
  - 'involve local people in making decisions around the relevant expenditure'.
- 3.23 Following the success of the pilots, a dedicated Participatory Budgeting Unit was established within Newcastle City Council's Social Policy team. This team supports the development and facilitation of Participatory Budgeting whenever a pot of discretionary or flexible funding becomes available which is appropriate for Participatory Budgeting. Since 2006, Participatory Budgeting has been used to distribute various funding pots in different parts of the city, and included some city-wide Participatory Budgeting processes aimed at a target group (e.g. carers), as well as geographically specific exercises. As such, Participatory Budgeting has since become part of a suite of community engagement tools which have been used to enhance social capital, community capacity and learning.
- 3.24 The majority of the funding that has been allocated via Participatory Budgeting has been sourced from pots of discretionary funding and has been small to medium in scale. This has included the Children's Fund, Home Office Crime and Disorder funding, Policy Authority funding, Carers Grant and Section 106 monies (often referred to as 'planning gain'). Prior to the introduction of Participatory Budgeting, the relevant budgets would have been allocated on the basis of the decision taken by elected members and/or officers and/or relevant staff. Some of these decisions may have involved input from residents/service users but not to the extent that Participatory Budgeting offers. As such, Participatory Budgeting has facilitated a change in the responsibility from council/councillor-led to resident-led resource allocation decision-making processes.
- 3.25 Overall governance of the Participatory Budgeting programme has been routed through the executive Neighbourhood Committee at the City Council. Participatory Budgeting has therefore operated at the level of the ward, several wards and local authority as a whole with the Neighbourhood Committee providing programme governance and devolving individual process governance to the appropriate body, at the appropriate spatial level.
- 3.26 The Participatory Budgeting process has varied slightly from project to project but has typically involved a scoping stage where the target group (residents or service users) and appropriate voluntary and community sector organisations were invited to identify problems and solutions. 'Bids' from the voluntary and community sector organisations were then packaged and presented at a voting event (or series of events) where the target group was able to vote. Table 3-3 presents a summary of the basic characteristics of Participatory Budgeting in Newcastle.

**Table 3-3: Basic characteristics of Participatory Budgeting in Newcastle**

Dimension	Characteristic	Description
<b>Control</b>	Collective Choice/Service Control	Participatory Budgeting adds to the toolkit of community engagement approaches, where it has facilitated resident/service user engagement in directly distributing resources from specific pots
<b>Geography and Governance</b>	Neighbourhood	Operated at the ward, city-wide and neighbourhood level
<b>Targeted or open participation</b>	Open to all	The process was open to all residents or service users
<b>Source of funding</b>	Delegated and mainstream service budgets	Various discretionary funding pots have been distributed, including: the Safer and Stronger Communities Fund, the Neighbourhood Renewal Fund, the Working Neighbourhoods Fund, Your Homes Newcastle, Isos Housing, Aura, (Newcastle City Council's BSF programme delivery partner) and s106 monies.
<b>Scale of resources</b>	Small-medium scale	£5,000 - £126,000 – although the children's fund allocated c. £2.25m
<b>Voting mechanism</b>	Direct voting	All citizens have had the right to participate directly and each participant has taken part in the vote/scoring system

Source: National Evaluation case study research

3.27 Given the number of Participatory Budgeting initiatives that have been delivered in Newcastle, (at the suggestion of the case study area) the fieldwork sought to drill down to gather evidence relating to the outputs, outcomes and impacts of a particular process – the Lemington UDecide process – that was run over the course of 2009.

3.28 The Lemington ward is located on the banks of the Tyne on the western outskirts of the city. Lemington was once a pit village (and celebrated its centenary in 2009) and nineteenth century colliers' cottages still make up the old central part of the ward. Housing developments in the fifties and sixties expanded the population and also changed the social and economic complexion of the village. Its population is around 10,000, relative to Newcastle's population of over 270,000.

### ***Thornhill, Southampton***

3.29 Thornhill is a suburb on the eastern edge of Southampton next to the M27, and approximately five miles east of the city centre. Thornhill was originally conceived as a spill over town to decant people from Southampton city centre and to escape the poor living conditions post World War II. Following the

extension of the city's boundaries in the 1950s, the council acquired the land in Thornhill and began a sizeable expansion, much of the area was built in the 1950s and 60s and the architecture reflects this period with blocks of flats, many flat roofs and few parking facilities. Thornhill contains approximately 4,000 houses and is bound by three major roads, leading to effective isolation from the rest of the city. It has a population of around 11,000, relative to the overall population of Southampton, which is over 235,000.

- 3.30 Participatory Budgeting in Southampton's Thornhill, originated from an agreement between Thornhill Plus You (TPY) – the local New Deal for Communities Programme – and the local Primary Care Trust, which involved the joint-development of a new 'Centre for Healthy Living'. In exchange for a capital investment from TPY, the Primary Care Trust agreed to put aside revenue each year for local health projects (until April 2015) to be administered by the Community Health Group.<sup>21</sup> The main aim of the programme was to reduce health inequalities in the New Deal for Communities area, where the Community Health Group made the decision to allocate at least one-half of the annual Primary Care Trust grant via Participatory Budgeting. The rationale behind this decision lay in the desire of the Community Health Group to devolve decision making power to the community who were to benefit from the projects.
- 3.31 The approach, which was known as *Your Health, Your Community, Your Vote*, was first piloted in 2008, which led to the development of the following local objectives:
- empowering local groups to bid for money and to manage health-related projects
  - increasing resident participation in decision-making which should be both engaging and enjoyable
  - establishing processes and accountability lines that are clear, concise and productive
  - developing effective support and project planning mechanisms
  - testing new ways of involving communities in managing resources and transferring this knowledge to other neighbourhoods.
- 3.32 In the initial year, £50,000 was allocated via Participatory Budgeting, which increased to £70,000 in the second year and £100,000 in the third year. The approach has been facilitated through an annual call for applications for

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<sup>21</sup> The Community Health Group evolved from the TPY Community Health Working Group.

health-related projects and a subsequent voting event, which can be attended by all residents who live within the boundaries of Thornhill.

3.33 Prior to the introduction of Participatory Budgeting in the area, there was already significant opportunity for community involvement in the decision-making structures in the Thornhill area. The majority of these opportunities were facilitated through the New Deal for Communities, which was formally established to involve residents in local decision-making. As such, the Participatory Budgeting approach was one that integrated well with the broader objectives of the New Deal for Communities.

3.34 Table 3-4 presents a summary of the basic characteristics of Participatory Budgeting in Southampton.

<b>Dimension</b>	<b>Characteristic</b>	<b>Description</b>
<b>Control</b>	Service Control	Empowerment to control service delivery
<b>Geography and Governance</b>	Neighbourhood	Operated at the level of the New Deal for Communities
<b>Targeted or open participation</b>	Open to all	The process was open to all residents within the New Deal for Communities area
<b>Source of funding</b>	Mainstream service budget	Primary Care Trust
<b>Scale of resources</b>	Small-medium scale	£50,000 - £100,000
<b>Voting mechanism</b>	Direct voting	All citizens had the right to participate directly and each participant took part in the vote/scoring system

Source: National Evaluation case study research

### **Stockport**

3.35 Participatory Budgeting was first introduced in Stockport at the end of January 2009, following a successful bid by Greater Manchester Police and Stockport Council's Crime and Safety department to the Home Office for funding. As such, the objectives of the first event in Stockport, which took place in March 2009, were closely tied to the requirements of the Home Office. This included:

- improving the confidence and capacity of residents in attending community events and their ability to influence budget setting processes
- improve residents' confidence and trust in the police and council more generally in response to local issues around lack of trust in authorities

- increase community cohesion whereby all people are able to live in close proximity, accept differences and mix with those with whom they wish
  - empower residents to have ‘genuine’ and ‘tangible’ involvement in how spending decisions are made and ‘give residents a voice’.
- 3.36 The Police and Council jointly led the first Participatory Budgeting event. Senior support from both organisations (Inspector level in the police and Head of Community Safety at the council) gave the project ‘clout’, and ensured both organisations committed time to setting up and delivering the pilot. The pilot event was subsequently reviewed and, because of perceived positive outcomes, the Head of Community Safety made a decision to roll out the approach further.
- 3.37 Four additional decision making events have since been facilitated. These have been delivered by the then Neighbourhood Renewal team at Stockport Council (which has since become the Neighbourhood Management Team) and overseen by Stockport Council’s Head of Community Safety. The approach has been delivered at the neighbourhood level, with a focus on what are known locally as ‘Priority 1’ areas (which are the most deprived areas in Stockport and are the focus of the Neighbourhood Renewal team’s work).
- 3.38 The source of funds allocated at the decision making events have been drawn from a variety of organisations to form a delegated ‘pot’ of monies. The pot of funds, which has been small scale (an average of £24,000 has been distributed at each event), has varied at each event and has been sourced from a different set of partners each time. This has included Home Office pilot funding, funds from Greater Manchester Police, Fire and Rescue and Public Transport Executive, delegated council budgets, funding from housing associations and from Stockport Community and Voluntary Services.
- 3.39 Participatory Budgeting in Stockport has been delivered in a similar fashion to Thornhill: community groups were invited to submit project applications which meet the requirements of the particular funding streams, selected projects were then asked to present their proposal at the decision making event and residents voted accordingly for their preferred projects. Similarly, all residents within the relevant neighbourhoods were able to attend the decision making events. Table 3-5 presents a summary of the basic characteristics of Participatory Budgeting in Stockport.

**Table 3-5: Basic characteristics of Participatory Budgeting in Stockport**

Dimension	Characteristic	Description
<b>Control</b>	Responsible accountability/Collective Choice	Representative and democratic forms which service providers consult/empowerment of the community to choose between service options
<b>Geography and Governance</b>	Neighbourhood	Operated at the level of the Priority 1 areas
<b>Targeted or open participation</b>	Open to all	The process was open to all residents within the Priority 1 areas
<b>Source of funding</b>	Multiple sources	<ul style="list-style-type: none"> <li>• Mainstream service budgets – police, fire and rescue, transport</li> <li>• Delegated budgets from the Council and the Home Office</li> <li>• Housing associations</li> <li>• voluntary and community sector</li> </ul>
<b>Scale of resources</b>	Small scale	Average of £24,000 per event
<b>Voting mechanism</b>	Direct voting	All citizens had the right to participate directly and each participant took part in the vote/scoring system

Source: National Evaluation case study research

### ***Tower Hamlets***

3.40 Tower Hamlets is a borough in the East End of London with an estimated resident population of over 230,000 people. Tower Hamlets is a diverse borough, typified by a large number of different ethnic and religious groups and a relatively young population:

- Around 110 different languages are spoken by school pupils in the borough.
- Tower Hamlets is ranked the third most deprived local authority district in England (out of 354) and the second most deprived in London (out of 33).
- Tower Hamlets is home to the UK's second largest financial centre, Canary Wharf, which has been the strongest driver of the Borough's economy.
- Earnings of those working in Tower Hamlets are the second highest in London, after the City of London.

- There are now twice as many jobs in the borough as there are economically active residents.
- 3.41 Participatory Budgeting in Tower Hamlets is known as *You Decide!* It was developed as a result of political and organisational imperatives. That is, the Cabinet at the Council was committed to devolving some decision making to the local community; and organisationally, the Tower Hamlets Partnership – the Local Strategic Partnership – and its Director were keen to enhance the funding allocation process that had been previously facilitated at the local level. This combination of factors created the necessary local impetus to drive the development of the Participatory Budgeting process forward.
- 3.42 An agreement to distribute £5m of funding using a Participatory Budgeting approach was subsequently made by the Cabinet in 2008. This funding was to be distributed between the eight Local Area Partnerships that covered the whole of the borough. Each Local Area Partnership was made up of two to three wards, and funding was allocated through local decision making events over the two-year period 2009-10 and 2010-11. As such, the development of Participatory Budgeting in Tower Hamlets was led at senior levels in the local authority from the start.
- 3.43 Following the authority's first year of delivery, the following priorities were cited as the key reasons for using a model of Participatory Budgeting:
- to improve perceptions and performance of local services.
  - to develop proper participation within the Tower Hamlets community
  - to generate social capital.
- 3.44 Prior to the introduction of *You Decide!*, decisions on resource allocation were largely taken by the relevant members of the council. Local residents were provided with some opportunities to influence decisions through consultation exercises, but this form of involvement was reported to be relatively minimal. As such, the introduction of *You Decide!* provided an opportunity for residents to make resource allocation decisions between council-led service options, on behalf of their communities.
- 3.45 The £5m of funding that was allocated through *You Decide!* was sourced from the general Area Based Grant prior to it being allocated to individual services. The second year of events attracted £17,500 of additional funding per ward from the Primary Care Trust, which was to be spent on health-related projects.
- 3.46 *You Decide!* has been delivered by a Participatory Budgeting project manager in conjunction with the community engagement and neighbourhood

management teams. In terms of process, a menu of services was developed by the council-led Participatory Budgeting team in conjunction with Service Heads from the council, which formed the basis of a subsequent set of eight local decision making events. All residents were eligible to attend the events.

- 3.47 Table 3-6 presents a summary of the basic characteristics of Participatory Budgeting in Tower Hamlets.

<b>Table 3-6: Basic characteristics of Participatory Budgeting in Tower Hamlets</b>		
<b>Dimension</b>	<b>Characteristic</b>	<b>Description</b>
<b>Control</b>	Collective Choice	Representative and democratic forms which service providers consult/empowerment of the community to choose between service options
<b>Geography and Governance</b>	Several wards	Operated at the level of the Local Area Partnerships
<b>Targeted or open participation</b>	Open to all	The process was open to all residents within the Local Area Partnerships
<b>Source of funding</b>	Mainstream service budget	Area Based Grant
<b>Scale of resources</b>	Large scale	£2.4m per annum
<b>Voting mechanism</b>	Direct voting	All citizens had the right to participate directly and each participant took part in the vote/scoring system

Source: National Evaluation case study research

### **Summary**

- 3.48 This section has provided a summary of the evidence gathered on the local context within which the in-depth case study areas were operating and an assessment against the six dimensions of Participatory Budgeting identified by the study team. It showed that the majority of local objectives related to the 'process' i.e. the Participatory Budgeting exercises, rather than particular services or projects. The indicators of success reflected this emphasis e.g. community cohesion and improvements in social capital, as opposed to improved service provision or efficiency savings. These findings are in line with the findings from the e-survey.
- 3.49 The area summaries also illustrate that areas have tended to facilitate Participatory Budgeting processes at 'lower level geographies', where funds from delegated budgets, a local authority discretionary pot or small levels of mainstream budgets were allocated via decision-making activities that were open to all residents. The case study research also highlighted examples of

thematic allocation of funding and the targeting of particular groups of the community in relation to participation in decision making activities. Each of the difference processes is explored in more detail in Annex E.

- 3.50 Table 3-7 and Table 3-8 present a summary of the basic characteristics of Participatory Budgeting in the in-depth case study areas, where the first table illustrates their position prior to the introduction of Participatory Budgeting and the second table illustrates their current position.<sup>22</sup>

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<sup>22</sup> See Annex B for a summary account of the pre, current and future anticipated position of the areas in relation to Participatory Budgeting.

**Table 3-7: Basic characteristics prior to the introduction of Participatory Budgeting in the case study areas**

<b>Dimension</b>	<b>Manton</b>	<b>Newcastle</b>	<b>Southampton</b>	<b>Stockport</b>	<b>Tower Hamlets</b>
<b>Control</b>	Information and consultation	Information and consultation	Service Control	Information and consultation	Information and consultation
<b>Geography and Governance</b>	Neighbourhood	Ward and city-wide	Neighbourhood	Neighbourhood	Local authority level and several wards
<b>Targeted/open participation</b>	All residents could participate in consultation activities	All residents could participate in consultation activities all	Decisions taken by small group of residents	All residents could participate in consultation activities	Devolved funding allocated by Local Area Partnership Steering Groups
<b>Source of funding</b>	N/A	Delegated and mainstream service budgets	Primary Care Trust	N/A	Mainstream service budget
<b>Scale of resources</b>	N/A	Small-medium scale	Small-medium scale	Not known	Large scale
<b>Voting mechanism</b>	Resources allocated by the Manton Community Alliance Board	Resources allocated by elected members and officers	Decisions taken by small group of residents	Decision made by partner organisations or Council officers	Resource allocation decisions made at Steering Group meetings

Source: National Evaluation case study research

**Table 3-8: Basic characteristics of Participatory Budgeting in the case study areas in their current position**

<b>Dimension</b>	<b>Manton</b>	<b>Newcastle</b>	<b>Southampton</b>	<b>Stockport</b>	<b>Tower Hamlets</b>
<b>Control</b>	Collective Choice	Collective Choice/Service Control	Service Control	Responsible accountability/Collective Choice	Collective Choice
<b>Geography and Governance</b>	Neighbourhood	Ward and city-wide	Neighbourhood	Neighbourhood	Several wards
<b>Targeted/open participation</b>	Open to all	Open to all	Open to all	Open to all	Open to all
<b>Source of funding</b>	Delegated budget plus mainstream funding	Delegated and mainstream service budgets	Mainstream service budget	Multiple sources	Mainstream service budget
<b>Scale of resources</b>	Small-medium scale	Small-medium scale	Small-medium scale	Small scale	Large scale
<b>Voting mechanism</b>	Direct voting	Direct voting	Direct voting	Direct voting	Direct voting

Source: National Evaluation case study research

## Conclusions

- 3.51 This chapter has provided an introduction to the study areas, in order to place later descriptions of costs, processes and activities and results in context. The profiles also demonstrate the relevance of the study areas to what we know to be the general characteristics of areas using Participatory Budgeting:
- Tower Hamlets operated an authority-wide approach with relatively large amounts of money available to Local Area Partnerships with Participatory Budgeting focused on facilitating choice between council services.
  - Manton and Thornhill built Participatory Budgeting on earlier initiatives, based on empowering communities.
  - Thornhill also provided evidence on a health-related Participatory Budgeting process not led by a local authority.
  - Stockport targeted a particular theme, community safety, where police and local authority worked together.
  - Lemington, in Newcastle upon Tyne provided an example of Participatory Budgeting in the context of a city that has operated Participatory Budgeting in different ways over a number of years.
- 3.52 The next chapter presents an analysis of the inputs and costs that have been used to set up and deliver the Participatory Budgeting process in each of the in-depth case study areas.

## 4: Costs of inputs to the Participatory Budgeting process

### Introduction

- 4.1 A central part of the research has been to establish the resources (both in-kind and financial) that are required to implement Participatory Budgeting in an area. This chapter summarises the findings from the research undertaken in the case study areas. Annex D provides the detailed information that underpins the estimates of the costs incurred.
- 4.2 In deriving estimates of the resource costs associated with Participatory Budgeting respondents were asked to include any costs that were incurred whilst setting-up the process as well as the costs of maintaining the ongoing process. One-off costs include the time involved in meetings to discuss the design of the Participatory Budgeting process and time spent in engaging with the relevant parties to support the introduction of Participatory Budgeting. Decision-making inputs include time, in-kind contributions and financial expenditure incurred to organise and run decision-making events, including venue hire for events, marketing, and staff input to stage and facilitate events.
- 4.3 The costs of running the Participatory Budgeting process include the time inputs associated with ongoing oversight and monitoring of projects funded through Participatory Budgeting. This includes reporting back on project progress and achievement to residents. The staff inputs required to manage and deliver individual projects were not included because these resources would be incurred on project management and delivery whatever the resource allocation process.
- 4.4 The resource costs were assessed according to whether Participatory Budgeting was operating in distinct neighbourhoods or whether it was being deployed across the whole local authority<sup>23</sup>. The range of experience is shown, with tables presenting the lowest and highest levels of input found. A decision was made not to provide average figures because the results are based on a small number of case studies. The resource inputs are translated into monetary values using the methods described in Annex D. This enables the total public sector costs per head of population to be presented along with the total public sector cost per resident participating in the Participatory Budgeting process.

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<sup>23</sup> It should be noted that, in practice, local authority-wide Participatory Budgeting activity has been delivered via neighbourhood structures, such as ward committees or community committees.

4.5 A further issue that was explored in relation to the costs of Participatory Budgeting was the extent to which the resources committed to Participatory Budgeting would otherwise have been expended on some other form of community engagement activity. This reveals the additional resource costs associated with adopting the Participatory Budgeting approach over and above other forms of community engagement. Where possible the estimates of these additional inputs to the Participatory Budgeting process are reported in Annex D where they are distinguished separately from the total costs.

### Time inputs to the Participatory Budgeting process

4.6 Table 4-1 summarises the total number of people involved at different stages of the Participatory Budgeting process. During the set-up stage the evidence suggests a level of involvement ranging from six to 31 individuals for neighbourhood-level activity, rising to between 20 and more than 60 individuals involved in local authority-wide Participatory Budgeting initiatives. As might be expected, at the high end of the range, very substantial numbers of individuals – a large majority of them residents in most cases – are involved not only in the decision-making aspects of Participatory Budgeting but also in the ongoing management of the process.

**Table 4-1: Number of people involved at different stages of the Participatory Budgeting process**

	Neighbourhood-level Participatory Budgeting activity		Local authority-wide Participatory Budgeting activity	
	Range		Range	
	Low	High	Low	High
<b>Total no. people involved in set-up</b>	<b>6</b>	<b>31</b>	<b>20</b>	<b>63</b>
Range on no. residents	1	15	0	50
<b>Total no. people involved in Participatory Budgeting decision-making events</b>	<b>82</b>	<b>819</b>	<b>42</b>	<b>3287</b>
Range on no. residents	57	814	23	3237
<b>Total no. people involved in the ongoing management of Participatory Budgeting process</b>	<b>15</b>	<b>859</b>	<b>13</b>	<b>3295</b>
Range on no. residents	7	820	0	3237

4.7 Table 4-2 summarises the total number of hours that these individuals contributed to the Participatory Budgeting process at different stages. Again, the low and high end of the ranges are shown for both neighbourhood-level activity and local authority-wide activity. What Table 4-2 demonstrates quite clearly is that while substantial time is devoted to the decision-making process itself, the ongoing management of Participatory Budgeting demands substantial time inputs on an ongoing basis.

**Table 4-2: Time inputs (hours) at different stages of the Participatory Budgeting process**

	Neighbourhood-level Participatory Budgeting activity		Local authority-wide Participatory Budgeting activity	
	Range		Range	
	Low	High	Low	High
<b>Time from all individuals - set-up (one-off)</b>	<b>25</b>	<b>640</b>	<b>186</b>	<b>1056</b>
Range on public sector time	21	522	147	1070
Range on resident time	3	120	0	160
<b>Time from all individuals - decision-making events (p.a.)</b>	<b>217</b>	<b>1394</b>	<b>304</b>	<b>5456</b>
Range on public sector time (includes local authority, Councillors, Housing Association and other)	20	500	34	3560
Range on resident time	77	1097	174	3069
<b>Time from all individuals - ongoing management of Participatory Budgeting process (p.a.)</b>	<b>146</b>	<b>6349</b>	<b>120</b>	<b>14448</b>
Range on public sector time	21	2817	71	10158
Range on resident time	56	3856	0	4890

### **Estimates of the unit costs for Participatory Budgeting activity**

- 4.8 If we focus on the public sector time inputs, as well as financial costs and in-kind contributions, the data gathered through the case study research allows estimates to be made of the total public sector costs associated with Participatory Budgeting activity. However, for this to be capable of application in other areas it needs to be scaled in ways that allows the data to be applied to different contexts. By presenting the cost data in a per capita form, this enables it to be used for benchmarking across different types of existing Participatory Budgeting activity as well as informing development of business cases for new activity.

#### ***Range on public sector cost per head of population covered***

- 4.9 The monetary value of the average public sector time inputs were brought together with public sector in-kind expenditure and financial expenditure in order to present ranges in public sector spend per capita during the set-up, decision-making and ongoing management phases.
- 4.10 For this analysis the denominator was taken as the average population of the areas that were covered by the Participatory Budgeting approaches in the case studies. Where a case study was unable to provide data on a particular observation, that area's population was excluded from the analysis and the mean populations (and thus denominators) were adjusted accordingly.

- 4.11 Table 4-3 provides total public sector costs per capita of Participatory Budgeting in eight case study areas that were able to provide data. No account is taken of whether the inputs were additional due to the Participatory Budgeting process.

**Table 4-3: Total public sector cost per head of population covered by Participatory Budgeting initiatives (time inputs exclude residents and voluntary sector)**

	Neighbourhood-level Participatory Budgeting activity		Local authority-wide Participatory Budgeting activity	
	Low	High	Low	High
<b>Set-up (one-off), of which:</b>	<b>£0.03</b>	<b>£0.94</b>	<b>£0.01</b>	<b>£0.39</b>
<i>Time</i>	£0.03	£0.66	£0.01	£0.11
<i>In-kind</i>	£0.00	£0.04	£0.00	£0.01
<i>Financial</i>	£0.00	£0.24	£0.00	£0.27
<b>Decision-making (p.a.), of which:</b>	<b>£0.09</b>	<b>£1.28</b>	<b>£0.10</b>	<b>£0.60</b>
<i>Time</i>	£0.03	£0.63	£0.00	£0.35
<i>In-kind</i>	£0.00	£0.07	£0.00	£0.00
<i>Financial</i>	£0.07	£0.57	£0.09	£0.24
<b>Ongoing management (p.a.)</b>				
<i>Time</i>	<b>£0.03</b>	<b>£3.55</b>	<b>£0.01</b>	<b>£1.00</b>
<b>Total: set-up plus one year's activity (all resources):</b>	<b>£0.15</b>	<b>£5.77</b>	<b>£0.12</b>	<b>£1.99</b>
<b>Total: set-up plus one year's activity (financial costs only)</b>	<b>£0.07</b>	<b>£0.81</b>	<b>£0.09</b>	<b>£0.52</b>

- 4.12 For neighbourhood level Participatory Budgeting activity the range of case study evidence on the public sector cost of one-off set-up activity (including time, in-kind expenditure and financial costs) is between 3 pence per head of population and 94 pence per head of population. The equivalent range for local authority-wide schemes is between 1 and 39 pence per head of population.
- 4.13 The decision making public sector resource costs per annum range from 9 pence to £1.28 per head of population for the neighbourhood level Participatory Budgeting activity and from 10 pence to 60 pence per head of population for local authority-wide Participatory Budgeting activity. Again, these include time costs, in-kind contributions and financial expenditure.
- 4.14 The total cost to the public sector per head of population associated with ongoing management time per annum ranges from 3 pence to £3.55 per head of population for neighbourhood level Participatory Budgeting and from 1 pence to £1 per head of population for local authority-wide Participatory Budgeting.

- 4.15 Table 4-4 presents information on set-up costs per capita, plus unit costs per capita per annum for decision-making events and for ongoing management. Therefore, strictly speaking, it is not possible to provide a straightforward 'total' cost. However, at the bottom of Table 4-4 we show the costs of set-up plus one year's worth of decision-making and ongoing management costs. Two such "totals" are provided: one representing all resource costs (including time inputs and in-kind expenditure as well as financial costs) and one which is just the financial cost (i.e. excluding the value of time inputs and in-kind expenditure). These metrics and ranges may be useful for those involved in business planning and case making for Participatory Budgeting.

***Range on public sector cost per resident participating***

- 4.16 The number of residents who participated in the Participatory Budgeting schemes was presented earlier at Table 4-1. For the neighbourhood level Participatory Budgeting case studies the total number of residents participating represented just over 2.5 per cent of the respective population in the areas concerned on average. The equivalent figure for the local authority-wide Participatory Budgeting case studies was 0.75 per cent.
- 4.17 Table 4-4 shows the total public sector resource costs of Participatory Budgeting expressed *per resident who actually participated* in Participatory Budgeting. This metric is clearly more meaningful in relation to the penetration of Participatory Budgeting – and the higher the level of participation the lower this unit cost will be. To some degree this makes it less useful for business planning (where forecast participation may be uncertain), but it is certainly useful for benchmarking once numbers of participants are known.
- 4.18 The final row of Table 4-4 shows that the case study evidence suggests that total public sector financial cost per participant for neighbourhood level Participatory Budgeting activity ranges from £2.70 to £36.90 per participant. This includes financial set-up costs plus one year's worth of decision-making and ongoing management financial costs. The equivalent range for local authority-level Participatory Budgeting activity is between £9.49 and £92.26 per participant. Table 4-4 also shows the range on total public sector resource costs per participant when time inputs and in-kind resources are included.

**Table 4-4: Total public sector cost per resident participating in Participatory Budgeting (time inputs exclude residents and voluntary sector)**

	Neighbourhood-level Participatory Budgeting activity		Local authority-wide Participatory Budgeting activity	
	Low	High	Low	High
<b>Set-up (one-off), of which:</b>	<b>£1.03</b>	<b>£41.82</b>	<b>£3.31</b>	<b>£92.77</b>
<i>Time</i>	£1.03	£25.61	£3.31	£24.07
<i>In-kind</i>	£0.00	£1.57	£0.00	£1.34
<i>Financial</i>	£0.00	£14.63	£0.00	£67.36
<b>Decision-making (p.a.), of which:</b>	<b>£3.68</b>	<b>£49.62</b>	<b>£9.95</b>	<b>£73.01</b>
<i>Time</i>	£0.98	£24.53	£0.46	£48.11
<i>In-kind</i>	£0.00	£2.83	£0.00	£0.00
<i>Financial</i>	£2.70	£22.26	£9.49	£24.90
<b>Ongoing management (p.a.)</b>				
<i>Time</i>	<b>£1.03</b>	<b>£138.22</b>	<b>£0.96</b>	<b>£137.27</b>
<b>Total: set-up plus one year's activity (all resources):</b>	<b>£5.74</b>	<b>£229.67</b>	<b>£14.21</b>	<b>£303.04</b>
<b>Total: set-up plus one year's activity (financial costs only)</b>	<b>£2.70</b>	<b>£36.90</b>	<b>£9.49</b>	<b>£92.26</b>

### Valuing resident participation

- 4.19 Annex D describes the approach taken to place a monetary value on resident participation. It notes the conceptual and measurement challenges associated with valuing resident time inputs and notes that for illustrative purposes we have adopted a method based on the minimum wage. On this basis, residents' participation time in neighbourhood-based Participatory Budgeting activity ranges from 136 to 5,073 hours (taking account of set-up time, decision-making time per annum and ongoing management time per annum), with an estimated 'value' of between £975 and £36,500. For local authority-level Participatory Budgeting activity the equivalent range is from 174 hours to 8,119 hours, with an estimated "value" of between £1,250 and £58,375.

### Conclusion

- 4.20 This section has set out findings in relation to in-kind and financial costs, providing estimates of costs per head of population and costs per participant. The study areas demonstrate the ability of Participatory Budgeting to encourage resident involvement and the willingness of local people to give their time to a process when they believe it will make a difference – a key

message for those promoting the Big Society agenda. The next section provides insight into the Participatory Budgeting activities taken forward using the resources of volunteers, participants, councillors and public sector staff.

## 5: Processes outputs, outcomes and impacts

- 5.1 The preceding chapter described inputs into Participatory Budgeting processes. This chapter looks at some of the evidence on 'what works' in the delivery of Participatory Budgeting and why. It then looks at the results achieved by the operation of Participatory Budgeting processes. Annex E provides more detail on the activities and processes used in the study areas.

### **Overview of Participatory Budgeting processes**

- 5.2 The study team worked with case study areas to answer the following questions:
- Who is involved in decision-making and how are they involved? And, are the people who attend the events representative of the relevant population?
  - How has the Participatory Budgeting process been facilitated, i.e. what steps are involved? And how is the quality of the decision-making process assessed?
  - Who is responsible for monitoring and implementing the resultant projects or service changes?

### ***Who was involved and how?***

- 5.3 There were variations in the types of people involved in the process and the extent of their involvement varied between study areas, in part the personnel and intensity of involvement depended on the type of process that was operated (see 5.5 to 5.11). In most cases the Participatory Budgeting process was led by an officer of the lead body, often the local authority, residents were also involved in designing and setting up the process. In some cases councillors were involved in all stages of the development, including facilitating events and being involved in decision-making, as residents in the area affected; in other areas their involvement was limited. Similarly, areas reported differing levels of involvement from senior officers of the local authority and other public service providers, in police, health etc. Involvement included contribution to the facilitation of events, in one case making presentations on the options available to those voting, and in other cases acting as part of the governance structure associated with the relevant Participatory Budgeting activities.

- 5.4 Capacity building activity was also undertaken as part of the preparations for events, the Participatory Budgeting Unit provided support to all of the study areas. Capacity building involved residents, councillors and officers.
- 5.5 Chapter 7 looks in more detail at the sorts of steps taken in order to ensure the make up of attendees at events reflected the profile of the local population and Annex E provides more background on the make-up of audiences. But, in terms of resident involvement, some areas showed the process engaged more than 'the usual suspects'. While others showed it could act as a means of re-balancing decision-making by engaging excluded groups.

### ***How was the process facilitated?***

- 5.6 Although local delivery processes varied between study areas, what might be termed a 'core process' for area-specific Participatory Budgeting processes with delegated budgets can be mapped (Figure 5-1).<sup>24</sup> The steps in such a 'core process' start with the decision to operate a Participatory Budgeting process followed by the set up phase, each of which may contain a number of discrete steps. The core process then has further stages:
- **Marketing the Participatory Budgeting process**, which was undertaken in variety of ways depending on local circumstances. Popular approaches included leaflets and newsletters (posted to households and left in community settings such as libraries), use of local media (especially radio and local newspapers) to make announcements, community outreach work and direct invitations to people in the street.
  - In some case there was a process to **prioritise issues** prior to the invitation to submit project applications; and in some cases indicative levels of funding by theme were set on the basis of which issues were of most concern to local people.
  - A **call for project applications** from residents and community groups, council services and the voluntary sector was then made. The call was followed, in some cases, by a form of screening or appraisal process, which made sure project proposers and proposals met basic eligibility criteria, e.g. organisations applying for funds had a bank account.
  - **A voting event or events to select preferred project applications** were then held. Some areas ran a single event; others ran several events in different locations, at different times of the day; and at least

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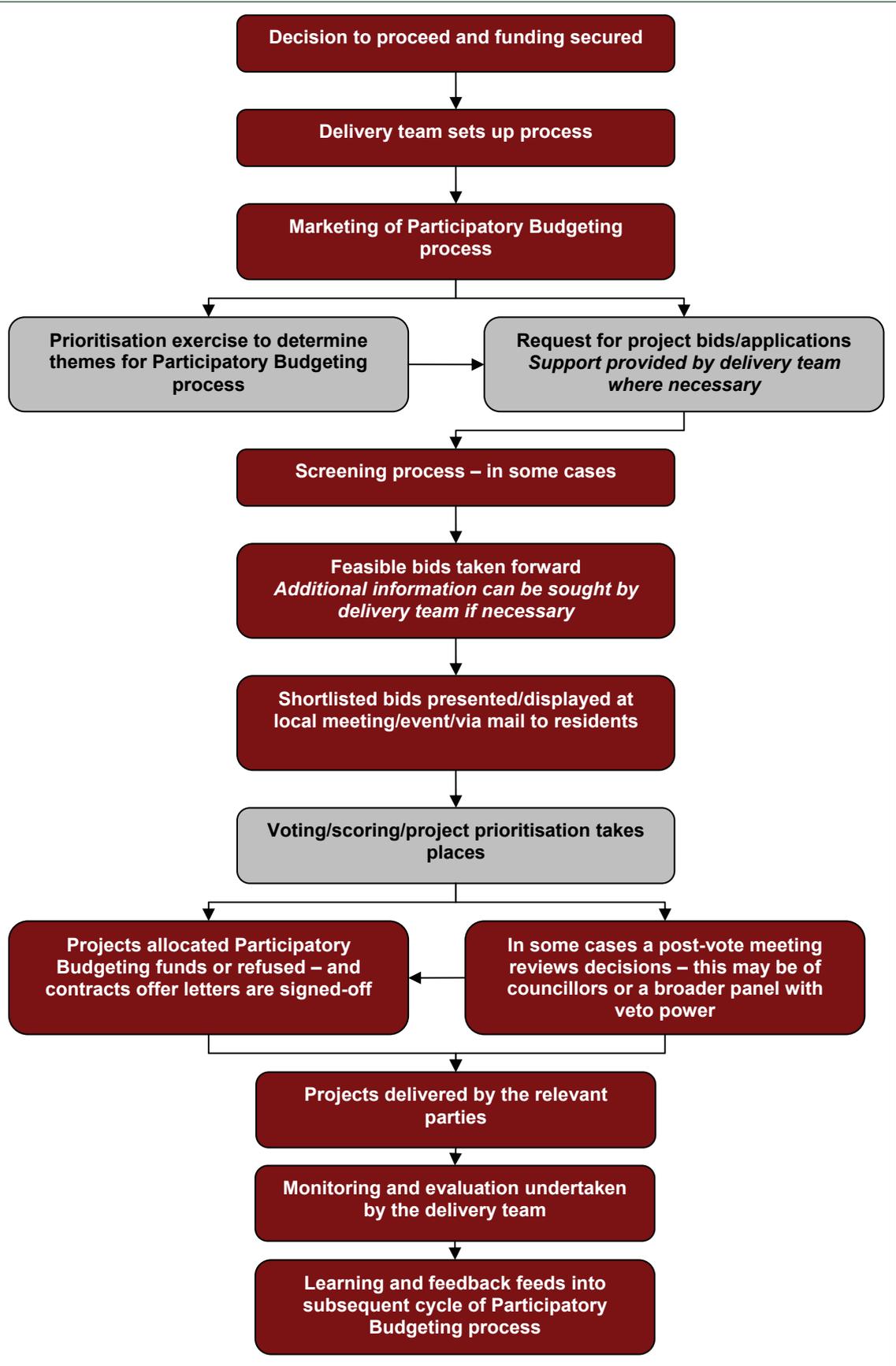
<sup>24</sup> This is a generic approach; the Participatory Budgeting Unit advises local tailoring to take account of local circumstances and risks.

one area provided ballot boxes across a variety of venues to enable residents to place their votes. The methods by which project information/ideas were communicated to participants varied: some had pitches/presentations, which were either made by the individual/group that suggested the idea or by a team of 'professionals' who introduced all the prospective projects to remove selection bias. One area used posters 'advertising' the proposals and another area used DVDs with information about proposed projects, so that different decision-making events received the same information. The level of deliberation and discussion about the merits of proposals varied with the methods used.

- With regard to the **voting mechanisms** used by the areas, in the majority of cases, votes were cast for each project based on some form of scale, e.g. 1-5, where 1 was the least popular and 5 was the most popular, with funding awarded to the most popular project/s. The main exception to this voting process was the use of preference voting, where votes were cast for the most preferred projects within a particular category.

5.7 Evidence from the areas suggested that a Participatory Budgeting process often formed part of a decision-making cycle: on completion of a particular cycle, the lessons learnt and feedback formed part of the introduction of the subsequent decision-making cycle.

**Figure 5-1: Summary of Participatory Budgeting core process for allocation of discretionary or small grants funding**



Source: SQW

### ***How were results monitored and reported?***

- 5.8 As noted above, most of the literature on Participatory Budgeting emphasised the need to make it part of a continuous process with those delivering projects and services accountable to local people. Once resources were allocated, local ‘delivery teams’ were generally responsible for ensuring the activities funded delivered as planned. Local residents were involved in these monitoring processes to varying extents: some areas had feedback systems to ensure that local residents could monitor the progress of projects; other areas involved local residents in the delivery of projects, whilst other areas provided only limited feedback to residents.
- 5.9 The formality of monitoring and contracting processes varied between the study areas. For example, one area used the council’s standard procedures for allocating grant aid, which stipulated the provision of quarterly monitoring reports, whilst another are used simple contracting agreements to confirm that an organisation would spend the funding on the activities set out in its proposal.

### **Critical Success Factors for Participatory Budgeting**

- 5.10 The research team also worked with the study areas in order to identify the factors that were critical to success any barriers they had faced and the strategies they had used to overcome them. Table 5-1 breaks down the different aspects of participatory budgeting from its inception, to delivery. It sets out a list of the most commonly identified ‘critical success factors’ and the implication or outcome associated with each factor.

**Table 5-1: Critical success factors for the effective delivery of Participatory Budgeting**

<b>Category</b>	<b>Critical Success Factors</b>	<b>Outcome</b>
<b>Inception</b>	Senior level buy-in and drive within the Council or governing body	Decision-making processes support Participatory Budgeting, removing obstacles to implementation and roll out of Participatory Budgeting
	Commitment to the provision of funding	Enables the process to be taken forward both in terms of money to allocate via Participatory Budgeting and resources to cover the cost of introducing a new form of decision-making

Category	Critical Success Factors	Outcome
Planning and set-up	Sufficient planning and development time – ensure training and capacity building undertaken	All parties are informed of the role they are to play in the process, which alleviates any anxieties or concerns – including councillors, officers and residents  Development of more formal capacity building at the outset of a process
	Development of a vision which sets out what initial Participatory Budgeting events will lead to in terms of involvement in wider decision-making	Clear objectives and goals are set for the process, which means people know what is to be achieved and can track progress over time
	Access to sufficient levels of external support to set up and plan the process	Independent support provides background on what's been learnt from elsewhere – so pitfalls can be avoided and brings a 'challenge' function to the set up process, making sure the process is rolled out effectively
	Embedding of a strong partnership approach with associated strong leadership	Drawing together a range of agencies and partners enables the contribution of different sources of funding, the sharing of skills, in-kind resources to support the facilitation of the process and the ability to utilise wider networks to access community groups and residents
	Successful branding and marketing	Strong branding of Participatory Budgeting activities in conjunction with marketing campaigns which utilise a variety of mechanisms – posters, leaflets, radio adverts etc – have helped to raise awareness of the process and led to increased engagement of harder to reach communities
Delivery	Embedding the process within low level and easily recognisable geographies that are in line with the level of funding available for allocation via Participatory Budgeting	Residents relate to and witness tangible benefits within their area, thereby securing higher levels of buy-in to the process and building local people's confidence that the process can make a difference
	Appropriate delivery team to facilitate the process – e.g. Neighbourhood Management team, who work closely with local residents and community organisations – as community development activities are key	Full range of community development techniques used to engage a wide range of residents and therefore increased participation – furthermore, increased levels of participation in other civic events or activities

Category	Critical Success Factors	Outcome
	Technical expertise required to test the feasibility of ideas and to cost prospective projects	Introduces theoretical and practical knowledge of relevant policy areas  Selection of appropriate/affordable shortlisted projects and presentation of accurate material to the wider community – reducing the possibility of dashed expectations, if proposals have to be withdrawn at a later date as they are not practical or have not been costed correctly
	Communication and transparency throughout the process – including successful marketing at the beginning of each process	High levels of attendance and participation at events  Buy-in from the community  Re-enforces the outcomes and impacts of the process raising awareness
	Clear decision-making/funding criteria, which is disseminated to all potential bidders	Clarity of purpose and provision of clear and informed project applications
	'Pitching' at a level and in a form that the community can understand and respond to	Communities understand the purpose and the intentions of the process and each prospective project and therefore are actively engaged in the process – leading to more effective decision-making processes
	Transparent decision-making process	Helps build confidence in the process and illustrates tangible results to those participating
	Effective monitoring and evaluation processes to ensure the benefits of the process and its subsequent activities are recorded and are fed back to local residents and funders	Maintains local engagement and enthusiasm for the process  Funders understand what they got for their money and are therefore more willing to fund activity in the future
<b>Represent- ation</b>	Ensure the decision-making event is attended by a balanced representation from the relevant groups of interest in a local area without introducing bias into the process, particularly from specific well organised groups	Resultant projects are based on the pooled knowledge and views of the local community  Increased community cohesion and social capital

Source: National Evaluation case study research

### **Barriers to delivering Participatory Budgeting effectively**

- 5.11 Study areas identified a number of barriers to the effective delivery of the Participatory Budgeting process. They also identified methods that could be used to address them. Table 5-2 details the most commonly cited barriers to the effective delivery of the process, describes the methods by which they can be addressed and where possible, provides examples of mitigation activities.

**Table 5-2: Barriers to delivery for the effective delivery of Participatory Budgeting**

Category	Barriers to delivery	Methods to address the barrier	Examples of mitigation activities
	<p>Lack of understanding of what Participatory Budgeting is and what it involves – i.e. service providers and communities struggle to grasp the Participatory Budgeting concept</p>	<p>Use community outreach and engagement work to raise awareness of the relevant process and to illustrate the potential influence residents could have on the outcomes of the process</p>	<p>See Figure 6-6 above, which illustrates examples of community engagement used by the study areas</p>
	<p>Lack of public interest</p>	<p>As above Keep the events/decision-making process as simple as possible, to ensure that residents are not put off attending and participating</p>	<p>In the <b>Manton Neighbourhood Management Pathfinder</b>, decision-making events have taken place in conjunction with key community events or venues (such as schools), which was felt to have significantly aided the engagement and participation process</p>
<p><b>Engagement</b></p>	<p>Councillors worried about where they fit within the process and what it means for their role in the local area</p>	<p>Ensuring that all councillors and relevant Service Heads are offered the opportunity to take part in sufficient training to increase their understanding of their role in the Participatory Budgeting process</p>	<p>Briefing sessions for councillors Training for those councillors who will help facilitate events Update briefings to councillors not directly involved in facilitating events</p>
	<p>Council officers sceptical about devolving mainstream decision-making to local residents</p>	<p>Use examples to illustrate potential positive outcomes and increased community engagement as a result of a Participatory Budgeting process</p> <p>Demonstrate councils of all parties are operating Participatory Budgeting, suggesting it is not a party political issue</p>	<p>As above</p>
	<p>Limited political support for the process</p>		

Category	Barriers to delivery	Methods to address the barrier	Examples of mitigation activities
Availability of resources	<p>Limited level of funding available to allocate through the process often means that the process needs to be isolated to pilot activities or particular geographies</p>	<p>Seek buy-in from local authority departments and align the process with the strategic aims of the council to increase the potential funding avenues</p> <p>Make the process appealing to mainstream partners so that they can see the benefits of committing resources</p>	<p>A number of the study areas reported that links had been made with various departments at the relevant Councils and other public sector bodies, in order to enhance both the project sift process (where ideas were passed onto the relevant departments for feasibility checks) and the project delivery process. For example, in Norfolk the County Council provided pump priming funds for the process using the second homes tax; this triggered additional funds of £60,000 from other sources; and projects used other funds in subsequent phases.</p>
	<p>Resource intensive during set up phase – needs significant level of resources to get the process off the ground</p>	<p>Participatory Budgeting process should align and tie into existing community engagement and empowerment activities and should not be viewed in isolation</p>	<p>All participating study areas stated that the Participatory Budgeting process had been designed and implemented to act as a supplementary activity to existing community engagement and empowerment activities</p> <p>A number of the areas facilitated the set up of the Participatory Budgeting process through staff teams which regularly worked with local communities and therefore whose job remit included community engagement/development activities</p>
	<p>Funding uncertainties mean it is not clear the Participatory Budgeting process will be maintained, a. as discretionary resources may not be available; and b. because of a reluctance to use Participatory Budgeting to determine budget priorities where savings are needed</p>	<p>Ensure sufficient senior level buy-in and drive within the Council or governing body</p>	<p>The study areas had not had not addressed this issue in full at the time of the fieldwork. The Big Society Network and Nesta are supporting 9 pioneer areas to test how Participatory Budgeting can be used to inform plans for mainstream services at a time of fiscal austerity.</p>

Category	Barriers to delivery	Methods to address the barrier	Examples of mitigation activities
Strategic alignment	<p>Lack of an overarching strategic plan which helps communities to prioritise issues/projects</p> <p>Meeting the requirements of agencies that contribute funding to the Participatory Budgeting process – for example, where a funding partner required community groups to be formally constituted and have a bank account before they were granted Participatory Budgeting funding</p>	<p>Exploration of ways in which the relevant governance structures can become more strategic through the introduction of strategies/action plans at the local level, which are agreed by communities at the start of each cycle</p> <p>More intensive capacity building could be undertaken to ensure that community groups are better equipped to take on monitoring and evaluation responsibilities post being awarded funding</p>	<p>In <b>Tower Hamlets</b>, the menu of services that was presented at the decision-making events and therefore which formed part of the deliberation process, was designed to help meet the Cabinet Priorities for the year. Therefore potential projects were designed to supplement the existing activities of the Council</p> <p>The <b>Stockport Neighbourhood Renewal</b> team, which facilitates the Participatory Budgeting process, has worked together with Stockport Community and Voluntary Services to provide training sessions for residents on understanding constitutions.</p>
Delivery weaknesses	<p>Lack of mechanisms to ensure consistency of delivery between areas within a local authority district</p> <p>Insufficient levels of feedback and monitoring, post the decision-making event which may serve to decrease the resultant outcomes of the Participatory Budgeting process</p> <p>Tendency for projects to be activities as opposed to outcomes focused</p>	<p>Development of minimum standards to facilitate the processes which are embedded across an area</p> <p>Development of clear monitoring and reporting procedures which are deployed across an area</p>	<p>Both barriers were cited by a number of the study areas, which were in the process of either considering or designing minimum standards to facilitate the Participatory Budgeting process. This is likely to include guidance on the minimum levels of support and feedback that are to be provided to project applicants and similarly, the embedding of consistent and clear monitoring and evaluation processes</p> <p>For example, each project that receives Participatory Budgeting funds in <b>Stockport</b> is required to sign a contract with the Neighbourhood Renewal team to confirm that it will spend the funding on the activities set out in their proposal. Each community group is also required to complete an evaluation pack, which in the future will include the provision of evidence on outputs (e.g. the number of people engaged in the activity) and outcomes and impacts.</p>

Source: National Evaluation research

## Outcomes from Participatory Budgeting processes

5.12 When undertaking the research in study areas, the team looked for process outcomes in terms of:

- **Outcomes for Citizens** – including residents’ self-esteem and confidence; understanding of the complexities of budget setting and democratic structures; relationships between the council/lead organisation’s ‘officers’ and residents; and the relationship between councillors and residents.
- **Outcomes for Communities** – including the extent to which the process brought together people from different community groups to help improve the neighbourhood; improved community cohesion; increased engagement with hard to reach groups; and increased levels of community and voluntary sector involvement.
- **Outcomes for Decision Making** – including residents’ ability to influence local decisions; electoral turnout and/or levels of civic participation; changes in the roles of council officers and/or councillors; improvements in the process or quality of decision making; costs of engaging local people; evidence of improvements in ‘distributive efficiency’ (i.e. more resources allocated in favour of those in greatest need); improvements in ‘allocative efficiency’ (i.e. activities funded through Participatory Budgeting meeting people’s needs more effectively than in the past); change in the lead organisation’s approach to decision making; the engagement of local politicians in the process; resident’s satisfaction with local services; and improvement in residents’ quality of life.

5.13 The study looked into 21 potential ‘process outcomes’ – no area sought to address all of them. In order to assess progress, the study team sought evidence of change (or perceived change) in the areas, across all of these issues and outcomes. In assessing progress, the evaluation differentiated between ‘direct outcomes’ that were a result of an explicit objective or target and indirect results. The study team worked with consultees in the areas to ‘grade’ progress against each of the outcomes – and to identify whether they were direct or indirect. The grades were:

- 0 – no improvement or change
- 1 – small levels of improvement/change
- 2 – small to moderate levels of improvement/change

- 3 – moderate levels of improvement/change
  - 4 – moderate to high levels of improvement/change
  - 5 – high levels of improvement/change.<sup>25</sup>
- 5.14 It should be noted that in grading progress, consultees (and the study team) were forming subjective judgements – in part because some of the outcomes were not easily quantifiable and/or the resources required for gathering quantified information, e.g. via household surveys, were not proportionate and/or affordable. Furthermore, an element of judgement was applied to whether outcomes were direct or indirect; as in some case the outcomes were tacit rather than explicit targets set out in action plans or management arrangements.
- 5.15 Table 5-3 provides a summary of the assessments of progress by study area. The table lists the relevant study area across the top and the relevant outcomes down the left hand column. The score in the cell represents the ‘grade’ of achievement against a particular outcome; **green** denotes a direct outcome (i.e. where there was a specified target) and **blue** denotes an indirect outcome (i.e. where the study area did not aim specifically to make progress, but could provide evidence that progress was made). Where a target for the degree of progress to be expected had been set this is specified in the column labelled target. Where an area hit or exceeded a target, the number is highlighted in **bold**.
- 5.16 In some cases no evidence was available; this is marked in the table as N/A (1) where there was no evidence on progress against an outcome that was not targeted in the local areas; and N/A (2) where there was insufficient evidence to form a judgement, but where there had been a target.
- 5.17 As noted in Chapter 1, evidence gathering methods were tailored in order to reflect local circumstances and arrangements, e.g. in terms of what local evaluation and monitoring had already covered. While the means of gathering evidence differed from area to area, the groups or types of consultees the study team interviewed in each area was constant. Evidence was sought from: residents (where possible participants and non-participants in the local Participatory Budgeting process); councillors (where possible from a mix of parties, and executive and non-executive members, and where relevant ex-councillors who had been involved in earlier stages of Participatory Budgeting in a study area); council officers; managers in other lead bodies; where possible those who had and those who hadn’t successfully accessed funds

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<sup>25</sup> No area reported actual deteriorations in outcomes, as opposed to fears that some outcomes, e.g. community cohesion might deteriorate.

from a Participatory Budgeting event; and the lead officer for Participatory Budgeting in the study area.

**Table 5-3: Overview of process outcomes and impacts by study area**

Objective	Outcome	Manton		Newcastle		Southampton		Stockport		Tower Hamlets	
		Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
	Increased resident self esteem and confidence	4	4	N/A (1)	N/A (1)	4	3*	3	4	N/A (1)	N/A (1)
	Increased understanding of the complexities of budget setting and democratic structure	2	3	2	3	0	1	2	2	2	3
	Assessment of the extent to which the process has improved the relationship between officers and residents	2	2	N/A (1)	N/A (1)	0	3	3	4	0	3
Objectives for Citizens	Improved relationship between councillors and residents	2	2	0	4	0	1	N/A (1)	N/A (1)	0	2

Objectives for Communities	Bringing residents together from different community groups to help improve the neighbourhood	3	4	2	4	0	1	3	4	4	2
	Increased community cohesion	0	2	N/A (1)	N/A (1)	0	1	3	3	4	2
	Increased engagement with hard to reach groups	4	5	4	3	0	2	3	4	4	4
	Increased levels of community and voluntary sector involvement	N/A (1)	N/A (1)	2	2	5	5	3	4	N/A (1)	N/A (1)
Objectives for Decision Making	Increased influence on local decisions	3	3	4	4	5	3	3	4	4	4
	Increased electoral turnout and/or levels of civic participation	0	3	2	1	N/A (1)	N/A (1)	0	3	N/A (1)	N/A (1)
	Changed role of Council Officers	N/A (1)	N/A (1)	2	3	0	2	0	4	N/A (1)	N/A (1)
	Changed role of Councillors	0	1	0	2	N/A (1)	N/A (1)	N/A (1)	N/A (1)	0	2
	Improved process or quality of decision making	0	2	5	4	5	5	5	1	1	1
	Increased or decreased costs of engaging local people	0	1	N/A (1)	0	1	N/A (1)				
Resources allocated to different type of activity	0	1	5	4	0	2	0	1	4	4	
Improvements in distributive efficiency (i.e. more resources allocated in favour of those in greatest need)	N/A (1)	N/A (1)	N/A (1)	N/A (1)	N/A (1)	N/A (1)	N/A (1)	2	4	N/A (1)	N/A (1)

Improvements in allocative efficiency (i.e. activities funded through Participatory Budgeting meeting people's needs more effectively than in the past)	0	2	0	3	0	2	0	4	4	2
Change in the lead organisation's approach to decision making	3	4	N/A (1)	N/A (1)	4	0	0	2	0	2
Engagement of local politicians	0	4	N/A (1)	N/A (1)	0	1	N/A (1)	N/A (1)	0	2
An increase in satisfaction with local services	3	4	0	3	N/A (1)	N/A (1)	0	2	5	N/A (2)
Improvement in the quality of life of residents	3	3	3	3	0	3	0	3	N/A (1)	N/A (1)

Source: SQW

\* In this case, the researcher deemed the achievement of this outcome to be both a direct and an indirect result of the Participatory Budgeting process.

NA 1 = Target not in scope and not assessed as an outcome.

NA 2 = Target in scope but insufficient evidence to assess

0 = for an outcome that wasn't a target (0) but was assessed to have been achieved to some extent (number).

## ***Outcomes for citizens***

### *Outcomes for citizens in Manton, Bassetlaw*

- 5.18 In Manton, the study team held focus groups to garner residents' views of the Participatory Budgeting process. Attendees remarked (unprompted) on the **improvements in self-confidence** made by those who had taken part in the process. Furthermore, residents reported an increase in their own willingness to take part in other community-related activities. And teachers reported higher aspirations and increased levels of personal responsibility at school.
- 5.19 Consultees, in one-to-one sessions, as well as focus groups, said that the process had improved their understanding of local budgeting issues. Residents also reported a greater awareness of and increased willingness to approach local councillors, as a result of their involvement in the Participatory Budgeting process.
- 5.20 In terms of relations between officers and residents a number of positive improvements were noted, including:
- a senior officer from Environmental Services is working directly with local people on the location of rubbish bins in the area, as this was raised as an issue as part of the Participatory Budgeting process
  - residents noted they had been able to influence the location of CCTV cameras as a result of the process
  - some consultees also noted the growing 'maturity' of the discussions between residents and services providers, with residents showing understanding of the complexities faced by service providers; and service providers having a better understanding of local concerns
  - it was noted that residents were much more confident in approaching Police Community Support Officers than they had been in the past, indicating growing trust between residents and officers
  - it was also noted that take-up of Sure Start in Manton was higher than in West Bassetlaw; this was, in part, attributed to the role Participatory Budgeting had played in increasing residents' confidence in local service provision.
- 5.21 In the study team's view, these gains were also part of the wider neighbourhood management effort, of which Participatory Budgeting was part. In other words, the gains from Participatory Budgeting are likely to be

maximised when the process is an integrated element of wider community or neighbourhood engagement structures, processes and activity.

#### *Outcomes for citizens in Lemington, Newcastle*

- 5.22 The Participatory Budgeting process in Lemington was judged by consultees to have increased residents' understanding of the complexities of budget-setting and democratic structures. The gains were judged to have been made because the process in Lemington included a high degree of discussion and deliberation about issues, options and priorities; and because 'budget literacy' – in terms of 'what things cost' – was a key feature of the process. Although it is difficult to say over what period the learning will be sustained, the broad consensus among consultees was that there has been significant progress made against this objective. Comments from residents at a focus group run by the study team backed up this view. One consultee said:

*“To an extent [the Council’s] hands are tied. They pledge to do some things but there is not enough funding. UDecide helps to manage expectations and to understand.”*

- 5.23 The process in Lemington was also reported to have improved the relationship between councillors and residents, even though this was not the direct intention of the Participatory Budgeting process. This may well be attributable to the fact that 'flyers' were sent to every household in the area, which stated that councillors had 'turned over decisions' to local people in the ward, and councillors then attended roadshows, which gave them 'high visibility' during the process, so local people got to know them better.

#### *Outcomes for citizens in Thornhill, Southampton*

- 5.24 Raising self-esteem was not an explicit target for Participatory Budgeting in Thornhill; but focus groups run by the study team revealed that **young people who attended the decision-making event, found it empowering and made them feel more engaged and included in the community**. This view was also expressed in a focus group with the older residents. Furthermore, consultees reported higher levels of self-confidence in local groups, evidenced by the way they now interacted with each other and statutory providers.
- 5.25 Consultees reported the relationship between councillor and residents in the area was already well developed prior to the introduction of Participatory Budgeting; thus, the **Participatory Budgeting event was characterised as 'another method' for councillors to engage with their constituents and build their profile**.

### *Outcomes for citizens in Stockport*

- 5.26 In terms of outcomes for citizens, the Participatory Budgeting events in Stockport were judged by consultees to have produced an improvement in the self-esteem and confidence of participants. The improvements in self-esteem were made through the acquisition of new skills, e.g. giving presentations to large audiences and putting together bids for funding. Focus group participants confirmed this view. One focus group member commented that the Participatory Budgeting event had made them more confident in their ability to bid for money in future. Furthermore, securing money via the Participatory Budgeting process 'built self esteem for volunteers' in successful projects. The gains in self-confidence were particularly apparent among younger participants, who presented proposals at a decision-making event. One young person commented that as a result of taking part in Participatory Budgeting their confidence had been boosted and they had gone on to use these presenting skills at college.
- 5.27 In terms of the development of 'better informed citizens', a number of residents at the focus groups said that the process had increased their understanding of the complexities of budget-setting and costing projects. For example, one resident said the process made them realise that they had to do their 'homework' for their project and give it their 'best effort' to get the funding they required, rather than funding being 'handed out on a plate'. Thus, there was recognition of the need to justify funding, rather than expecting funds as an entitlement.
- 5.28 In the feedback forms from the Lancashire Hill and Heaton Norris event, 76 per cent of attendees 'agreed' or 'strongly agreed' that the event had made them more aware of the difficulties associated with distributing public money. In Brinnington, 93 per cent of attendees reported that they were more aware of the difficulties as a result of their involvement in the event. However, a number of other residents, at the focus groups held by the study team, said they did not feel that the event had substantially increased their understanding of public budget setting or democratic structures. Some local councillors and managers, who were consulted as part of the research, suggested more information should be provided to residents on the sources of funding to improve transparency and enhance understanding of the budgeting process.
- 5.29 At the focus groups held by the study team, a majority of residents welcomed the opportunity provided by the Participatory Budgeting process to build a relationship with staff from the Neighbourhood Renewal team. They said that they now felt more aware of whom to approach for support in future. Furthermore, agencies that contributed funding to the process said more residents were approaching them directly for support, and had observed

increased confidence in residents. Consultees believed Participatory Budgeting had been an important catalyst in forging these relationships (raising awareness of what was available, and enabling face-to-face contact with staff at events). Partners involved in Participatory Budgeting, such as the police, also made contact with groups and residents they did not know prior to the event.

#### *Outcomes for citizens in Tower Hamlets*

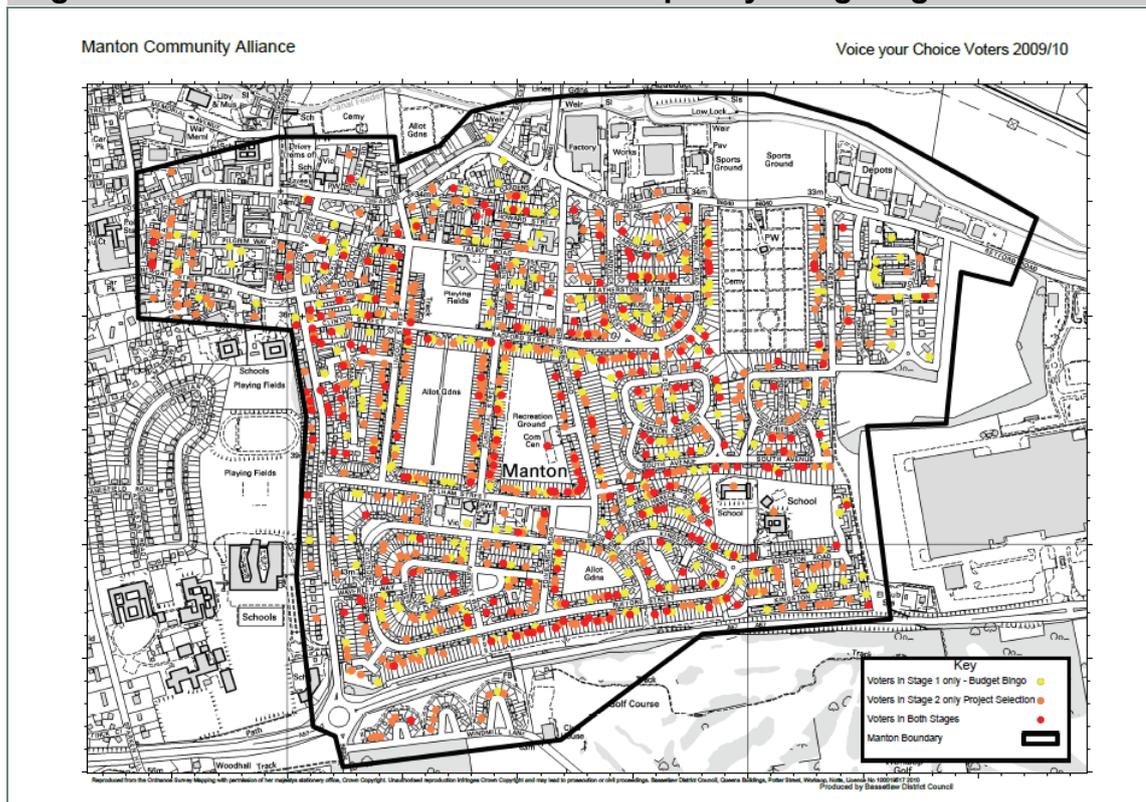
- 5.30 Consultees indicated that one of the objectives of participation in the *You Decide!* process was for residents to gain an increased understanding of the complexities of public budget setting and democratic structures. This was felt to have been achieved to some extent – the decision-making process facilitated at *You Decide!* events was relatively straightforward compared to the complex nature of wider council budget setting processes, so the full level of complexity was not explored. Consultees also recognised that, although *You Decide!* had successfully engaged a large number of residents relative to other forms of community engagement, the numbers involved in the events were not large when compared to the total population of the borough. As such, benefits were likely to be relatively limited.
- 5.31 The *You Decide!* process did not formally aim to improve the relationship between officers and residents, however evidence from the consultation process illustrated that **the presence of senior officers at the events had improved the visibility of the council and its officers**. In turn, consultees indicated that **the process increased local residents' confidence in the council and its services**. A number of **senior managers and officers reported that they felt their engagement in the process had improved their understanding of local issues**.
- 5.32 The *You Decide!* Programme did not originally set out to improve the relationship between councillors and residents; however, consultations found that the process provided some councillors with the opportunity to engage with a large number of their residents. Although some consultees felt that this engagement could have been facilitated through other means, such as through the Local Area Partnership meetings, they recognised that *You Decide!* had engaged a diverse and larger set of residents than those that had previously attended the Local Area Partnership meetings. Therefore the process had widened the extent of interaction between councillors and residents in their wards.

## Outcomes for communities

### Outcomes for communities in Manton

- 5.33 The study team found clear evidence that the Participatory Budgeting process was a useful tool in developing community outcomes. Many consultees reported **the process had led to a better understanding between the generations**, e.g. with young people recognising the need to provide more facilities and support for older people. They also reported **better engagement with more recent arrivals from Poland**.
- 5.34 Manton Community Alliance ran a survey of residents that showed 56 per cent of respondents thought the area had improved. Manton Community Alliance also tracked resident participation, the data showed around 2,500 people had been involved and that they came from across the area (Figure 5-2).

**Figure 5-2: Residential locations of Participatory Budgeting voters**



Source: Manton Community Alliance

- 5.35 Although these outcomes were the result of the interaction of a number of different local factors, local consultees were clear that **Participatory Budgeting made a distinct contribution to enhancing residents' belief that they could influence changes in their area**. Furthermore, many focus group attendees noted that Participatory Budgeting had brought about their first contact with Manton Community Alliance.

### *Outcomes for communities in Lemington, Newcastle*

- 5.36 The study team found the Participatory Budgeting process in Lemington had been **an effective way of bringing residents from different communities together, in order to help improve their neighbourhood**. The process involved a series of roadshows and events that were timed to coincide with the village's centenary celebrations. Furthermore, this approach enhanced the engagement of ethnic minority groups and people with disabilities relative to what might otherwise have been expected – 4 per cent of people taking part in Udecide were from ethnic minorities, while less than 2 per cent of the overall population were from ethnic minorities. Furthermore, one of the projects (Hadrain's Way) was reported to have 'united communities of interest' (cyclists, wheelchair users and young people).
- 5.37 The local Participatory Budgeting process saw people highlight common or shared issues at the level of the ward, rather than neighbourhood-specific concerns. This meant even though there are five distinct areas in the ward, the votes supported funding targeted on the centre of the ward, where the shops, school and other shared facilities were located.
- 5.38 The process had a positive impact on community activity; however, given the link to the centenary celebration, it is not clear whether this will be sustained. But steps were taken to address this issue of sustainability as part of the local Participatory Budgeting process, e.g. each package of projects carried a 'Making it Last' element. Furthermore, the Participatory Budgeting team set out to harness and add to local Voluntary and Community Sector activity. As part of the process, proposals were anonymous, so votes were based on how well the project met local needs rather than who was making the proposal – this meant new groups could compete on a level playing field, relative to more established organisations.

### *Outcomes for communities in Thornhill, Southampton*

- 5.39 Thornhill is a relatively small and well connected community with a relatively high level of social capital, when compared to other suburbs of Southampton; and much of the infrastructure of community engagement was in place prior to the introduction of Participatory Budgeting – as one consultee put it, "*PB was the cherry on the cake*".
- 5.40 One of the projects' aims was to 'empower local groups to bid for money and to manage health-related projects'. A range of consultees reported the Participatory Budgeting process had met this objective, citing an increase in number of projects submitted and the number of local community and

voluntary groups submitting proposals. Table 5-4 shows the rise in the number of applications once Participatory Budgeting was introduced.

**Table 5-4: Applications 2006/07 to 2010/11**

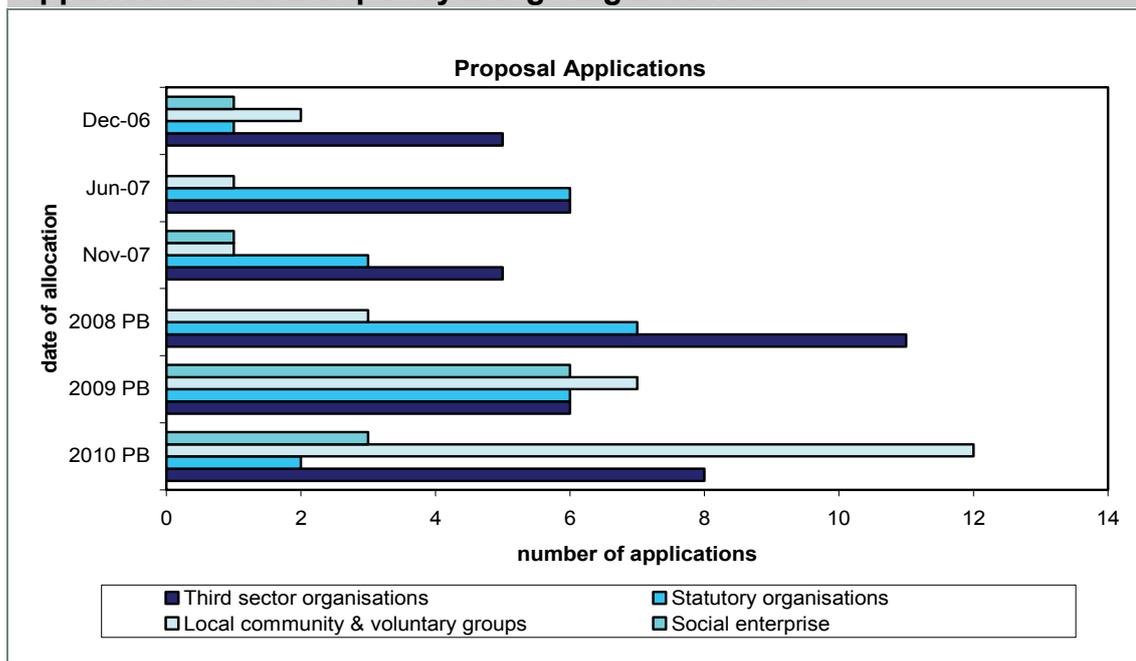
Financial year	Decision making method	Number of project applications	Total money available
2006/07	Panel decision - December 2006	9	<b>£51,000</b>
2007/08	Panel decision – June 2007	13	<b>£103,550</b>
	Panel decision – November 2007	11	
2008/09	Participatory Budgeting – June 2008	21 (through Participatory Budgeting)	<b>£109, 052</b> (£50,000 through Participatory Budgeting)
	Panel decision – November 2008	13	
2009/10	Participatory Budgeting – June 2009	25 (through Participatory Budgeting)	<b>£125,000</b> (£70,000 through Participatory Budgeting) <sup>26</sup>
2010/11	Participatory Budgeting – March 2010	25 (through Participatory Budgeting)	<b>£100,000</b> (£100,000 through Participatory Budgeting)

Source: SQW analysis of local data

- 5.41 In the last two years, local community and voluntary groups made up the largest category of applicants – accounting for almost half of all the applicants in 2010 (Figure 5-3). This change is significant, given the relatively low numbers of community groups that applied for funding in the years before Participatory Budgeting was introduced. Although, it should be noted, it took a year of capacity building work with small organisations before the number of small community groups successfully engaging with the process really grew. As the process developed, local people set up groups, in order to apply for Participatory Budgeting funding – a capacity building outcome that is unlikely to have occurred under the ‘old system’ of allocating funds.

<sup>26</sup> The remainder was committed to projects funded in November 2008.

**Figure 5-3: Graph illustrating the types of organisations making applications to Participatory Budgeting in Thornhill**



Source: SQW analysis of local data

#### *Outcomes for communities in Stockport*

- 5.42 The study team found that in a relatively short space of time, new groups had been formed because of Participatory Budgeting. Furthermore, the groups brought together residents who did not know each other prior to Participatory Budgeting. The Participatory Budgeting events provided the opportunity for residents to find out about activities taking place in their area – and some attendees subsequently got involved in other activities to help improve the neighbourhood.
- 5.43 Residents at the focus groups run by the study team said they had attended a ‘great event’ that ‘brought the community together’, and was an effective way to meet people and build networks. The decision-making event was also reported to have helped spread and develop ideas within the community. This led to people helping each other and to groups learning from one another, as well as the cross-fertilisation of ideas about how the area could be improved.
- 5.44 Resident feedback from the Brinnington event showed that many attendees thought the best thing about the event was ‘the many different groups getting involved’ and ‘people in the community getting together’. Thus, if run well, decision-making events can provide a kick-start to self-help activity across the community.
- 5.45 In terms of the impact of the Participatory Budgeting process on community cohesion, one consultee said that the ‘added value’ of Participatory Budgeting

was that it brought together residents and community groups, and that engagement went beyond 'the usual suspects', which had been a challenge in the past. It was noted that Participatory Budgeting had provided a forum where black and minority ethnic communities and other residents could come together, e.g. one project was designed to share the experiences of a family that had suffered racism, in order to improve cohesion in the future.

5.46 It should be noted that there was some concern before the process started, that Participatory Budgeting could create problems for community cohesion (e.g. with 'communal voting'); but, in practice, this did not happen. However, the fieldwork did find there were concerns among some consultees that poor or non-delivery of some projects may increase tensions in the community that would have to be managed carefully. This concern points to **the importance of a good process being followed up by the delivery of good projects that make a positive change in an area**; if Participatory Budgeting's positive process effects are to be sustained over time.

5.47 Focus groups reported the following, in relation to community development and cohesion:

- a reduction in 'feelings of isolation'
- new groups developed to deliver a greater range of activities, bringing more people together than would otherwise have been the case
- the event 'broke down barriers between people, groups and communities'
- the process helped people who were new to the area to integrate more effectively via local community activities
- one resident said the Participatory Budgeting event had 'given our community a sense of purpose' that the community had 'taken responsibility'
- participants were made more aware of important issues in their area, such as domestic abuse, and the community rallied round to support women who stood up at the event to bid for funding to address the issue
- the bidding process helped develop intergenerational projects that improved social cohesion.

5.48 Stockport's Community and Voluntary Services was closely involved in the process (contributing funds and helping to build the capacity of groups to bid). This work led to an increase in Stockport Community and Voluntary

Services's involvement in the 'Priority 1 areas', i.e. it had some re-distributive effect in favour of those in most need.

#### *Outcomes for communities in Tower Hamlets*

- 5.49 One of the aims of the *You Decide!* Programme was to improve the level of involvement and engagement amongst Tower Hamlets residents, thereby increasing the level of social capital in the Borough. Consultees provided a mixed response when asked about the extent to which this outcome had been achieved as a result of *You Decide!* That is, some consultees voiced their concerns about community tensions that had arisen as a result of the high incidence of 'block voting' in the Year One events; whereas others said that engagement of a diverse range of individuals at the events had led to improvements in community cohesion in the borough.
- 5.50 Feedback from a small number of residents consulted as part of this research, indicated that some of those involved felt participation in *You Decide!* had improved their understanding of local issues and the needs of others in the community. Similarly, evidence gathered by the borough's Participatory Budgeting team at the end of each of the *You Decide!* events produced a number of positive statements illustrating improvements in community cohesion.
- 5.51 Furthermore, 15 of 35 respondents to an e-survey of residents who had attended a *You Decide!* event stated that their involvement in the process had '*improved their understanding of local issues and the needs of others in their community*'. Similarly, feedback from residents in the e-survey highlighted the following:
- *"Participation in You Decide! gave me increased identification with this diverse community"*
  - *"I think that it gave people involved a feeling of empowerment and perhaps brought them together in ways that other events don't"*
- 5.52 A majority of consultees thought that the events had attracted a diverse range of residents, and this generated **increased interaction between members of different communities**. Consultees also added that the **facilitated table discussions had in some instances supported residents from different community groups to get involved in joint deliberations and therefore to work together to understand the differing views of the groups**. However, some consultees noted that residents from particular communities had tended to sit together and therefore that the 'mixing' of communities had only occurred to a limited extent.

- 5.53 Increased engagement from hard-to-reach groups formed one of the main aims of the *You Decide!* Programme. Tower Hamlets is committed to ensuring that all consultation and engagement activities involve a 'representative sample' of the population. As a result, equalities monitoring is undertaken at all events and activities. Looking specifically at *You Decide!*, participants were asked to pre-register their attendance, which required each resident to complete a form detailing their name, postcode and equalities characteristic information. This data was subsequently compared to the demographic makeup of the borough as defined by the 2001 census, to ensure that all groups were sufficiently represented at the events. Furthermore, a wide-reaching communication campaign encouraged residents to sign up to attend the events. This process allowed the team to assess the characteristics of the residents that were registering, and target further communications at under-represented groups.

### ***Outcomes on decision-making***

#### *Outcomes on decision-making in Manton*

- 5.54 Manton Community Alliance's residents survey found 41 per cent of the community felt they were able to influence changes in their community; and focus group attendees reported that they felt 'partially able' to influence what went on in the area – illustrating a degree of realism in the outcomes from the process. Furthermore, there was evidence of an **increase in voter participation** (there was an increase in voter turnout to 51 per cent from 22 per cent in the Worksop South East ward, in which Manton is based). Plus, resident participation in the Participatory Budgeting process increased between 2007-08 (532 participants), 2008-09 (859 participants) and 2009-10 (1,072 participants).
- 5.55 As well as local people reporting a greater awareness of and willingness to approach local councillors, the study team found that **Participatory Budgeting was seen to have** increased residents' contact with councillors and **improved councillors' awareness of what people thought were the most significant local issues**. Indicating a **positive relationship between the processes of Participatory Budgeting and representative democracy, where the two are seen to form part of a package** of community engagement measures, **rather than being treated as rivals or substitutes for one another**.
- 5.56 In terms of changes to the council's wider decision-making processes, consultees reported **subtle changes in approach rather than explicit changes to decision-making structures and processes**, and the longer the

process operated the more positive were the responses of local councillors. Furthermore, the local authority has started to roll out the model to other neighbourhoods.

*Outcomes on decision-making in Lemington, Newcastle*

- 5.57 The Participatory Budgeting process was reported to have led to a 'moderate to high' increase in the extent to which residents feel they have an increased influence on local decisions. The **visible nature of the projects funded, which were in the main promptly delivered, was said to have led to the feeling of empowerment**, as a visible and tangible improvement in the local environment was achieved. For example, consultees stated that *"there was a real high around it ... at the time many people were involved in local decisions and... really felt involved."* Other comments included: *"Because of the projects delivered, people realised they could make a difference."* Thus, while many consultees have in general referred to the importance of the process of engagement offered by Participatory Budgeting, the example of Lemington shows that if people are to feel genuinely empowered and able to make a difference, delivery of the projects and services that are funded through Participatory Budgeting are also important.
- 5.58 In terms of the role of councillors, change was reported as an indirect result of Participatory Budgeting, e.g. that there were new and different sources of information and activity in the ward that councillors could work with; but this was not seen to be a fundamental change for councillors.
- 5.59 Councillors and other consultees noted that the Participatory Budgeting process had produced a very different list of projects to the 'usual' ones supported via Ward Committees and/or Environmental Ward Stewardship funds. In the past, funding had gone to address issues that had been raised as complaints by residents. One consultee said:

*"Previously, [Ward Committee and EWS funding in Lemington] would have gone on things that a neighbourhood would have used. Now it's gone on things that the whole community could use. Someone shouting and bawling at a Ward Committee could have got a parking space first. Now there are neat and tidy improvements that everyone appreciates."*

- 5.60 Another added:

*"We were really impressed by the ideas local people came up with and couldn't have funded without PB. The existing budget [process] was more rigid, it wouldn't have got that added value."*

- 5.61 In terms of practical outcomes, residents involved in a focus group felt strongly that there had been marked improvements in Lemington via the Participatory Budgeting funded projects: 'it is a cleaner, brighter, better place' – illustrating the link between the sense of empowerment felt by local people and the nature of the projects that were funded.

*Outcomes on decision-making in Thornhill, Southampton*

- 5.62 Focus groups undertaken by the study team indicated that those who had taken part in a Participatory Budgeting event reported feeling more able to influence decisions that affected health and wellbeing in the area than those who had not attended an event. They also showed that those who had attended an event were more likely to get involved in wider community activity. In other words the process had acted as a trigger for wider engagement in the community.
- 5.63 Consultees reported some changes in the role of officers as a result of the Participatory Budgeting process, in particular the process had led to closer links between and across agencies and the community; thereby improving the dialogue between residents and service providers.
- 5.64 Consultees' views on the impact of Participatory Budgeting on the role of councillors varied. On balance the evidence suggested that the Participatory Budgeting process neither empowered nor disempowered councillors. The particular process in Thornhill was seen as relatively small; and, therefore, it did not require qualitatively different roles and responsibilities for councillors. However, even though consultees agreed Participatory Budgeting was an improvement on the Panel Process it replaced, some consultees thought that if it was extended to include council budgets, the process would not necessarily deliver the best outcomes for the community. Thus, Participatory Budgeting was viewed as one tool among many and one that could be effective at a local level when dealing with specific issues/budgets; but there was no consensus on its usefulness or value for larger mainstream budgets.

*Outcomes on decision-making in Stockport*

- 5.65 The study team found evidence of positive **progress in making people feel they could influence change in their areas**. A 'Place Survey' for Adswold and Bridgehall showed an increase in people agreeing with the statement that they could influence decisions in their local area from 35 per cent in 2008 (before Participatory Budgeting) to 55 per cent in 2009 (after the Participatory Budgeting event). Consultees attributed a substantial portion of this change to Participatory Budgeting.

- 5.66 The majority of residents taking part in focus groups led by the study team thought that **Participatory Budgeting was an effective way of involving residents in local decision making** – one stated that it was ‘a very direct, and a very sound investment of money for our community’. Another resident commented that the ‘youth feel less disenfranchised’ as a result of the event, and were taking greater pride in where they lived.
- 5.67 Furthermore, most consultees believed that Participatory Budgeting had led to an **increase in the level of civic participation**. For example:
- one council officer observed an ‘increase in attendance at [other] events’ which was attributed to Participatory Budgeting
  - the local project team’s evaluation meeting concluded that ‘PB had been a catalyst in increasing the number of people involved in community activity in area’ and that ‘some groups have even seen a 300% increase in new members’<sup>27</sup>
  - Stockport Community and Voluntary Services added approximately 50 new names to its IMPACT contact list and made strong links with some of the 10 community groups that had applied for an IMPACT grant through the Participatory Budgeting process<sup>28</sup>
  - Manchester and District Housing Association had also seen an increase in turnouts to events in Priority 1 areas, which they believed was partially due to Participatory Budgeting
  - a young people’s group in Offerton had engaged c.300 children after the Participatory Budgeting event, whereas in the previous year similar projects struggled to attract 50 children – it worked, consultees believed, because it has been set up and delivered by the community.
- 5.68 An unintended consequence of the process was that officers gained a much better understanding of community issues and how other agencies operated in Priority 1 areas; this led to follow-on collaboration between partners with regard to community engagement.
- 5.69 Consultees argued that **more resources were allocated in favour of those areas in greatest need**, as a result of the Participatory Budgeting process, citing the following as evidence of this:

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<sup>27</sup> Stockport Community and Voluntary Services (2010) *Evaluation of Participatory Budgeting events*

<sup>28</sup> Stockport Community and Voluntary Services (2010) *Evaluation of Participatory Budgeting events*

- the Participatory Budgeting process attracted funding from partners that would not previously have targeted Priority 1 areas
- the Participatory Budgeting process accelerated the shift in Community Safety budget towards Priority 1 areas
- Stockport Community and Voluntary Services previously had a pot of funding available to Priority 1 areas, but had experienced a low uptake (due to a lack of capacity to complete forms, low literacy, and a lack of community groups); as a result of Participatory Budgeting, Stockport Community and Voluntary Services increased its spending in the areas and it had contact with more groups in the areas than they would otherwise have been able to reach.

5.70 Participatory Budgeting has not yet led to a change in the lead organisation's approach to decision-making on mainstream services, but it is influencing thinking and attitudes towards public engagement in decision-making. The council's Community Safety and Neighbourhood Directorate is currently considering using Participatory Budgeting as a way to allocate all area based grants (such as Primary Care Trust, Safer Stockport Partnership, Stockport Homes and Children and Young People funds, and a proportion of the Community Grants Pot), as a result of the success of Participatory Budgeting to date. Participatory Budgeting should also be an integral part of the planned neighbourhood management structures in Priority 1 areas.

#### *Outcomes on decision-making in Tower Hamlets*

5.71 One of the main aims of *You Decide!* was to strengthen the influence residents had on local decision making. Evidence gathered at the end of the Year One and Year Two events illustrated that:

- Sixty-two per cent (Year One) and 75 per cent (Year Two) of participants that provided an evaluation response felt that 'they had a high level of influence over where money was spent on local services in their area'.
- Sixty-eight per cent (Year One) and 79 per cent (Year Two) of respondents stated that 'they felt the event was a good way to decide where money was spent on local services'.

5.72 Evidence from the e-survey undertaken with resident participants from the Year One decision making events showed that:

- the most common reason residents gave for taking part in *You Decide!* was because they ‘wanted to get more involved in/influence decision making in Tower Hamlets’
  - twenty-four respondents felt that the opinions they expressed at the *You Decide!* events counted, as compared to 12 respondents who felt it did not
  - twenty out of 32 respondents reported that they ‘liked being asked their opinion’ at the events.
- 5.73 Consultees noted that only a small percentage of the total population took part in the events; and, therefore, cautioned that although the outcome had been achieved, it would only have a limited impact at the level of the authority as a whole.
- 5.74 The *You Decide!* Programme did not explicitly set out to change the role of the councillor; feedback from the consultation exercise showed that some councillors felt more empowered by the process, while others said they were less empowered than would otherwise have been the case. Those who sat in the Cabinet reported that *You Decide!* had given them the opportunity to strengthen their relationships with residents. But ‘backbench’ councillors were more likely to feel disempowered by the process, as their involvement was limited – especially in the early stages of the process. Thus, the process had a different impact on the role of executive and non-executive councillors.
- 5.75 It was widely recognised by consultees that the *You Decide!* process would only have a limited effect on the quality of decision making, given the relatively small proportion of the population that engaged in the process. However, even this small-scale engagement was felt by consultees to have led to an improved quality of decision making, as it was assumed that involving service users and wider residents in the process would lead to the provision of more appropriate services. Consultees also added that *You Decide!* was likely to facilitate a longer- term cultural shift in the quality of decision making, leading service providers to facilitate improved levels of engagement with service users. As such, although the scale of change in this instance was limited, consultees indicated *You Decide!* had led to an improvement in the quality of decision making.
- 5.76 All projects that featured on the menu of options at the decision making events were, by their nature, supposed to facilitate ‘additional’ activity to the services already provided by the Council. Therefore, resources allocated through *You Decide!* were perceived in the main to have facilitated the provision of additional and in most cases different forms of activity to that

delivered by the mainstream. Consultees also noted that although the Council had previously perceived the prevention and reduction of crime to be the top priority of their residents, the *You Decide!* process identified that their main concerns related to the provision of services for young and older people and improvements to the public realm.

- 5.77 One of the main aims of *You Decide!* was to improve both the perceptions and performance of local services. As such, allocative efficiency should form one of the primary outcomes of the programme. Evidence from the case study research illustrated that the majority of consultees felt that *You Decide!* services should reflect the real needs of the residents, rather than their perceived needs. However, they also recognised that although the majority of residents had reported that they felt the menu reflected an appropriate range of activities, they were limited in their choices, as they had no influence over the development of the potential menu of project options. As such, although *You Decide!* was expected to facilitate a moderate to high improvement in allocative efficiency, it was felt to have facilitated only a small to moderate improvement.
- 5.78 *You Decide!* did not aim to change the council's overarching approach to decision-making, but it indirectly influenced the decision-making culture of some of its service teams. For example, both the Public Realm and Youth Service teams were felt by consultees to be facilitating the provision of more community focused services, as a result of the relevant officers' engagement in *You Decide!* This in turn led the two teams to increase their engagement with the voluntary and community sector, local providers and residents, which consultees felt improved service provision.
- 5.79 The Primary Care Trust provided £300,000 to be distributed in Year Two of *You Decide!* Primary Care Trust staff were reported to have thought *You Decide!* would facilitate a more tailored provision of local services. As such, although *You Decide!* may not have changed the decision-making culture of the council, consultees indicated that the process had led to changes in the approaches to decision making in some service teams and public sector partners.

## **Conclusions**

- 5.80 This chapter has provided a summary of the processes used involved in Participatory Budgeting and the 'process outcomes' identified in the study areas. It has highlighted outcomes for citizens, communities and the impact of Participatory Budgeting on decision making in the in-depth study areas. It has highlighted that Participatory Budgeting may:

- improve individuals' and organisations' self-confidence in tackling neighbourhood issues and in negotiating with public sector organisations
- bring together people from different backgrounds who might not normally meet, enabling them to pool knowledge, views and experience, in order to tackle local issues
- act as a spur to people to build local voluntary and community organisations, e.g. to address local issues and access Participatory Budgeting funds
- encourage participants to get more involved in their communities, as shown by rising memberships in local organisations following Participatory Budgeting events
- improve inter-generational understanding, as young and old come together to discuss their own needs and common issues
- raise councillors' profiles in the local community, making it more likely that people will contact them in future
- open up councillors' lines of communication to new groups in their ward
- raise councillors' awareness of issues in their wards, improving their ability to act as 'community champions'
- increase people's confidence in local service providers, due to interaction with managers and service providers at events
- increase turnout at elections, in some cases, where increased engagement in the political process was an objective of the Participatory Budgeting project.

## 6: Project/service improvement outputs, outcomes and impacts

### Introduction

- 6.1 An important element of the Participatory Budgeting process is whether and how it changes the way mainstream services are delivered and improves local quality of life. This section builds on evidence from the five Phase 2 in-depth case study areas in order to understand more about this aspect of Participatory Budgeting. The section considers the amount of resource being allocated through the Participatory Budgeting process and the average size of the projects being supported. It assesses whether the resources allocated through Participatory Budgeting were targeted at particular groups in society or particular places and its impact on outcomes. The section also considers the degree to which the Participatory Budgeting process produces outcomes which are additional to those that would otherwise have occurred using other resource allocation mechanisms. The research/evaluation framework for Participatory Budgeting (see Annex A) identifies the potential for Participatory Budgeting to secure additional improvements in service quality at no additional cost (productive efficiency) and/or better align the allocation of resources to more evenly meet the needs of local citizens (what has been termed allocative efficiency). Participatory Budgeting might also help to better target resources to those in greatest need (thus enhancing distributive efficiency).

### **The scale of Participatory Budgeting activity in the case study areas**

- 6.2 Table 6-1 shows the scale of Participatory Budgeting activity in each of the case study areas in the periods covered by the research. The average size of project varied from some £1,500 to £109,500. Tower Hamlets stood out clearly in terms of the scale of activity.

**Table 6-1: The scale of Participatory Budgeting activity in each of the case study areas in the study period identified**

	Case study				
	Manton (2007/8 - 2008/9)	Newcastle (2009-10)	Southampton (2008-2009)	Stockport (2009/10)	Tower Hamlets (2009/10)
<b>Total scale of resources being allocated per annum</b>	<b>£93,434</b>	<b>£59,000</b>	<b>£120,000</b>	<b>£51,500</b>	<b>£2.4 million</b>
<b>Projects by size band</b>					
£0-£1000	0	0	4	14	0
£1001-£10,000	14	0	24	21	4
£10,001-£50,000	3	3	0	0	4
£50,001-£100,000	0	0	0	0	5
£100,000+	0	0	0	0	8
<b>Total</b>	<b>17</b>	<b>3</b>	<b>28</b>	<b>35</b>	<b>21 (covering 91 interventions in 8 Local Area Partnership areas)</b>
<b>Average project size</b>	<b>£5,500</b>	<b>£20,000</b>	<b>£4,300</b>	<b>£1,500</b>	<b>£109,500</b>

### **Participatory Budgeting and its relationship to mainstream activity**

6.3 Earlier parts of this report have argued that one of the objectives for using Participatory Budgeting is to empower local choice and improve allocative efficiency. This section examines the extent to which the intention was to influence the mainstream delivery of public services. At one extreme Participatory Budgeting could, in theory, replace the existing local authority procedure for allocating resources. At the other extreme the Participatory Budgeting process may be only concerned with allocating a pot of funds in ways similar to a community chest approach with minimal involvement with mainstream service providers.

- 6.4 All of the case studies examined can be argued to be seeking some influence on the shape and form of service delivery in the areas concerned. There were, however, significant variations in the nature and focus of this influence and how directly it tied in with existing mainstream service provision. Of the five case studies Tower Hamlets undoubtedly provides the clearest example of a change to mainstream resource allocation compared with the pre-Participatory Budgeting status quo. The other four case studies provide interesting insight where the change is more subtle and the impact on the quality of mainstream service delivery can be expected to arise through a better understanding of need and of how best to deliver services to particular groups or places.
- 6.5 As part of the study, interviews were conducted with Participatory Budgeting and project managers to assess the impact of the Participatory Budgeting supported projects and the ways in which they related to overall mainstream delivery in the area. In the sub-sections below we explore the relationship between Participatory Budgeting and mainstream delivery of services in each of the case studies and the additionality that the Participatory Budgeting process brought about.

### ***Manton***

- 6.6 This case study considered the introduction of Participatory Budgeting to allocate resources held by the Manton Community Alliance, a Neighbourhood Management Pathfinder. Previously Manton Community Alliance's Board would have set the priorities for service delivery in the area and allocated resources in order to help bring about enhanced mainstream service delivery for Manton. The Manton Community Alliance Board comprises local residents, Councillors and officers from mainstream service providers. The decision to introduce Participatory Budgeting into Manton was taken as part of Manton Community Alliance's broader approach to building social capital and Participatory Budgeting was seen as another tool for engaging and empowering the local community to improve the relationship between residents as consumers of services and service providers. Again, however, as with the previous two examples, the resources involved were relatively small.
- 6.7 In terms of activity type, expenditure on reducing and addressing anti-social behaviour was the top priority in 2007-08 and 2008-09 (with 34 per cent of expenditure), maintenance of public spaces was the second most significant priority (with 28 per cent of expenditure), and delivering healthy lifestyle improvements was the third (17 per cent of expenditure).

- 6.8 The seven projects funded to address anti-social behaviour varied significantly and included additional activities and services for young people, efforts to target and reduce nuisance vehicles and the purchase of Police Community Support Officer cameras. The same was also true for the healthy lifestyle improvement projects which ranged from street dancing lessons, to improving the changing rooms of a local club, to the development of a community gym. The two projects funded around the maintenance of public open spaces were both related to the development and improvement of play areas.
- 6.9 Interviews were undertaken in the area with the managers of projects which had been successful in getting at least some of the funds requested. Interviews were also held with three project managers which had not been successful at all. We were keen to follow up with these projects to establish whether the lack of funding from Participatory Budgeting had had a detrimental effect on the projects' delivery. Three of the six projects interviewed involved capital funding and the other three involved activities which were revenue based. All three of the successful projects we interviewed had a community safety focus. Three of the six projects were targeted at specific groups of people in Manton (children and young people of different ages). The other three sought to bring benefits for all of Manton's residents. The small project sample means that it is not possible to draw any firm conclusions about the relationship between targeting and project success, but we note that the three successful projects aimed to benefit all 7,900 Manton residents through reductions in crime and anti-social behaviour. The three unsuccessful projects were focused on much fewer numbers of beneficiaries, ranging from 50 for one project to more than 100 in the case of the other two.
- 6.10 All of the projects that were successful in being allocated funding through Participatory Budgeting are considered likely to have had some impact on the outcomes they aimed to improve. Thus, the feedback from these projects suggests that two of the three projects have brought about clear benefits in terms of a reduction in anti-social behaviour and crime reduction. The third project has made some progress in these terms, but is expected to make a greater contribution when an off-road motorbike facility is opened in spring 2011.
- 6.11 Feedback from Manton Community Alliance suggested that these projects have played an important role in reducing crime and anti-social behaviour in Manton. Back in 2007-08, this was at the top of the list of resident priorities, but the fact that it is currently now fourth is attributed to local reductions in crime which have out-performed the wider Nottinghamshire Police Division in

which Manton is located. The feedback also pointed to fear of crime having been reduced. Local residents are now reportedly happier to engage in discussions about crime and anti-social behaviour because Participatory Budgeting has provided opportunities to take more ownership over funding decisions and of project monitoring.

- 6.12 In considering how the Participatory Budgeting process may have influenced the types of activities delivered and the impact on mainstream delivery we again considered whether the funding would have been spent in the area at all in the absence of Participatory Budgeting and what difference the Participatory Budgeting funding made to the allocation of resources.
- 6.13 In Manton, in 2007-08 and 2008-09, the Manton Community Alliance allocated approximately £50,000 per annum of its delegated neighbourhood management budget through Participatory Budgeting. This money would previously have been allocated to activities in the same area at the discretion of the Manton Community Alliance Board. Feedback from Manton Community Alliance staff suggests that much of this funding was previously used to support existing projects, rather than new project activity. Moreover, most was focused on community groups of one sort or another, not on engaging with mainstream service providers.
- 6.14 While some of the resources may have been used for activities dealing with similar issues, the Participatory Budgeting process led to much of this funding being re-directed to more formalised projects which sought to engage with service providers such as the police and local authorities. As a result, the project activities were larger than would otherwise have been the case, and the delivery structures completely different.
- 6.15 The three successful project managers were asked questions which would help us to understand what they would have done in the absence of the Participatory Budgeting funding. For those that were unsuccessful we asked what happened once they had found out they had not received any funds through Participatory Budgeting. Two of the six projects were emphatic that they could not have proceeded at all without the Participatory Budgeting funding. Of the remaining four projects, one project that was unsuccessful was able to proceed as planned with alternative sources of funding, one that was successful believes it would have gone ahead 12 months later (once mainstream funding for the same equipment came on stream), one successful project believed it would have gone ahead on a smaller scale and one unsuccessful project did, in fact, deliver a much lower quality project.
- 6.16 We cannot tell, based on the small sample, if this mixed picture about the additionality associated with the Participatory Budgeting funding is true of all

of the projects. Nor is it possible to draw conclusions on whether the Participatory Budgeting process has brought about improvements in the productivity of project activities being delivered, or in the targeting of these resources at those in greatest need.

- 6.17 The explicit focus of the Voice Your Choice exercise was to significantly enhance resident participation in the allocation of resources that were already being targeted on the Manton area and as such, the overall impact on broader mainstream resources has been relatively small. However, there will have been some gains in allocative efficiency, with the Participatory Budgeting process reallocating resources to better reflect the wishes of local residents. As noted above, through the Participatory Budgeting process the Manton community has also sought to engage with mainstream service providers and allow residents to take more ownership over services being provided in their area. This aspect also appears to have been successful.

### **Newcastle**

- 6.18 Newcastle City Council took the decision in 2005 to become involved in Participatory Budgeting with a view to getting local people to better understand how public money was spent and to get them involved in decisions relating to this expenditure. Following the establishment of a dedicated Participatory Budgeting Unit within Newcastle Council it was possible to use these resources whenever it was felt that a source of discretionary or flexible funding was available that might benefit from being allocated using the Participatory Budgeting approach. The rationale for introducing Participatory Budgeting to Lemington in 2009 was simply an extension of the original objectives, but with one important addition. As the Social Policy team manager said:

*“At the top level, the aims remain what they have always been. However, we want to start exploring how we can use Participatory Budgeting to decide on the allocation of mainstream funds, as opposed to ‘funny money’. It’s always been an aspiration, but now we want to try it.”*

- 6.19 Since 1999 there have been funds available in Newcastle that can be allocated by Councillors through the Environmental Ward Stewardship initiative. The funds are used to undertake work by the council’s Neighbourhood Services Department that improve environment and amenity. However they are discretionary in terms of how they are spent and how the decisions are made – within parameters of the relevant policy and guidelines. It is these funds that have been allocated by the Participatory Budgeting scheme as applied in Lemington in Newcastle.

- 6.20 Interviews were conducted with officers and two local residents to discuss the nature of the improvements that resulted. In some cases where the Participatory Budgeting activity involved a fairly tight geography and thus affected a specific number of residents it is possible to be fairly precise about the numbers of people affected. In other cases the activity involved assisting people to attend or facilitate a specific event. The case study area of Lemington helps to illustrate the difficulties involved in identifying the outputs involved. The three environmental and amenity projects funded benefited a large number of people either directly through improved visual amenity and the provision of play facilities or indirectly by assisting those using the Heritage Trail.
- 6.21 The evidence points to a small, but significant effect and, given the scale of the resources committed this would seem to be a realistic appreciation of the likely impact. The one area where a more pronounced impact is emerging is the improvement of public space. The Participatory Budgeting projects reviewed in this section have undoubtedly had an effect on enhancing public amenity and in some cases assisting in reducing anti-social behaviour and increasing the relative attractiveness of places to people. Given the nature of the investment the effects are likely to continue.
- 6.22 In relation to the additionality associated with the Participatory Budgeting scheme in Lemington the first question is again whether the funding would otherwise have gone to that project if the Participatory Budgeting approach had not been adopted. The second is whether the projects who received the Participatory Budgeting funding could otherwise have secured funding from elsewhere. In the case of Lemington in Newcastle the second issue has been of less relevance, and particularly so in the case study area of Lemington. The funding has come from budgets identified by the city council that are used to address the environmental and community safety issues specified and the option of other funding sources being used was not an option at the time. The first issue would thus appear to be the more important one and the key additionality question is what has been the impact on that particular project going ahead in the form that it did (i.e. of the quality and to the same timetable) compared to the non- Participatory Budgeting position. Interviews were conducted with officers and two local residents to gauge their view as to what might otherwise have happened to the projects concerned in the absence of Participatory Budgeting.
- 6.23 As discussed earlier, the non-Participatory Budgeting alternative position in Lemington was that decisions on the allocation of ward budgets associated with the Neighbourhood Services department were taken by councillors. They canvassed the views of residents in a number of ways but community

engagement was relatively weak and there was the strong perception that outcomes did not necessarily align with the priorities of the local residents. The Participatory Budgeting approach adopted in Newcastle thus sought to get projects that reflected more accurately the preferences of local residents. The additionality of the three schemes has to be considered in this light.

- 6.24 The general view is that in the Leisure Facilities project some of the investment might otherwise have gone ahead, perhaps around 30 per cent, but it would probably have been progressed much more slowly. It was felt that the Participatory Budgeting process reduced the complexity of the decision making process by making it clearer what the core objectives were behind the scheme, its mandate and the value added from doing it. There was general agreement that the scheme was perceived as an effective use of resources and the Participatory Budgeting process helped it happen more quickly than would otherwise have been possible.
- 6.25 Children's play facilities presented another interesting case. Again, there was a view that some elements would otherwise have been funded at some stage given the key deficiencies in provision that needed to be addressed and a reasonable estimate seems around a third of the investment. However, local authority funding for such schemes had been relatively constrained by a gap in funding provision. Government initiatives like Playbuilder had tended to cover children aged 8-13 but there was something of a gap in relation to the under 8s. Overall, the judgement was thus that the scheme had been brought forward in time and to a higher quality. The project had been well received by the local community and was meeting an obvious need.
- 6.26 The Neat and Tidy scheme, which focused on Sugley Dene, was also considered as a project where something might otherwise have happened but over an extended timetable and perhaps to a lower quality. Perhaps 50 per cent of the activity may have taken place but over an extended timetable. The evidence was that the Participatory Budgeting process had brought things forward and that environmental amenity in the area had been increased. The project has been well received.
- 6.27 The resources committed by the Participatory Budgeting process have been relatively small in relation to those available to mainstream programmes. The initiatives have, however, been well-coordinated with mainstream delivery and have assisted in targeting specific aspects of local need and bringing forward in time increased environmental amenity in Lemington. They therefore provide a useful pilot as to how a more extensive engagement with mainstream allocation might be facilitated in the future.

## **Southampton**

- 6.28 The Thornhill area in Southampton was granted New Deal for Communities funding in 2001 and a community partnership was established to administer the programme. In 2004 the New Deal for Communities was re-named as Thornhill Plus You (TPY). The development of Participatory Budgeting in the Thornhill area in Southampton has its origins in an agreement between the Thornhill New Deal for Communities and the local Primary Care Trust which involved the joint development of a new 'Centre for Healthy Living'. In exchange for capital funding from TPY, the Primary Care Trust agreed to make an allocation of funding that could be used for health related projects until April 2015 and which would be administered by the Community Health Group (which is a body that can have up to 17 residents - eight residents, four Primary Care Trust representatives, two city council officers, two representatives from community groups and a New Deal for Communities officer). It was determined that at least half of the Primary Care Trust grant would be allocated via Participatory Budgeting with the objective of reducing health inequalities in the area.
- 6.29 Influences on mainstream health expenditure in the area were expected to be indirect and arise from: helping to identify and prioritise need; enable the community to have a say in projects that impacted on health issues; and help to build the capacity of the voluntary sector in this respect in one of the most deprived neighbourhoods in Southampton. It is thus to be expected that the potential for significant additional direct impact on mainstream provision in the area would be quite small.
- 6.30 All of the projects financed had a health related agenda as stipulated in the criteria for funding. The projects all supplied activities that were in addition to the existing primary health care services. This either took the form of a more tailored and personalised service or a more holistic approach to the issues of health and wellbeing. For example, projects addressed issues of loneliness and isolation for the disabled and elderly through trips away and craft groups.
- 6.31 Interviews were conducted with project managers involved in the second round of Participatory Budgeting activity in order to gain further insight into the nature of the process in Thornhill. Nine projects were selected for further analysis from the successful applications in 2009 (nearly a third of the total number of projects supported over the two cycles of Participatory Budgeting activity in Thornhill). The projects chosen were helpful in gauging issues around additionality. They contained a small number that had received less than originally requested and it was thus possible to assess what this had meant for the project viability and the contribution that Participatory Budgeting made to final outcomes.

- 6.32 The majority of the projects examined sought to encourage and advise young people to adopt a healthier lifestyle. Around a third of these were providing drug and alcohol advice and support. Over a half of the projects were also seeking to enhance the educational attainment of children. The emphasis on assisting young people across a range of different age groups was clear. Possible impacts could be expected to emerge in quite unpredictable ways. Although the numbers of beneficiaries were relatively small the evidence from those interviewed was that the impacts on core outcomes would be quite positive with a particularly favourable result on healthy lifestyle achievements amongst young people, including those relating to sexual health and teenage pregnancy as well as improving access to health services.
- 6.33 Benefits were also identified in the area of increased parental involvement in children's education and improving children's attendance at school. Those interviewed were also positive about the possible longer term benefits that might emerge. Some felt that there had been some helpful connections and network linking and that additional activities would occur beyond the lifetime of the project. Some unexpected benefits were also suggested to have resulted, including enhanced commitment amongst local people to engage in community health related projects.
- 6.34 The Thornhill Primary Care Trust fund was not set up with an explicit objective to influence mainstream service delivery in the area. The objective was more to address key issues that were contributing to ill health, as well as to alert residents, and in particular the young, to the services, advice and support available. Influence in this sense is probably better assessed in terms of the contribution that the process makes to identifying and alerting need and influencing the take-up of the services by those affected in a timely fashion. Fieldwork in 2009 found that the local GP and the Primary Care Trust had not been heavily engaged with the Participatory Budgeting process and the projects supported.
- 6.35 Understanding the additionality associated with the Participatory Budgeting initiative is actually quite complex because there are essentially two issues that have to be considered. The first is whether the funding would otherwise have gone to that project if the Participatory Budgeting approach had not been adopted. The second is whether the projects who received the Participatory Budgeting funding could otherwise have secured funding from elsewhere.
- 6.36 With respect to the first issue, the Participatory Budgeting process in Thornhill has sought to change the way in which a specific community orientated element of Primary Care Trust funding is allocated. Had Participatory Budgeting not proceeded, the alternative arrangement would have been a

decision made by the Community Health Group based on a technical appraisal with less direct community engagement. Some of the projects may not have been selected and the level of community engagement would have been lower. In the absence of the Participatory Budgeting approach the evidence from interviews held with those involved in the allocation process suggests that it is unlikely that the funding would have been provided in the way it was. It would thus have been less accessible to the organisations and individuals that subsequently applied for it.

- 6.37 In relation to the second issue, the interviews with those responsible for the actual delivery of projects probed whether they could have secured funding from elsewhere and if not what would have been the consequence. The interviews with the project managers revealed a number of different responses. Four of the projects believed that some of their outputs would have been funded and delivered in the absence of the Participatory Budgeting process but with a delay, and in some cases this was considered to be up to three years. The main concern was thus that the projects would otherwise have been delivered later. Over half of the projects did not feel that their projects would have been delivered at all in the absence of the Participatory Budgeting and indeed the very possibility of securing funding was dependent on being able to demonstrate the feasibility of delivering the project in the first place, something that the Participatory Budgeting process had assisted with. As such, the relevant project leads did not feel that they would have been able to deliver their projects had the funding been delivered through the traditional panel decision route.
- 6.38 The effect on service delivery of Participatory Budgeting in Thornhill thus far has been relatively limited, although it should be recognised that the initiative is now only about half way through its five-year trial period. What does seem to be happening, however, is that the Participatory Budgeting process is leading those who apply for funds to identify the health related needs of residents and what their project can do to tackle them. This process involves all those who meet the health needs of the Thornhill area, including the mainstream services. Where in the past partnerships/agencies would design a project and present it to the Community Health Group, they now have to use greater research and consultation with the local community to assess the level of need. This is a valuable step forward.

### ***Stockport***

- 6.39 The first Participatory Budgeting initiative in Stockport was a Home Office-funded pilot with the focus on enabling and empowering residents to determine and agree priorities for available budgets and promoting a sense of

ownership. Prior to Participatory Budgeting, priorities for these funding streams were generally set by partners or other agencies, and decision-making in relation to funding or service delivery was not devolved directly to communities/residents. Arguably, the objectives of Participatory Budgeting have become more complex over the last 18 months as stakeholders are increasingly aware of the wider benefits of Participatory Budgeting and more organisations have sought to become involved and bring additional resources to the Participatory Budgeting process. These wider objectives are not formally documented, but consultees indicated that Participatory Budgeting in Stockport was seeking to increase customer satisfaction in the services provided and to better allocate resources to better reflect the wishes of citizens. There was a clear desire to allocate resources in favour of those in the greatest need - Participatory Budgeting activity in Stockport has been focused on the Borough's most deprived areas.

- 6.40 Our case study research on project and service outputs and outcomes focused on the first year of Participatory Budgeting activity, 2008-09. In that period, most of the activities that were funded by the Participatory Budgeting process were concerned with crime and community safety, including many youth diversionary activities which had the objective of reducing anti-social behaviour. There were also several instances of support for vulnerable groups, including the elderly, those who are socially isolated and those in insecure housing.
- 6.41 The nature of the projects supported and the level of funding committed suggested that the main influence of the Participatory Budgeting process on mainstream delivery was to enable a better understanding of the needs of specific beneficiary groups and how relatively small amounts of discretionary funding could be used to good effect. There was not a direct attempt to change the existing mainstream decision making process as such.
- 6.42 The feedback from the projects that were examined in greater depth suggested that outcome gains were most obvious where the project was targeted on specific beneficiary groups where clear measures of success (e.g. qualifications and employment) could be identified. There were some outcome gains in projects that addressed crime and anti-social behaviour. However, overall the total impact of the projects was relatively small, in line with the relatively small amount of resources allocated.
- 6.43 In assessing the additionality associated with the Participatory Budgeting process in Stockport, we considered whether the funding would have been spent in the area at all in the absence of Participatory Budgeting and what difference, if any, the funding made to the allocation of resources. Two areas in Stockport were selected for analysis in this respect. In Brinnington, the

£30,000 of funding being allocated comprised £10,000 which was a bid for from the Home Office, £10,000 from Greater Manchester Police HQ, £5,000 of funds from Stockport Tactical Partnership Business Group, £4,000 from Stockport Council's Neighbourhood Renewal Fund allocation and £1,000 from the Youth Offending Unit. Our assessment is that two thirds of the funding (Home Office and Greater Manchester Police HQ) is unlikely to have been spent in Brinnington in the absence of Participatory Budgeting. Of the other third, arguably the neighbourhood renewal funding would still have been spent in the area as would some of the Greater Manchester Police Divisional resources – although the latter would not necessarily have been targeted in Brinnington. Overall we estimate that no more than 30 per cent would have been targeted on Brinnington in the absence of the Participatory Budgeting scheme.

- 6.44 For Adswood and Bridgehall, the £21,500 was a cocktail of funding, within which Neighbourhood Renewal (£5,000) and Stockport Tactical Business Partnership Group (£5,000) were the two largest contributors. Other contributions came from Our Shared Future Fund (Preventing Violent Extremism) (£2,500), Stockport Homes (£2,000), Stockport Rangers (£2,000), two housing associations (£2,500 combined), as well as the Greater Manchester Passenger Transport Executive (£1,000), Greater Manchester Fire and Rescue (£1,000) and the West Area Neighbourhood Policing Team (£500). Even though in theory much of this money was more “local” in terms of its origin, some of these sources – particularly from the housing sector - were community chest-type pots which we understand had previously struggled to allocate resources. Discussions with the Neighbourhood Renewal Team suggested that, of the total, perhaps 50 per cent would have been spent in Adswood and Bridgehall in the absence of the Participatory Budgeting scheme.
- 6.45 Interviews with the assisted projects helped us to understand the importance of the Participatory Budgeting funding. Of those projects interviewed four of them felt that in the absence of the discretionary funding available from the Participatory Budgeting initiative that they would not have been able to proceed with the initiative concerned given the funding landscape that exists for such community-based activity. For one project, the group itself was an outcome from the Participatory Budgeting process and in the absence of the overall support provided it would not have had either the constitution or confidence to bid for other funding. The other project examined appeared to have low additionality and may have been funded by the private sector in the absence of the Participatory Budgeting funding, but this could not have been anticipated at the time of the Participatory Budgeting process. The general consensus was that the Participatory Budgeting scheme had brought some

new funding into these disadvantaged neighbourhoods in Stockport and there had been some small, but significant benefit to those local residents involved. However, any additional influences on activities of mainstream delivery were relatively small.

### ***Tower Hamlets***

- 6.46 Prior to the introduction of Participatory Budgeting in 2008-09, budgetary decision making processes were largely undertaken by the relevant members and officers of the council, which included members of the Cabinet and the directors of services based on professional assessments of need and performance. Residents were not involved in high-level budget setting exercises. Additions or supplements to the central process include a range of annual consultation and engagement processes run by the Tower Hamlets Partnership, through either the Neighbourhood Management team or the Participation and Engagement team. In addition to the above large-scale consultation processes, Tower Hamlets also previously devolved funding from the council to the Local Area Partnership Steering Groups. Funding was rarely spent on council services and instead focused on supporting local community groups to facilitate activities that sought to address local prevailing issues. This process was the pre-cursor to Participatory Budgeting in Tower Hamlets.
- 6.47 Participatory Budgeting was introduced by the council as a way to localise an element of funding and of engaging residents in the allocation/decision making processes associated with this devolved funding. The Participatory Budgeting process was called *You Decide!* Of all of our case studies it represents the most significant example of the use of Participatory Budgeting to directly change the existing approach to mainstream service allocation. It was hoped that this activity would enhance residents' understanding of the complex trade-offs that are required during budget-setting processes and improve perceptions and performance of local services by giving residents the power to design and choose services through the process and then enabling them to shape those services through the Local Area Partnership Steering Groups. The Participatory Budgeting initiative was developed to support people, from all backgrounds, to get involved in the process and to learn from the experience of how to participate.
- 6.48 Our case study research on project and service outputs and outcomes focused on the first year of *You Decide!* in 2009-10. In that first round of activity, service improvement projects associated with the Participatory Budgeting process were spread across all of the main themes of environmental improvement, employment and skills, education, health and

crime and anti-social behaviour. Crime and anti-social behaviour accounted for almost half (48%) with drug outreach advice accounting for a further 18 per cent of expenditure allocated. Education projects accounted for just under a fifth of expenditure (18.6%) and environmental enhancement activities, including street lighting, tree and shrub planting, maintenance of public open spaces and cleanliness of streets and open spaces, accounted for the 13 per cent. The two projects targeted at improving employment prospects (Women's Lifeguard Training and the Youth Disabilities Project) accounted for just over 2 per cent of expenditure allocated.

- 6.49 In order to provide an insight into how Participatory Budgeting funds have been used at the local level, and what difference the Participatory Budgeting process made to the prospect of these activities being delivered, we undertook interviews with managers of six of the 21 projects which had bid for funding through *You Decide!* in 2009. Of these, five were successful in the sense that they were purchased by at least one Local Area Partnership. One was not purchased by any Local Area Partnerships (as it wasn't felt to address local priorities). Five of the six projects interviewed involved revenue funding and one was a capital project. Three of the projects were targeted at specific groups of people while the other three were aimed at improving quality of life for all local residents. Of those projects targeted at specific groups, one was focused on the educational attainment of school children aged 11-16, another was targeted on women and the third was focused on the residents of particular social housing estates within one of the Local Area Partnership areas.
- 6.50 Two of the projects – involving street lighting improvements and civil enforcement officers - set out to benefit all residents of Tower Hamlets (c. 215,000 people). One project, involving police delivery of drug and crime operations was selected by two of the Local Area Partnerships and expected to bring benefits to around 52,000 people. A project targeted at environmental improvements and service provider engagement through Estate Action Days on particular social housing estates was expected to benefit around 16,000 people. The two other projects interviewed were focused on particular user groups, expected to benefit 1,680 children (with language support towards gaining a GCSE in their mother tongue) and 25 beneficiaries (women's lifeguard training).
- 6.51 All of the projects are considered likely to have had some impact on the outcomes they aimed to improve. The feedback from these projects suggest that such outcome gains are likely to be most profound in those service improvements targeted on specific beneficiary groups with clear measures of

success (e.g. qualifications and employment), but there have also been gains in other projects in relation to crime and anti-social behaviour.

- 6.52 In considering how the Participatory Budgeting process may have influenced the types of activities delivered, we first need to consider the origin of the resources being allocated. In Tower Hamlets, the situation prior to Participatory Budgeting involved Local Area Partnership Steering Groups allocating £500,000 per annum from the council's general fund to local projects, primarily those run by community groups rather than mainstream council services. For 2009-10, the £2.48m came from the general fund, before it was allocated to council services. Because this was done prior to any allocation, it is very difficult to say how it would have been used, other than that we believe the majority (£2.4m minus £0.5m) would otherwise have provided additional resources for mainstream council service delivery, rather than being directed to community based activity.
- 6.53 *You Decide!* was ultimately used, in large part, to enhance or top-up existing services, for example through improved targeting on 'problem areas' or target groups. However, as noted earlier, the delivery of these activities was not necessarily borough-wide and resident priorities in each of the eight Local Area Partnership areas determined the final mix of projects.
- 6.54 We asked all six project managers questions which would help us to understand what they would have done in the absence of the Participatory Budgeting funding (the five successful projects) and what actually happened for one project that was unsuccessful in getting any funds from the process. For three out of the five successful projects, the decision to allocate funds through *You Decide!* was argued to be instrumental to the delivery of the project, and in the absence of those funds the project managers said the projects would not have gone ahead. All three of these projects represented an enhancement of existing mainstream service delivery. Two other projects would have gone ahead at a much reduced level – some alternative sources of funding could have been used to support some activity, albeit not to the level or quality that was enabled through *You Decide!* The last project was unsuccessful in gaining funds through *You Decide!*, but it demonstrated that the enhanced level of service promised through the *You Decide!* process was dependent on that extra finance. In its absence, only a reduced core service has been delivered.
- 6.55 It is not possible to assess whether the *You Decide!* process has been accompanied by gains or losses with respect to productivity in service delivery. Nor can we say with certainty that there have been improvements in distributive efficiency, in terms of whether the same resources have been better targeted at those in greatest need as a result of *You Decide!*

Answering both of these questions would require a more detailed understanding than is possible about how the same resources would have been used through mainstream service delivery.

- 6.56 However, the Participatory Budgeting process in Tower Hamlets has influenced the process of mainstream service delivery in the areas concerned. There have been some gains in allocative efficiency enabling resources to better reflect the wishes of local citizens. Our conclusion is that in the absence of the *You Decide!* process, it is very unlikely that these services would have been delivered with the same degree of targeting or the same level of quality.

## Conclusions

6.57 This section has considered how Participatory Budgeting has been used to change the way in which mainstream services are delivered in the five in-depth case study areas. The case studies varied in the institutional format used to deliver Participatory Budgeting and the type of service involved. They provide a diverse range of experience. There is a clear difference between Tower Hamlets relative to the other four case studies both in terms of the scale of the resources committed to Participatory Budgeting and the intention to change existing mainstream allocation procedures. Although the Stockport, Southampton, Manton and Newcastle case studies all represent more limited Participatory Budgeting activity they do present insight into the more indirect effects that Participatory Budgeting can have on the ability of mainstream providers to address local service needs amongst hard-to-reach groups.

6.58 Overall the study found that Participatory Budgeting could:

- attract additional funds into deprived areas by providing an effective means of distributing resources that funders felt confident they could work with
- lead to different types of projects getting funding than might otherwise have been the case, breaking the status quo in some areas
- improve the level and quality of information available to service providers, thereby enabling them to meet local needs more effectively, e.g. through better targeting of service provision
- demonstrate to local authority officers (and others) the need for greater inter-organisational co-operation, in order to meet local needs more effectively – as issues raised at decision-making events often could not be solved by one department acting alone
- enhance the ability of mainstream providers to address local service needs amongst hard-to-reach groups by opening up new channels of engagement.

## 7: Diversity, councillors and decision making

- 7.1 As noted in Chapter 1, there were gaps in the information gathered in Phase 1b of the research with regard to diversity and equalities issues and the impact of Participatory Budgeting on the role of elected members and wider decision-making processes. Furthermore, as noted in Chapter 2, the 2010 e-survey showed most areas were not collecting data that would enable an assessment on the representativeness of attendees and only a relatively small number of areas indicating the Participatory Budgeting had empowered local councillors. This chapter draws on the five in-depth case studies of Phase 2 of the research, but concentrates on reporting the findings from two thematic case studies – Tameside, where issues of diversity were explored and Great Yarmouth in Norfolk, where the role of the councillor and issues of aligning Participatory Budgeting with mainstream decision-making processes were explored.

### Participatory Budgeting and issues of equality and diversity

- 7.2 One of the main issues associated with Participatory Budgeting is how best to ensure that all groups in an area have a chance to participate in the decision-making process. The in-depth case study areas provided evidence of how different areas approached issues of equality and diversity; in particular the issue of ensuring the profile of participants at decision-making events reflected the make up of the local population (Figure 7-1).

#### Figure 7-1: Representation of different groups in participatory Budgeting processes

##### Ensuring all groups are represented

Attendance at decision-making meetings has generally been voluntary and open to all, which often means that there were no formal mechanisms for ensuring those participating reflected the make up of the local population. However, in practice, a number of the study areas used a community development approach and outreach techniques to identify and engage individuals and community groups who were 'less engaged' or 'hard-to-reach'. This generally involved working through local teams e.g. Community Development Officers or Neighbourhood Management Officers, who established good relationships with residents in a particular locality, and therefore could introduce the concept of Participatory Budgeting and the particular process the study area had chosen to follow and as a result, encouraged 'less engaged' individuals and groups to participate.

For example, **Tower Hamlets** actively sought to ensure its decision-making events were attended by a representative group of the population. This was facilitated through the event(s) registration process, which asked people to provide both contact details and equalities information, which produced information on both where people were coming from and the type of people who were registering and as a result enabled the team to specifically target

### Ensuring all groups are represented

those groups that were under-represented. The area also conducted an Equalities Impact Assessment for their Participatory Budgeting process in November 2009 (i.e. mid-way through Year one). This process involved comparing equalities information provided by participants to 2001 Census data as a proxy for the borough's population. Based on this comparison, the equalities impact assessment identified a number of key barriers to engaging a diverse and representative sample of the population, each of which was addressed during Year Two of the process.

A number of the study areas also sought to increase involvement and engagement by holding multiple decision-making events – thereby not limiting decision-making to a single event. For example, during the second year of the facilitation of Participatory Budgeting in **Manton**, the area used a 'road-show' type approach to facilitate each of their decision-making events. This involved the relevant areas developing a filmed presentation of each proposal, which illustrated both the intended site for the project, as well as the sponsor's proposal. All presentations were then amalgamated onto a DVD, which was shown at a series of voting events in a number of community settings across an area.

Source: National Evaluation case study research

### ***Introduction to the Tameside study area***

- 7.3 Tameside is a metropolitan borough in Greater Manchester. It has a population of nearly 215,000. The research explored the equality and diversity aspects of the Participatory Budgeting activities that had taken place in the St Peter's ward, which is the borough's most deprived ward with a population of over 11,000. According to the 2001 Census, a larger proportion of the ward's population came from mixed, Asian, black or other backgrounds than the Tameside average (nearly 20% relative to less than 6%).
- 7.4 The largest ethnic minority group in St Peter's was Asian/Asian British. Anecdotal evidence suggested that the population mix had changed since 2001 with 22 per cent of the ward's population reported as coming from black and minority ethnic backgrounds. One primary school was reported to have 48 per cent of pupils of Pakistani origin, 35 per cent Bangladeshi, 13 per cent white British and 4 per cent other groups. There had been a history of ethnic tension in the past, but consultees reported that this was no longer an issue.

### ***Summary of the Participatory Budgeting process in Tameside***

- 7.5 There were two decision making events. The first was run by Greater Manchester Police with funding from the Home Office. The second was managed by Tameside Community Regeneration and was funded mainly from the council's neighbourhood partnerships budget:
- The Greater Manchester Police initiative sought to allocate £35,000 at a decision day. The main objectives of this process included a desire to

increase community cohesion and to engage a representative sample of the local community, including 'hard-to-reach' groups.

- The second initiative sought to allocate £35,000 and was designed to meet a key aim of the St Peter's Neighbourhood Agreement, which was to increase the number of residents who were satisfied with their neighbourhood as a place to live.

7.6 Both initiatives adopted a similar approach to managing the Participatory Budgeting process. The steering group brought together police, councillors, council officers and local residents. It vetted applications, in order to ensure compliance with scheme criteria. The group made extensive efforts to market the events and raise awareness, including:

- **A Mail Drop:** Neighbourhood Policing Team officers and police community support offices delivered leaflets and letters to every household in the area, with details of how to bid and the decision day event.
- **Community Groups:** The decision-making event was announced and publicity was distributed at local meetings. The Community Engagement and Development Worker also offered assistance with application forms if required. The local evaluation reported: '...a significant proportion of voters found out about the event through local community groups and organisations.'
- **'Community points':** Information/posters were placed in key points frequented by members of different communities, such as community centres, church halls, clubs and local parks.
- **Local Press:** divisional communications officers in the police arranged for press releases to be placed in local newspapers and on the Greater Manchester Police website and the events were also publicised through local radio stations.
- **Newsletters** – an article ran in a community newsletter published by St Peter's Partnerships.
- **Word of Mouth:** Partnership agencies 'spread the word' to local community groups and residents.
- **Banners:** Two banners were produced and hung at Oxford Park, and St. Peter's Church. These were designed to be re-used in future.

### ***Approach to addressing equality and diversity issues in Tameside's Participatory Budgeting process***

- 7.7 The thematic case study found local partners addressed equalities issues by stressing cohesion and integration as part and parcel of the overall process, rather than seeking to address diversity by emphasising differences between people.
- 7.8 As part of the Participatory Budgeting process, there was a 'voter' registration form, which collected details of those voting. The data collected using the forms confirmed that publicity about the process reached all sections of the community. In fact minority ethnic communities were slightly over-represented at the decision-making event: 29 per cent of those registering to vote described themselves as of black and minority ethnic background, while according to the latest neighbourhood survey (2009), those of black and minority ethnic backgrounds constituted around 22 per cent of the ward population.
- 7.9 For those groups seeking to access funds, the guidance to applicants provided by Tameside carried two references to equalities. It said applications must be '...compliant with equal opportunities policy'; and could not be for 'religious purposes'; the guidance went on to say 'religious organisations are welcome to apply for things that include all faiths.' Partners also introduced a project-level equalities impact assessment form, so that the equalities impact of projects – not just the equalities impact of the Participatory Budgeting process – may be assessed (Figure 7-2).

**Figure 7-2: Tameside’s project level equalities impact assessment form**

<b>Name of proposed project/activity:</b>		
<b>Assessed by:</b>		<b>Date assessed:</b>
<p><b>Equality</b> - Treating people the same does not create equality of opportunity. Sometimes you have to treat people differently in the first instance in order to give them an equal opportunity to access all areas of life. This may require making specific adjustments in order to aid particular individuals.</p> <p><b>Diversity</b> – Diversity recognises values and takes into account peoples’ different backgrounds, knowledge, skills and experiences, and encourages using those differences to create a productive &amp; effective educational community and workforce.</p>		
<b>Does any aspect of the project make it harder or impossible for people to engage with as a result of any of the 7 diversity strands or additional factors?</b>		
	✓ = yes; X = no	<b>If Yes, what action will be taken?</b>
Diversity strands		
Age (young or old)		
Disability		
Gender		
Race		
Religion		
Sexual Orientation		
Transgender		
<b>Additionally</b>		
Literacy skills		
Technology		
Poverty		
Health (mental/physical)		
Substance mis-use		
Other?		

Source: Tameside case study

***Critical success factors and learning points for delivering Participatory Budgeting in Tameside***

7.10 The thematic case study in Tameside identified a series of critical success factors in addressing equalities issues and some key learning points:

- Critical success factors
  - adequate timescales for bid preparation are vital, particularly if new and inexperienced groups are to be encouraged and resources are not to go the ‘usual suspects’

- support from community development workers is important to help prepare bids and presentations, so that previously ‘excluded’ or ‘disengaged’ groups can participate in the process as equals
- work with community groups connected to all sections of the community as part of the publicity and marketing campaign, in order to ensure participants reflect the local population
- draw on local knowledge in designing and managing Participatory Budgeting schemes and try to identify the needs of those attending sessions in advance, so that timings, locations, security, language, signing for the deaf, refreshment, and childcare needs are catered for, so that no groups are excluded out of error or due to an oversight
- Key learning points
  - a formal registration process helps identify who is eligible to vote, it can also inform outreach work to ensure attendees reflect the make up of the local population and provide a detailed profile of those attending decision making events to enable a comparison to the demographic profile of the local population
  - if schemes have succeeded in attracting ‘inexperienced’ or recently formed groups, care must be taken with those who fail to access funds – as they may become disillusioned in the face of early set-backs
  - develop an Equalities Impact Assessment tool to apply to all stages of the Participatory Budgeting process – planning, marketing, project selection, the decision day, monitoring and evaluation
  - monitoring arrangements, of course, have to be proportionate; however without details of levels of engagement by different groups, it is impossible to gauge the impact of the process on different groups with any accuracy
  - modest sums of money – ‘manageable’ was how one interviewee described them – may encourage small, emergent groups (that might be intimidated by the thought of managing large sums of money) to get involved
  - for many it is not the projects themselves that are important – it is the inclusive process that really matters

- the Participatory Budgeting process, and many of the projects supported, depended on volunteers; but it is a mistake to think that volunteers are cost-free.

### **The role of the elected member**

7.11 The evidence gathered in Phases 1b and 2 of the study pointed to a number of issues with regard to Participatory Budgeting and the role of locally elected members:

- where Participatory Budgeting had been led from the top of a local authority, e.g. via the leader or cabinet, non-executive ward councillors (and other local partners) could feel ‘distanced’ from the process
- furthermore, where devolved budgets had previously been controlled by local ward councillors, their lack of engagement in setting up Participatory Budgeting could lead to reticence or opposition – especially in the context of wider changes to the role of councillors, e.g. the demise of committee structures, that left many feeling disempowered
  - this concern could sometimes be expressed in terms of a rivalry between ‘representative democracy’ and ‘participatory democracy’, where councillors could feel Participatory Budgeting displaced their role
  - it could also be expressed by some interviewees in terms of ‘long-standing councillors resisting change’ versus ‘new’ councillors who were not as attached to ‘old ways of doing things’.

7.12 Where ward councillors were engaged in setting up the Participatory Budgeting process, or were involved in setting up the next round of the process, there was evidence that they could:

- gather information about the issues in their area that they might not otherwise hear about, enabling them to make better informed decisions in the future
- raise their profile with residents, in some cases leading to greater contact on other matters at a later date
- assist and build community spirit and capacity, e.g. by facilitating the events and/or providing assistance to some projects that were unsure about the paperwork associated with the process.

### ***Introduction to Norfolk and Great Yarmouth***

7.13 The county of Norfolk is the fifth largest in England, covering a total of 5,371 square kilometres. Its population was 853,400 in mid-2009, an increase of around 6,100 from mid-2008, which made it the seventh most populated of the non-metropolitan counties; but it has the tenth lowest population density. The county has an elderly age profile, with around a fifth of the population aged 65 and over and one person in ten aged 75 and over. Economically it is a county of contrasts, with some highly affluent areas alongside substantial pockets of deprivation. There are 27 Lower Super Output Areas falling within the 10 per cent most deprived in England, and a further 29 lower super output areas in the next 10 per cent. At the time of the fieldwork, almost 44,000 people in Norfolk lower super output areas lived in a lower super output area that was in the most deprived 10 per cent of lower super output areas in England. The county has seven district councils:

- Breckland
- Broadland
- Great Yarmouth
- Kings Lynn and West Norfolk
- North Norfolk
- Norwich
- South Norfolk.

7.14 The borough of Great Yarmouth lies on Norfolk's eastern coast, covering a total of 17,000 hectares. The borough's population of about 93,000 is largely concentrated in the two townships of Great Yarmouth and Gorleston, but the borough also covers extensive rural parishes. Great Yarmouth has a workforce of 44,000. The borough is ranked the 58th most deprived of 354 local authority areas nationally. Twelve areas in the borough fall within the 10 per cent most deprived in the country. The high levels of deprivation in the borough are concentrated in the Central and South Yarmouth neighbourhoods.

### ***Summary of the Participatory Budgeting process in Norfolk***

7.15 At the time of the research, there had been three distinct phases of Participatory Budgeting in Norfolk:

- Phase 1 was a county-wide scheme that was managed through the Norfolk County Strategic Partnership, which allocated £200,000

financed from Second Homes Council Tax revenues. It took place between September 2008 and January 2009 and sought to allocate funds to projects which contributed to the county's Local Area Agreement indicators deemed to be most at risk. A total of 55 applications were received, of which the Steering Group shortlisted 16 that were voted on at a Decision Day, attended by around 100 residents from across the county.

- In 2009, following the evaluation of the Phase 1 pilot, the Norfolk County Strategic Partnership Board agreed to allocate a further £200,000 from Second Homes Council Tax revenues to be allocated via a Phase 2 Participatory Budgeting cycle. However, the main aim of this cycle of Participatory Budgeting was to encourage partner organisations and partnerships to undertake Participatory Budgeting pilots across the county. As such, bids to run schemes were invited from across the county, and seven separate pilots were delivered, which covered a variety of geographical areas, different spatial levels (e.g. county and ward) as well as communities of interest; and a varied focus: rural and urban, young people and themed issues.
- Phase 3 involved the continuation of the seven schemes approved in Phase 2. This cycle of Participatory Budgeting has seen the withdrawal of funding from Norfolk County Strategic Partnership and as such, a shift of responsibility from Norfolk County Strategic Partnership to the relevant districts and agencies.

### ***Councillor role in Participatory Budgeting in Great Yarmouth and Norfolk***

- 7.16 The county council's Cabinet took the initial decision to launch Participatory Budgeting working with and through the Local Strategic Partnership, in order to help it deliver its Local Area Agreement targets. The Local Strategic Partnership was used as a mechanism to engage other bodies, beyond the council. One of the side-effects of this approach was that there was limited involvement of councillors in the first phase of the process.
- 7.17 In response to feedback that Phase 1 of Participatory Budgeting in Norfolk did not provide sufficient opportunity for councillors to get involved in the process, amendments were made for Phase 2. As noted above, Phase 2 of the process used funding from the Second Homes Council tax to fund Participatory Budgeting processes. Seven proposals were accepted<sup>29</sup> – they shared a total over £200,000 from the Local Strategic Partnership and nearly

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<sup>29</sup> These schemes continue in Phase 3 without funding from Local Strategic Partnership.

£60,000 from other sources. Great Yarmouth received £30,000 from the Local Strategic Partnership and £35,000 from other sources.

- 7.18 Councillor involvement was built into the criteria for Phase 2 proposals. And a record of member involvement was kept by each of the successful projects (Table 7-1).

**Table 7-1: Councillor involvement in Phase 2 devolved schemes in Norfolk**

Participatory Budgeting scheme	No. of Councillors
Your Parish Your Decision (Norfolk Association Local Councils)	3
Your Neighbourhood/Village/Community (Great Yarmouth BC)	12
Your Summer Your Decision (Sewell Park College)	3
Your Partnership Your Decision (Breckland Local Strategic Partnership)	14
Your Southern Neighbourhood Partnership Your Decision (West Norfolk Local Strategic Partnership)	10
Your Sprowston Your Decision (Broadland Community Safety Partnership)	4
Your Neighbourhood Your Decision (Norwich City Council)	6
Total	52

Source: Fieldwork by GFA

- 7.19 In Great Yarmouth, the councillors were involved in Participatory Budgeting in a range of ways:

- sitting on committees managing the Participatory Budgeting process
- drawing up local criteria for the process
- commissioning publicity
- deciding on voting mechanisms
- taking part in the voting.

- 7.20 One councillor observed: *“some councillors do feel they are being sidelined by participatory budgeting, but I feel I am more involved with the village as a result.”* And the local evaluation pointed to the link between Participatory Budgeting and the role of councillors as ‘community leaders and advocates’ for their communities.

## **Alignment of Participatory Budgeting and wider decision-making processes**

- 7.21 The evidence gathered in Phases 1b and 2 of the study pointed to a number of issues with regard to the alignment of Participatory Budgeting and wider decision-making processes:
- where budgets were relatively small there were limited links between local Participatory Budgeting activities and wider council decision-making activities, as key decision-makers did not often associate Participatory Budgeting with the big issues they had to address
  - because areas often operated what might be termed ‘localised’ approaches, they were not aligned with priorities set out in corporate plans and/or local Sustainable Community Strategies – which meant key decision-makers did not always see Participatory Budgeting as a mechanism for making changes that will help them achieve their policy priorities – even when they saw Participatory Budgeting as an effective tool for engaging the public at a local level.
- 7.22 The case studies showed that where Participatory Budgeting processes and wider decision-making processes were aligned this was often due to key decision-makers having determined the themes or policy areas that Participatory Budgeting would cover.
- 7.23 The thematic case study in Great Yarmouth found that, prior to the General Election in 2010, there were plans to use Participatory Budgeting to determine priorities for the next generation of Local Area Agreements. The abolition of Local Area Agreements<sup>30</sup> made this ‘mainstreaming’ commitment redundant, but showed the power that the process might have once local leaders had confidence in the process.
- 7.24 Partners in the case study area had also discussed how Participatory Budgeting could be used in relation to place-based budgeting. The previous Government’s initiative to bring together budgets from different services in order to cut wasteful duplication and identify savings was called ‘Total Place’.
- 7.25 Proposals from the current Government for ‘Community Budgeting’ cover similar issues to those of the Total Place initiative, e.g. pooled budgets and streamlined arrangements for local service delivery. In the first phase of ‘Community Budgeting’, 16 local areas are working with Government to establish Community Budgets focused around families with multiple problems. The aim is for Community Budgeting to be available everywhere, across all service outcomes, from the financial year 2013-14. The key factor in this

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<sup>30</sup> Announced 13 October 2010.

approach is for a range of public, private and voluntary sector bodies to 'pool' and/or 'align' their budgets to improve effectiveness.

***Critical success factors and learning points from Great Yarmouth and Norfolk***

- 7.26 The Great Yarmouth/Norfolk case study identified some specific critical success factors, barriers to success and key learning points for others:
- Critical success factors
    - a transparent commitment from both council and party group leaderships provide some certainty that the process has momentum and 'staying power', which means people are prepared to invest time into the process
    - it is helpful if training is provided for those councillors (and others) most involved in the process
    - it is helpful if regular briefings are available to those councillors who are not directly involved in the process, so as to ensure they are aware of what is happening and what might be achieved
    - the council leaderships, both political and managerial, need to ensure that the objectives of participatory decision-making, and the importance attached to it, are cascaded across and down the organisation, if it is to have maximum impact, i.e. be taken seriously by all tiers of management
  - Barriers to success
    - turnover amongst councillors limits understanding of the rationale for Participatory Budgeting, in other words, the need for awareness raising among councillors and the provision of updates on Participatory Budgeting should be seen as part of an on-going process, not a task and finish exercise
    - lack of commitment and understanding at 'middle management level' within councils and other agencies limits the impact of Participatory Budgeting on wider decision-making processes
  - Key learning points
    - involve councillors at the earliest opportunity, and build opportunities for their engagement into each stage of the process, if Participatory Budgeting is to enhance their role and maintain their support

- capacity building for those involved is needed, if participatory decision-making is to be operated widely, the process is not just 'common sense', there are techniques to be shared and learned
- Participatory Budgeting has to be seen as just one element in a wider strategy for community engagement, it is not a 'silver bullet' for all community engagement needs
- to extend participatory decision-making into mainstream decision-making processes, there is a need for collaborative action on budgets across agencies.

## **Conclusions**

- 7.27 This chapter focused on findings related to equalities and diversity issues and the impact of participatory budgeting on elected members and mainstream decision-making processes. It showed there are a number of risks to be managed in relation to ensuring Participatory Budgeting processes enhance community cohesion and empower the disempowered, rather than bolster the position of what many term 'the usual suspects'.
- 7.28 The research also showed that there are some basic factors that, if in place, can help Participatory Budgeting to enhance the role of ward councillors and improve their interaction with the local community.
- 7.29 Perhaps one of the main findings to highlight is that in order to get the most out of Participatory Budgeting, it has to be operated as one element of a wider strategy of engagement and empowerment. The next chapter pulls together this along with other conclusions from the research, as well as looking forward to see what role Participatory Budgeting may play in the 'localism' agenda and the opening up of public services to a greater diversity of provision.

## 8: Conclusions

- 8.1 This chapter pulls together the main findings from the research. They are set out on the basis of findings on the costs of Participatory Budgeting processes, what works in the operation of Participatory Budgeting processes, and the results achieved by Participatory Budgeting processes. The chapter also reflects on what the lessons from the past operation of Participatory Budgeting might mean in a new context, in particular the Government's policies on localism and the Big Society – with the twin emphases on shifting power from the centre to localities and encouraging the public to take greater responsibility for improvements in their local services and neighbourhoods, by getting involved in local decision-making and local activities.

### **Costs**

- 8.2 The research team worked with data provided by study areas in Phases 1 and 2 of the study in order to generate estimates of the costs of operating Participatory Budgeting. It found that for those areas running the process at the level of the whole local authority the cost was between 9 pence and 52 pence per head of population; and for those running participatory budgeting at neighbourhood level the costs ranged from 7 pence to 81 pence per head of population. As well as cost per head of population, the study looked at the costs of the process per participant. For those operating an authority-wide process the costs ranged from nearly £10 per participant to over £90 per participant; and for those operating Participatory Budgeting processes at the neighbourhood level the cost ranged from under £3 per participant to over £36 per participant.

### **Processes**

- 8.3 The research found:
- Participatory Budgeting was most effective when used in conjunction with other community engagement processes
  - good decision-making processes needed to be followed by the delivery of good projects – if confidence is to be maintained in the process
  - the Participatory Budgeting process, and many of the projects supported, depended on volunteers; but it is a mistake to think that volunteers are cost-free – resources need to be invested in bringing forward volunteers and volunteers' time has a value

- capacity building for those involved is needed, if participatory decision-making is to be operated widely, the process is not just 'common sense', there are techniques to be shared and learned
- to extend participatory decision-making into mainstream decision-making processes, there is a need for collaborative action on budgets across agencies
- political and managerial leaders need to ensure that the objectives of participatory decision-making, and the importance attached to it, are cascaded across and down their organisations, if it is to have maximum impact
- a transparent commitment from both council and party group leaderships provide some certainty that the process has momentum and 'staying power', which means people are prepared to invest time into the process.

#### 8.4 In relation to diversity and equality issues the research showed:

- the power of drawing on local knowledge when designing and managing Participatory Budgeting schemes, e.g. by identifying the needs of those attending sessions in advance, so that timings, locations, security, interpretation services, signing for the deaf, refreshments, and childcare needs are catered for, and ensuring all members of a local community feel able to participate
- the need to work with community groups connected to all sections of the community, as part of publicity and marketing campaigns, if those participating in decision-making events are to reflect the make up of the local population
- a formal registration process helps to inform outreach work to ensure attendees reflect the make up of the local population
- the wisdom of developing an Equalities Impact Assessment tool to apply to all stages of the Participatory Budgeting process – planning, marketing, project selection, the decision day, monitoring and evaluation
- the importance of having sufficient time for bid preparation, particularly if new and inexperienced groups are to be encouraged and resources are not to go the 'usual suspects'

- support from community development workers to help prepare bids and presentations is an important way to ensure that previously 'excluded' or 'disengaged' groups participate in the process as equals
- for many it is not the projects themselves that are important – it is the inclusive process that really matters.

8.5 In terms of the role of local councillors the research found:

- it is important to involve councillors at the earliest opportunity, and build opportunities for their engagement into each stage of the process, if Participatory Budgeting is to enhance their role and maintain their support
- turnover amongst councillors can limit understanding of the rationale for Participatory Budgeting, thus there is a need for awareness raising among councillors and a need for the provision of updates on Participatory Budgeting as part of an on-going process.

### **Outputs, outcomes and impacts**

8.6 The research found evidence of a number of outcomes from Participatory Budgeting, including its ability to:

- improve individuals' and organisations' self-confidence in tackling neighbourhood issues and in negotiating with public sector organisations
- bring together people from different backgrounds who might not normally meet, enabling them to pool knowledge, views and experience, in order to tackle local issues
- act as a spur to people to build local voluntary and community organisations, e.g. to address local issues and access Participatory Budgeting funds
- encourage participants to get more involved in their communities, as shown by rising memberships in local organisations following Participatory Budgeting events
- improve inter-generational understanding, as young and old come together to discuss their own needs and common issues
- raise councillors' profiles in the local community, making it more likely that people will contact them in future
- open up councillors' lines of communication to new groups in their ward

- raise councillors' awareness of issues in their wards, improving their ability to act as 'community champions'
- increase people's confidence in local service providers, due to interaction with managers and service providers at events
- increase turnout at elections, in some cases, where increased engagement in the political process was an objective of the Participatory Budgeting project.

8.7 In terms of its impact on mainstream services the study found that Participatory Budgeting could:

- attract additional funds into deprived areas by providing an effective means of distributing resources that funders felt confident they could work with
- lead to different types of projects getting funding than might otherwise have been the case, breaking the status quo in some areas
- improve the level and quality of information available to service providers, thereby enabling them to meet local needs more effectively
- demonstrate to local authority officers (and others) the need for greater inter-organisational co-operation, in order to meet local needs more effectively – as issues raised at decision-making events often could not be solved by one department acting alone
- enhance the ability of mainstream providers to address local service needs amongst hard-to-reach groups by opening up new channels of engagement.

### **Issues for the future**

8.8 This part of the report is more speculative than other sections. It is not based on the views of areas that have worked with the study team. It is a response to a changed policy environment and looks at how Participatory Budgeting might contribute to new and different Government policies and objectives. The speculation is in three parts:

- What are changed economic and policy conditions likely to mean for Participatory Budgeting?
- What role might Participatory Budgeting play in changing mainstream service provision in a new policy environment that promotes localism and diversity of service provision?

- What role might participatory Budgeting play in the Big Society?

***What are the changed conditions likely to mean for participatory Budgeting?***

- 8.9 To date England has seen what might be termed Participatory Budgeting Version 1.0. This approach may be characterised as a resource allocation process that engages a relatively small proportion of residents in a relatively small residential area, in order to take part in decision-making events to allocate discretionary (or additional) funding to support (mainly time-limited) projects. There are exceptions to this characterisation – as has been shown in this report – but Participatory Budgeting in England to date has for the most part not operated at the level of a local authority district and has not engaged in commissioning mainstream or core services. It has been marginal to – and some would argue it has been marginalised by – mainstream decision-making processes.
- 8.10 The public sector funding environment has changed significantly since the first Participatory Budgeting projects started to operate – many, if not most, of the additional or discretionary funds that Participatory Budgeting processes have allocated in the past no longer exist; and the Local Area Agreements to which some areas sought to link their Participatory Budgeting processes have been abolished. Thus, the sources of the resources allocated by Participatory Budgeting have in many cases dried up and the link to strategic decision-making via Local Area Agreements has gone. This begs the question: ‘What is next for Participatory Budgeting in England?’
- 8.11 One possible means by which ‘old approaches’ can be maintained is the introduction of the Community Infrastructure Levy, which will earmark funds to neighbourhoods affected by development. However, by definition, this source of funding is going to be limited to areas affected by development. There may also be a role for Participatory Budgeting Version 1.0 in the allocation of local authority grants to voluntary sector organisations – but this could be controversial at a time of cuts to discretionary spending by local authorities.
- 8.12 It would appear that Participatory Budgeting needs to adapt in response to changed circumstances, if it is to remain relevant to service providers, national and local politicians and the needs and concerns of local communities.

***What role might Participatory Budgeting play in changing mainstream service provision in a new policy environment that promotes localism and diversity of service provision?***

- 8.13 An oft stated aspiration of supporters of Participatory Budgeting has been for it to be mainstream and significant. To date it has operated on the margins; but, as the operating environment for mainstream services changes, there may be new opportunities for Participatory Budgeting. In order to take account of these opportunities, Participatory Budgeting in England would need a new form – PB 2.0.
- 8.14 PB 2.0 would involve mainstream budgets and devolution of commissioning decisions to local communities. PB 2.0 could become a community-centred tendering process for the provision of a range of local services or packages of local services. Experience to date indicates the sorts of issues, budgets and services that lend themselves to this sort of universal neighbourhood process: environmental budgets (including public space and public realm), youth budgets, community safety budgets, housing budgets, sports and leisure budgets (including public health activity).
- 8.15 This could be linked to Government plans for Community Budgeting. It may also be picked up by local authorities as they re-design their services and develop commissioning plans. Both of these processes should seek to ensure that spending reflects local priorities and that savings and improvements can be realised through innovation, cost reduction, and cost sharing among local authority departments, other public sector providers, voluntary groups and private businesses. PB 2.0 could provide a means of achieving these objectives.
- 8.16 At a basic level, local authorities and other providers, such as housing associations, could bring people together, in order to select packages from a menu of services, up to a specified level of spending per head or per area. Local authorities, housing associations (or their contractors) would then respond to the packages identified by communities in different areas. This would put communities in the driving seat with regard to the relative mix of services they received, frequency of service etc. from pre-determined providers – this would be PB 2.1.
- 8.17 A more radical approach to community-centred commissioning using Participatory Budgeting would be to use the process to encourage a range of prospective service providers to bid to deliver services in an area. Bidders might include in-house local authority providers; start-ups developed by local authority staff; national or local voluntary organisations; local community groups; and private sector providers.

- 8.18 The planning and execution of what would be PB 2.2 would need to take account of:
- how bids are called for, in order to ensure everyone understands the resources and services covered by the call for bids, and to ensure the community has an opportunity to inform the call for bids
  - how bids are developed, and whether support is offered to bidders and the community, as members of the community may be consulted by bidders seeking to tailor their proposals to address local concerns
  - the timescales available for bid development, in order to allow new entrants to the process the time they need to develop their bids
  - how bids are presented to the community, in order to ensure a level playing field among bidders
  - who attends events, in order to avoid excluding some members of a community and avoid any 'block voting'
  - who votes at events, e.g. clarification on age and postcode restrictions
  - the architecture of decision-making processes at events, e.g. will there be short lists and run offs, weighted scoring etc?
  - how decisions are ratified and by whom
  - how progress in implementing decisions is monitored and reported to the community
  - how successful bidders/service providers are held to account for the duration of their contract
  - the involvement of local councillors in the process.
- 8.19 These are all familiar issues under Participatory Budgeting Version 1.0; but they would take on a greater significance if core mainstream services were commissioned on this basis.
- 8.20 As well as providing a mechanism for change in the provision of place-based and universal services, PB 2.2 may also prove useful to the roll-out of personal or individual budgets for targeted services, such as care services. It potentially provides a means of scaling up individual-level commissioning arrangements (facilitated through personal or individual budgets) so that local authorities and prospective service providers understand what services users would like to access in aggregate. In other words, PB 2.2 could act as a tool by which local authority commissioners could bring prospective providers and

service users together to estimate demand for different services, which in turn would then assist providers to plan provision.

***What role might Participatory Budgeting play in the Big Society?***

- 8.21 If Participatory Budgeting develops along the lines outlined above, it could support the Big Society project in a number of ways. For example, it could be an effective way to bring people together to discuss local issues – the study areas showed this may lead to increased volunteering and the formation of new local groups, in itself. Furthermore, if Participatory Budgeting is used to open up services to a range of new providers through community-centred commissioning events, then Participatory Budgeting could help promote the creation of a range of social enterprises and community and voluntary organisations to provide local services.

# Annex A: Evaluation framework

## Evaluation framework for the Participatory Budgeting process

Theme	Research questions	Method/tools	Issues/risks
Context	<p><b>Local area characteristics:</b> What are the key contextual conditions in your area? e.g. total population, employment rates</p>	<ul style="list-style-type: none"> <li>• Baseline</li> <li>• E-Census</li> </ul>	<ul style="list-style-type: none"> <li>• Data not available at the relevant geography</li> <li>• Frequency of data update e.g. Census data cannot be used to accurately track either impact or context as it is only updated every ten years</li> </ul>
	<p><b>Pre-Participatory Budgeting position – what was the situation before Participatory Budgeting?</b></p> <ul style="list-style-type: none"> <li>• What decision-making processes were used to set the priorities for spending or for service delivery before Participatory Budgeting was introduced in your area?</li> <li>• How were local people/Councillors/local authority officers involved in setting priorities for spending or for service delivery?</li> <li>• How many local people were involved in decision-making?</li> <li>• What sorts of decisions were local people/Councillors/local authority officers involved in?</li> <li>• What were the outcomes/impacts of their involvement?</li> <li>• Were resources for decisions devolved to areas or groups prior to Participatory Budgeting? And if so, how much money was involved and what restrictions on its use were imposed?</li> </ul>	<ul style="list-style-type: none"> <li>• Local area report self assessment questions               <ul style="list-style-type: none"> <li>- Cost tool</li> <li>- Councillor/Officer feedback form</li> </ul> </li> <li>• Case study stakeholder interviews</li> <li>• E-census</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to participate in the evaluation</li> </ul>
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	Research questions	Method/tools	Issues/risks
Objectives	<p><b>National objectives:</b></p> <ul style="list-style-type: none"> <li>• What are the national objectives for introducing Participatory Budgeting?</li> </ul> <p><i>Potential objectives/purposes to explore:</i></p> <p>Objectives for Citizens:</p> <ul style="list-style-type: none"> <li>• Increased sense of influence over local decisions/issues</li> <li>• Enhanced skills and confidence</li> <li>• Increased understanding of complexities of public budget setting</li> </ul> <p>Objectives for Communities:</p> <ul style="list-style-type: none"> <li>• Increased social capital (including trust in each other and service providers)</li> <li>• Increased community cohesion</li> </ul> <p>Objectives for Decision-Making:</p> <ul style="list-style-type: none"> <li>• Improved Governance processes/ To increase the involvement (and influence) of local residents in wider-governance arrangements</li> <li>• Changes in who takes decisions on resource allocation</li> <li>• Improve the use of resources:</li> <li>• Productive Efficiency (increases in customer satisfaction, improvements in service quality, reduction in unit cost of services)</li> <li>• Allocative Efficiency (reallocation of resources to better reflect the wishes of citizens)</li> <li>• Distributive Efficiency (reallocation of resources in favour of those with greatest need, e.g. deprived neighbourhoods)</li> </ul> <p>Improved Outcomes:</p> <ul style="list-style-type: none"> <li>• To improve the health and well-being of local residents</li> </ul>	<ul style="list-style-type: none"> <li>• Local area report self assessment questions</li> <li>• Case study stakeholder interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to participate in evaluation</li> </ul>

	Research questions	Method/tools	Issues/risks
	<p><b>Local objectives:</b></p> <ul style="list-style-type: none"> <li>• What was the rationale for introducing Participatory Budgeting?</li> <li>• What are the main purposes of the relevant Participatory Budgeting projects?</li> <li>• What is the relationship between Participatory Budgeting and the objectives of the lead organisation which has chosen to implement Participatory Budgeting? (see <i>list of potential objectives above</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• Local area report self assessment questions</li> <li>• E-census</li> <li>• Case study stakeholder interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Developmental nature of Participatory Budgeting in majority of the study areas may lead objectives to change over time</li> <li>• Identification of purpose is likely to be subjective and therefore may be subject to bias</li> <li>• Capacity to participate in evaluation</li> </ul>
	<p><b>Assessment of each area against the Participatory Budgeting typology:</b></p> <ul style="list-style-type: none"> <li>• What position do you consider your area to be against the seven dimensions of Participatory Budgeting being explored by the evaluation?</li> <li>• What position do you consider your area will be in as the Participatory Budgeting activities in your area mature and evolve over time?</li> </ul>	<ul style="list-style-type: none"> <li>• Local area report self assessment questions</li> <li>• Case study stakeholder interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to participate in evaluation</li> </ul>
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	Research questions	Method/tools	Issues/risks
<b>Inputs</b>	<p><b>What were the main non-financial inputs in to the Participatory Budgeting process?</b></p> <ul style="list-style-type: none"> <li>• How many and which type of people were involved in setting up the process – residents, public sector officers, councillors, voluntary organisations?</li> <li>• How many people participated in the decision making process and what are the characteristics of this group? Were they different from previous arrangements? And if so, how?</li> <li>• How much did the set-up phase cost (in-kind) – residents, public sector officers, councillors, and voluntary organisations?</li> <li>• How much are the ongoing costs (in-kind) of the process?</li> </ul>	<ul style="list-style-type: none"> <li>• Local area report self assessment questions <ul style="list-style-type: none"> <li>- Cost tool</li> <li>- Participant feedback form</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to participate in the evaluation</li> <li>• Participatory Budgeting event may not be held within the evaluation timescales, making it difficult for areas to collate relevant material</li> <li>• May be difficult to collect historical data if cost-related data has not been previously collated by an area</li> <li>• Response rate to resident/Councillor feedback survey may be low</li> </ul>

	Research questions	Method/tools	Issues/risks
	<p><b>What were the main financial inputs in to the Participatory Budgeting process?</b></p> <p>Set up:</p> <ul style="list-style-type: none"> <li>• How much did the set-up phase cost (i.e. the overall cost in money terms) – whether incurred by residents, public sector officers, councillors, or voluntary organisations? This could include venue hire, marketing, refreshments etc.</li> <li>• How have the set-up costs been used?</li> <li>• How does this compare to previous arrangements?</li> </ul> <p>Ongoing costs:</p> <ul style="list-style-type: none"> <li>• How much per year does/will the Participatory Budgeting process cost to run, e.g. funds allocated for advertising, venue hire, capacity building and external facilitation and in-kind contributions of time?</li> <li>• How will the ongoing costs be used?</li> <li>• How does this compare to previous arrangements?</li> </ul> <p>Funding to be allocated via Participatory Budgeting:</p> <ul style="list-style-type: none"> <li>• What are the main sources of funding which are to be allocated by Participatory Budgeting and how much funding has each source supplied?</li> </ul>	<ul style="list-style-type: none"> <li>• Local area report self assessment questions <ul style="list-style-type: none"> <li>- Cost tool</li> <li>- Participant feedback form</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to participate in the evaluation</li> <li>• Participatory Budgeting event may not be held within the evaluation timescales, making it difficult for areas to collate relevant material</li> <li>• May be difficult to collect historical data if cost-related data has not been previously collated by an area</li> <li>• May be difficult to assess ongoing costs in those areas who have only recently begun to deliver Participatory Budgeting and are therefore in their set-up phase</li> <li>• Low response rate to resident/Councillor survey</li> </ul>
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	Research questions	Method/tools	Issues/risks
<p style="text-align: center;"><b>Process/ activities</b></p>	<p><b>How was the Participatory Budgeting process set up?</b></p> <ul style="list-style-type: none"> <li>• Did the introduction of Participatory Budgeting build on other community empowerment initiatives?</li> <li>• Was it a result of the local authority/lead organisation or from local, bottom-up pressure? Was the local authority supportive?</li> <li>• Was external support provided? What was it? Who received it? How much did it cost? How long did it last?</li> </ul>	<ul style="list-style-type: none"> <li>• Local area report self assessment questions</li> <li>• Case study stakeholder interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to participate in the evaluation</li> </ul>
	<p><b>Governance arrangements</b></p> <ul style="list-style-type: none"> <li>• Who is involved in the decision-making processes at the local level – was participation open to anyone? Were there restrictions? If so, what were they? E.g. residence/post code, certain age range etc. How were they identified and did anyone question the process?</li> <li>• How have elected members been involved in the delivery of the process? What evidence do you have to illustrate your view?</li> <li>• Were other stakeholders like the third sector involved and if so how?</li> <li>• Who is responsible for implementing the Participatory Budgeting process and its resultant activities? Has this changed overtime?</li> <li>• Who is accountable for ensuring that results from the Participatory Budgeting process are taken forward? E.g. Ward Councillor</li> <li>• What was the community's involvement in checking the progress in implementing its decisions? How frequent is this? And what effect does it have? How does this compare to previous approaches?</li> <li>• How does the process align with wider decision making processes in the area? e.g. annual budget cycle</li> </ul>	<ul style="list-style-type: none"> <li>• Local area report self assessment questions</li> <li>• Case study stakeholder interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to participate in the evaluation</li> <li>• Low response rate to Councillor survey</li> </ul>

	Research questions	Method/tools	Issues/risks
	<p><b>How has the Participatory Budgeting activity been delivered? And has this changed over time?</b></p> <ul style="list-style-type: none"> <li>• What decision-making processes are/will be used?</li> <li>• How frequently are decisions taken?</li> <li>• What topics are subject to local decision making using Participatory Budgeting?</li> <li>• How are priorities identified – via evidence, debate and discussion, another method? Are they the most important for local people?</li> <li>• Has the process changed over time? If so, how?</li> </ul>	<ul style="list-style-type: none"> <li>• Local area report self assessment questions</li> <li>• Case study stakeholder interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to participate in the evaluation</li> </ul>
	<p><b>Barriers and critical success factors</b></p> <ul style="list-style-type: none"> <li>• What are the main barriers to the set-up and delivery of a Participatory Budgeting process? What evidence do you have to illustrate your view?</li> <li>• What critical success factors are necessary to ensure the effective delivery of a Participatory Budgeting process? What evidence do you have to illustrate your view?</li> </ul> <p><i>Examples of potential barriers to be explored</i></p> <ul style="list-style-type: none"> <li>• Time commitments of those involved</li> <li>• Difficulties in engaging a representative selection of the local community</li> </ul> <p><i>Examples of critical success factors to be explored:</i></p> <ul style="list-style-type: none"> <li>• Openness to all citizens at the design/deliberation stage</li> <li>• Process extends beyond the neighbourhood level and links to higher level decisions</li> <li>• Participatory Budgeting is a repeated process</li> <li>• Strong political buy-in</li> </ul>	<ul style="list-style-type: none"> <li>• Local area report self assessment questions <ul style="list-style-type: none"> <li>- Participant feedback form</li> <li>- Councillor feedback form</li> </ul> </li> <li>• Case study stakeholder interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to participate in the evaluation</li> <li>• Low response rate to resident/Councillor survey</li> </ul>
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	Research questions	Method/tools	Issues/risks
Results/ outputs	<p><b>What were the immediate and measurable results of the process?</b></p> <ul style="list-style-type: none"> <li>• How many proposals/ideas were/are submitted for consideration? How has this changed over time? How is it different from previous arrangements?</li> <li>• How many different organisations apply to take part in the Participatory Budgeting process and what are their characteristics? How has this changed over time? Are these different from previous arrangements? If so how?</li> <li>• Which proposals/priorities were selected as a result of the Participatory Budgeting process? How have these changed over time? And how do they differ from previous arrangements?</li> <li>• Has participation increased as a result of the Participatory Budgeting process? And if so, by how much?</li> <li>• How were diversity issues addressed e.g. access, provision of childcare etc?</li> </ul>	<ul style="list-style-type: none"> <li>• Local area report self assessment questions <ul style="list-style-type: none"> <li>- Proposal monitoring tool</li> <li>- Participant feedback</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to participate in the evaluation</li> <li>• Poor proposal-related monitoring data</li> <li>• Participatory Budgeting event may not be held within the evaluation timescales</li> <li>• May be difficult to collect historical data if output-related data has not been previously collated</li> <li>• Low response rate to resident/Councillor survey</li> </ul>
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	Research questions	Method/tools	Issues/risks
<p style="text-align: center;"><b>Outcomes</b></p>	<p><b>How has the process changed the behaviour and well-being of those directly and indirectly involved?</b></p> <p><i>Consideration will be given to the effects on participants, the wider community and the decision-making process.</i></p> <p><i>Potential changes to be explored:</i></p> <ul style="list-style-type: none"> <li>• Improvements in the self-esteem and confidence of participants</li> <li>• Increased influence on local decisions (relates to NI 4)</li> <li>• Increased understanding of the complexities of public budget setting and democratic structures</li> <li>• Improved understanding of the issues surrounding resource allocation</li> <li>• Improvements in the councillor-resident relationship</li> <li>• Improvements in the political efficacy, social capital and social cohesiveness of the community</li> <li>• Increased engagement from hard-to-reach groups</li> <li>• Increased levels of community and voluntary sector involvement (relates to NI 3)</li> <li>• Increased empowerment of Councillors</li> <li>• Increased satisfaction with local services (relates to NI 5)</li> <li>• Increased community cohesion (relates to NI 1)</li> <li>• Increased community capacity in an area</li> <li>• Decisions are made in less time than in the past; more decisions taken using the same resources; better quality of decisions, such as fewer reversals of previous decisions</li> <li>• Allocative efficiency e.g. reallocation of resources to better reflect the wishes of citizens</li> <li>• Distributive efficiency e.g. reallocation of resources in favour of those in greatest need</li> <li>• Have the costs of engaging local people in decision making increased or decreased as a result of the process?</li> </ul>	<ul style="list-style-type: none"> <li>• Local area report self assessment questions <ul style="list-style-type: none"> <li>- Participant feedback</li> <li>- Councillor feedback</li> </ul> </li> <li>• Case study stakeholder interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to participate in the evaluation</li> <li>• Participatory Budgeting event may not be held within the evaluation timescales</li> <li>• May be difficult to collect historical data if outcome-related data has not been previously collated</li> <li>• Low response rate to resident/Councillor survey</li> </ul>
			

	Research questions	Method/tools	Issues/risks
<b>Impacts</b>	<p><b>What are the possible long term changes that are likely to occur as a result of the Participatory Budgeting process?</b></p> <p><i>Study areas will be asked whether they expect the following to be achieved in either the short or the long-term and whether they intend to monitor these changes over the long-term:</i></p> <p><i>Potential changes to be explored:</i></p> <ul style="list-style-type: none"> <li>• Improved Governance processes</li> <li>• Improved quality of life</li> <li>• Increased re-engagement with local democratic processes e.g. Increased turnout to local elections</li> <li>• Increased satisfaction with local services (relates to NI 5)</li> <li>• Increased community cohesion (relates to NI 1)</li> <li>• Increased influence on local decisions (relates to NI 4)</li> <li>• Wider changes to the way public service providers work with local communities to take budgeting decisions, e.g. greater use of Participatory Budgeting across a wider range of services.</li> </ul>	<ul style="list-style-type: none"> <li>• Local area report self assessment questions</li> <li>• Case study stakeholder interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to participate in the evaluation</li> <li>• Participatory Budgeting event may not be held within the evaluation timescales</li> <li>• May be difficult to collect historical data if impact-related data has not been previously collated</li> <li>• Low response rate to resident/Councillor survey</li> <li>• Availability of impact-related baseline indicators at the appropriate spatial levels and over the time period required</li> </ul>

## Evaluation framework for the local projects/services funded by Participatory Budgeting

Theme	Research questions	Method/tools	Issues/risks
<b>Context</b>	<p><b>What was the situation before the new 'local project'/specific intervention developed by the Participatory Budgeting process?</b></p> <ul style="list-style-type: none"> <li>What issues/problems was the 'local project' or change to services aimed at addressing?</li> </ul>	<ul style="list-style-type: none"> <li>Local area report self assessment questions</li> <li>Case study stakeholder interviews</li> </ul>	<ul style="list-style-type: none"> <li>Participatory Budgeting activities may not be commissioned within the evaluation timescales</li> </ul>
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<b>Objectives</b>	<p><b>What are the objectives of the individual 'local projects'/change in service provision which have come about as a result of the Participatory Budgeting process?</b></p> <p><i>Potential objectives to explore:</i></p> <ul style="list-style-type: none"> <li>To increase resources coming into the area</li> <li>Increased empowerment</li> <li>Improve the efficiency of use of resources</li> <li>To increase responsiveness of public services</li> <li>Improve the quality of services</li> <li>Increase the frequency of services</li> <li>Change the way services are accessed</li> <li>Provide new facilities or services</li> <li>Improve sense of community</li> <li>Other (please specify)</li> </ul>	<ul style="list-style-type: none"> <li>Local area report self assessment questions</li> <li>Case study stakeholder interviews</li> </ul>	<ul style="list-style-type: none"> <li>Capacity to participate in the evaluation</li> <li>Participatory Budgeting activities may not be commissioned within the evaluation timescales</li> </ul>
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	Research questions	Method/tools	Issues/risks
Inputs	<p><b>What resources were required to deliver the 'local projects'/change in service provision?</b></p> <ul style="list-style-type: none"> <li>• How much money was allocated to individual project/change in services as a result of the Participatory Budgeting process?</li> <li>• What resources were used to deliver the individual projects/change in service – staff/volunteer time, capital equipment etc.?</li> <li>• How much money has been/is intended to be allocated by the Participatory Budgeting process on a project by project basis?</li> <li>• What resources were used to deliver the individual projects/change in service?</li> <li>• How much money has been/is intended to be allocated by the Participatory Budgeting process to the individual projects/services?</li> <li>• Over what time period was money allocated?</li> <li>• Over what time period does the activity require money?</li> </ul>	<ul style="list-style-type: none"> <li>• Local area report self assessment questions <ul style="list-style-type: none"> <li>- Cost tool</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to participate in the evaluation</li> <li>• Participatory Budgeting activities may not be commissioned within the evaluation timescales</li> <li>• May be difficult to collect historical data if cost-related data has not been previously collated by an area</li> </ul>
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Process/ activities	<p><b>What was the process for developing and selecting proposals?</b></p> <ul style="list-style-type: none"> <li>• What was the process for developing proposals for projects/changes to services? And to what extent were citizens involved?</li> <li>• Were organisations supported to develop their proposals? If so, how?</li> </ul>	<ul style="list-style-type: none"> <li>• Local area report self assessment questions</li> <li>• Case study stakeholder interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to participate in the evaluation</li> <li>• Participatory Budgeting activities may not be commissioned within the evaluation timescales</li> </ul>

	Research questions	Method/tools	Issues/risks
	<p><b>How were the resultant activities delivered?</b></p> <ul style="list-style-type: none"> <li>• What indicators of performance were there for the 'local projects'/services?</li> <li>• How have the 'local projects'/change in service been delivered in the area of operation?</li> <li>• Over what timescale were projects expected to make a difference?</li> </ul>	<ul style="list-style-type: none"> <li>• Local project data</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to participate in the evaluation</li> <li>• Participatory Budgeting activities may not be commissioned within the evaluation timescales</li> <li>• Lack of performance measurement data</li> </ul>
	<p><b>Barriers and critical success factors</b></p> <ul style="list-style-type: none"> <li>• What are the main barriers to the set-up and delivery of the Participatory Budgeting project/change in service delivery?</li> <li>• What critical success factors are necessary to ensure the effective delivery the Participatory Budgeting project/change in service delivery?</li> </ul>	<ul style="list-style-type: none"> <li>• Local area report self assessment questions</li> <li>• Case study stakeholder interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to participate in the evaluation</li> <li>• Participatory Budgeting activities may not be commissioned within the evaluation timescales</li> </ul>
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Results/ outputs	<p><b>What were the immediate and measurable results of the projects/change to service provision?</b></p> <ul style="list-style-type: none"> <li>• What type and how many beneficiaries benefited from the individual project activity/change in service provision? How was/is this different to what went before?</li> <li>• Was there an increased take-up of project activities/services? If so, how was/is this different to what went before?</li> <li>• Was there an increased level of satisfaction with the service/in the area covered by the Participatory Budgeting process? If so, how was/is this different to what went before?</li> </ul>	<ul style="list-style-type: none"> <li>• Local project outputs</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to participate in the evaluation</li> <li>• Participatory Budgeting activities may not be commissioned within the evaluation timescales</li> <li>• Timescale may mean it is too early to measure the outputs of the resultant Participatory Budgeting activities</li> </ul>
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	Research questions	Method/tools	Issues/risks
<b>Outcomes</b>	<p><b>How have the projects/change in service provision changed the behaviour and well-being of beneficiaries and service performance?</b></p> <p><b>What changes to service provision were made as a result of the process, e.g. different frequencies, different access points etc.?</b></p> <p><i>Consideration will be given to the effects on participants, the wider community and the decision-making process.</i></p> <p><i>Potential short term changes may include:</i></p> <ul style="list-style-type: none"> <li>• Increased resources into the area</li> <li>• Improved quality of services/project activities</li> <li>• Increased satisfaction in relation to services</li> <li>• Better tailored services</li> <li>• Increased community cohesion</li> <li>• Increased community engagement</li> <li>• More efficient service delivery, including: <ul style="list-style-type: none"> <li>- Productive efficiency e.g. increases in customer satisfaction, improvements in service quality at no (or minimal) additional cost, reduction in the unit cost of services</li> <li>- Allocative efficiency e.g. reallocation of resources to better reflect the wishes of citizens</li> <li>- Distributive efficiency e.g. reallocation of resources in favour of those in greatest need</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Local area report self assessment questions</li> <li>• Case study stakeholder interviews</li> <li>• Local project data</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to participate in the evaluation</li> <li>• Participatory Budgeting activities may not be commissioned within the evaluation timescales</li> <li>• Timescale may mean it is too early to measure the outcomes of the resultant Participatory Budgeting activities</li> </ul>
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	Research questions	Method/tools	Issues/risks
Impacts	<p><b>What are the possible long term changes that are likely to occur as a result of the Participatory Budgeting activities?</b></p> <p><i>Consideration will be given to the effects on participants, the wider community and the decision-making process.</i></p> <p><i>Potential long term changes to be explored:</i></p> <ul style="list-style-type: none"> <li>• Better focus on issues of <i>social exclusion</i> and neighbourhood renewal, bringing clear benefits to the poorest neighbourhoods.</li> </ul>	<ul style="list-style-type: none"> <li>• Local area report self assessment questions</li> <li>• Case study stakeholder interviews</li> <li>• Local project data</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to participate in the evaluation</li> <li>• Participatory Budgeting activities may not be commissioned within the evaluation timescales</li> <li>• Timescale may mean it is too early to measure the impacts of the resultant Participatory Budgeting activities</li> </ul>

## Annex B: National Indicator Set<sup>31</sup> (used 2008 May 2010)

NI	Title of national indicator
1	% of people who believe people from different backgrounds get on well together in their local area
2	% of people who feel that they belong to their neighbourhood
3	Civic participation in the local area
4	% of people who feel they can influence decisions in their locality
5	Overall / general satisfaction with local area
6	Participation in regular volunteering
7	Environment for a thriving third sector
8	Adult participation in sport and active recreation
9	Use of public libraries
10	Visits to museums and galleries
11	Engagement in the arts
12	Refused and deferred Houses in Multiple Occupation (HMO) license applications leading to immigration enforcement activity
13	Migrants' English language skills and knowledge
14	Reducing avoidable contact: minimising the proportion of customer contact that is of low or no value to the customer
15	Serious violent crime
16	Serious acquisitive crime
17	Perceptions of anti-social behaviour
18	Adult re-offending rates for those under probation supervision
19	Rate of proven re-offending by young offenders
20	Assault with injury crime rate
21	Dealing with local concerns about anti-social behaviour and crime issues by the local council and police
22	Perceptions of parents taking responsibility for the behaviour of their children in the area
23	Perceptions that people in the area treat one another with respect and consideration
24	Satisfaction with the way the police and local council dealt with anti-social behaviour
25	Satisfaction of different groups with the way the police and local council dealt with anti-social behaviour
26	Specialist support to victims of a serious sexual offence

<sup>31</sup> The National Indicator set is currently being replaced but it is included here because it was extant during the time activities were carried out which are the subject of this study.

<b>NI</b>	<b>Title of national indicator</b>
27	Understanding of local concerns about anti-social behaviour and crime issues by the local council and police
28	Serious knife crime rate
29	Gun crime rate
30	Re-offending rate of prolific and priority offenders
31	Re-offending rate of registered sex offenders
32	Repeat incidents of domestic violence
33	Arson incidents
34	Domestic violence – murder
35	Building resilience to violent extremism
36	Protection against terrorist attack
37	Awareness of civil protection arrangements in the local area
38	Drug-related (Class A) offending rate
39	Rate of Hospital Admissions per 100,000 for Alcohol Related Harm
40	Number of drug users recorded as being in effective treatment
41	Perceptions of drunk or rowdy behaviour as a problem
42	Perceptions of drug use or drug dealing as a problem
43	Young people within the Youth Justice System receiving a conviction in court who are sentenced to custody
44	Ethnic composition of offenders on Youth Justice System disposals
45	Young offenders' engagement in suitable education, training and employment
46	Young Offenders' access to suitable accommodation
47	People killed or seriously injured in road traffic accidents
48	Children killed or seriously injured in road traffic accidents
49	Number of primary fires and related fatalities and non-fatal casualties (excluding precautionary checks)
50	Emotional health of children
51	Effectiveness of child and adolescent mental health (CAMHS) services
52	Take up of school lunches
53	Prevalence of breast-feeding at six - eight wks from birth
54	Services for disabled children
55	Obesity in primary school age children in Reception
56	Obesity in primary school age children in Year 6
57	Children and young people's participation in high-quality PE and sport
58	Emotional and behavioural health of looked after children
59	Percentage of initial assessments for children's social care carried out within seven working days of referral

<b>NI</b>	<b>Title of national indicator</b>
60	Percentage of core assessments for children's social care that were carried out within 35 working days of their commencement.
61	Timeliness of placements of looked after children for adoption following an agency decision that the child should be placed for adoption
62	Stability of placements of looked after children: number of placements
63	Stability of placements of looked after children: length of placement
64	Child Protection Plans lasting two years or more
65	Percentage of children becoming the subject of Child Protection Plan for a second or subsequent time
66	Looked after children cases which were reviewed within required timescales
67	Percentage of child protection cases which were reviewed within required timescales
68	Percentage of referrals to children's social care going on to initial assessment
69	Children who have experienced bullying
70	Hospital admissions caused by unintentional and deliberate injuries to children and young people
71	Children who have run away from home/care overnight
72	Achievement of at least 78 points across the Early Years Foundation Stage with at least 6 in each of the scales in Personal, Social and Emotional Development and Communication, Language and Literacy
73	Achievement at level 4 or above in both English and Maths at Key Stage 2
74	Achievement at level 5 or above in both English and Maths at Key Stage 3
75	Achievement of five or more A*- C grades at GCSE or equivalent including English and Maths
76	Reduction in number of schools where fewer than 65% of pupils achieve level 4 or above in both English and Maths at KS2
77	Reduction of schools where fewer than 50% of pupils achieve level 5 or above in both English and Maths at KS3
78	Reduction in number of schools where fewer than 30% of pupils achieve 5 or more A*- C grades at GCSE and equivalent including GCSEs in English and Maths
79	Achievement of a Level 2 qualification by the age of 19
80	Achievement of a Level 3 qualification by the age of 19
81	Inequality gap in the achievement of a Level 3 qualification by the age of 19
82	Inequality gap in the achievement of a Level 2 qualification by the age of 19
83	Achievement at Level 5 or above in Science at Key Stage 3
84	Achievement of two or more A*- C grades in Science GCSEs or equivalent
85	Post-16 participation in physical sciences (A Level Physics, Chemistry and Maths)
86	Secondary schools judged as having good or outstanding standards of behaviour
87	Secondary school persistent absence rate
88	Percentage of schools providing access to extended services

<b>NI</b>	<b>Title of national indicator</b>
89	Reduction of number of schools judged as requiring special measures and improvement in time taken to come out of the category
90	Take up of 14-19 learning diplomas
91	Participation of 17 year-olds in education or training
92	Narrowing the gap between the lowest achieving 20% in the Early Years Foundation Stage Profile and the rest
93	Progression by two levels in English between Key Stage 1 and Key Stage 2
94	Progression by two levels in Maths between Key Stage 1 and Key Stage 2
95	Progression by two levels in English between Key Stage 2 and Key Stage 3
96	Progression by two levels in Maths between Key Stage 2 and Key Stage 3
97	Progression by two levels in English between Key Stage 3 and Key Stage 4
98	Progression by two levels in Maths between Key Stage 3 and Key Stage 4
99	Looked after children reaching level 4 in English at Key Stage 2
100	Looked after children reaching level 4 in mathematics at Key Stage 2
101	Looked after children achieving 5 A*-C GCSEs (or equivalent) at Key Stage 4 (including English and mathematics)
102	Achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stages 2 and 4
103	Special Educational Needs – statements issued within 26 weeks
104	The Special Educational Needs (SEN)/non-SEN gap – achieving Key Stage 2 English and Maths threshold
105	The Special Educational Needs (SEN)/non-SEN gap – achieving 5 A* - C GCSE including English and Maths
106	Young people from low income backgrounds progressing to higher education
107	Key Stage 2 attainment for Black and minority ethnic groups
108	Key Stage 4 attainment for Black and minority ethnic groups
109	Delivery of Sure Start Children's Centres
110	Young people's participation in positive activities
111	First time entrants to the Youth Justice System aged 10 – 17
112	Under 18 conception rate
113	Prevalence of Chlamydia in under 25 year olds
114	Rate of permanent exclusions from school
115	Substance misuse by young people
116	Proportion of children in poverty
117	16 to 18 year olds who are not in education, employment or training (NEET)
118	Take up of formal childcare by low-income working families
119	Self-reported measure of people's overall health and wellbeing
120	All-age all cause mortality rate

<b>NI</b>	<b>Title of national indicator</b>
121	Mortality rate from all circulatory diseases at ages under 75
122	Mortality rate from all cancers at ages under 75
123	Stopping smoking
124	People with a long-term condition supported to be independent and in control of their condition
125	Achieving independence for older people through rehabilitation / intermediate care
126	Early Access for Women to Maternity Services
127	Self reported experience of social care users
128	User reported measure of respect and dignity in their treatment
129	End of life care – access to appropriate care enabling people to be able to choose to die at home
130	Social Care clients receiving Self Directed Support per 100,000 population
131	Delayed transfers of care
132	Timeliness of social care assessment (all adults)
133	Timeliness of social care packages following assessment
134	The number of emergency bed days per head of weighted population
135	Carers receiving needs assessment or review and a specific carer's service, or advice and information
136	People supported to live independently through social services (all adults)
137	Healthy life expectancy at age 65
138	Satisfaction of people over 65 with both home and neighbourhood
139	The extent to which older people receive the support they need to live independently at home
140	Fair treatment by local services
141	Percentage of vulnerable people achieving independent living
142	Percentage of vulnerable people who are supported to maintain independent living
143	Offenders under probation supervision living in settled and suitable accommodation at the end of their order or licence
144	Offenders under probation supervision in employment at the end of their order or licence
145	Adults with learning disabilities in settled accommodation
146	Adults with learning disabilities in employment
147	Care leavers in suitable accommodation
148	Care leavers in education, employment or training
149	Adults in contact with secondary mental health services in settled accommodation
150	Adults in contact with secondary mental health services in employment
151	Overall Employment rate (working-age)
152	Working age people on out of work benefits

<b>NI</b>	<b>Title of national indicator</b>
153	Working age people claiming out of work benefits in the worst performing neighbourhoods
154	Net additional homes provided
155	Number of affordable homes delivered (gross)
156	Number of households living in temporary accommodation
157	Processing of planning applications
158	% non-decent council homes
159	Supply of ready to develop housing sites
160	Local authority tenants' satisfaction with landlord services
161	Learners achieving a Level 1 qualification in literacy
162	Learners achieving an Entry Level 3 qualification in numeracy
163	Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 2 or higher
164	Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 3 or higher
165	Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 4 or higher
166	Median earnings of employees in the area
167	Congestion – average journey time per mile during the morning peak
168	Principal roads where maintenance should be considered
169	Non-principal classified roads where maintenance should be considered
170	Previously developed land that has been vacant or derelict for more than 5 years
171	New business registration rate
172	Percentage of small businesses in an area showing employment growth
173	Flows on to incapacity benefits from employment
174	Skills gaps in the current workforce reported by employers
175	Access to services and facilities by public transport, walking and cycling
176	Working age people with access to employment by public transport (and other specified modes)
177	Local bus and light rail passenger journeys originating in the authority area
178	Bus services running on time
179	Value for money – total net value of ongoing cash-releasing value for money gains that have impacted since the start of the 2008-09 financial year
180	The number of changes of circumstances which affect customers' HB/CTB benefit entitlement within the year.
181	Time taken to process Housing Benefit/Council Tax Benefit new claims and change events
182	Satisfaction of business with local authority regulatory services
183	Impact of local authority trading standards services on the fair trading environment

<b>NI</b>	<b>Title of national indicator</b>
184	Food establishments in the area which are broadly compliant with food hygiene law
185	CO2 reduction from local authority operations
186	Per capita reduction in CO2 emissions in the local authority area
187	Tackling fuel poverty – % of people receiving income based benefits living in homes with a low energy efficiency rating
188	Planning to Adapt to Climate Change
189	Flood and coastal erosion risk management
190	Achievement in meeting standards for the control system for animal health
191	Residual household waste per household
192	Percentage of household waste sent for reuse, recycling and composting
193	Percentage of municipal waste landfilled
194	Air quality – % reduction in NOx and primary PM10 emissions through local authority's estate and operations
195	Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly-posting)
196	Improved street and environmental cleanliness – fly tipping
197	Improved Local Biodiversity – proportion of Local Sites where positive conservation management has been or is being implemented
198	Children travelling to school – mode of transport usually used
199	Children and young people's satisfaction with parks and play areas

# Annex C: The Participatory Budgeting Unit's: values, principles and standards of Participatory Budgeting

Value	Principle	Standards
<p>Local Ownership</p> <ul style="list-style-type: none"> <li>Involve people affected by Participatory Budgeting in decisions about Participatory Budgeting processes and projects</li> <li>Ensure local representation is supported by the wider community</li> <li>Encourage individuals and communities – particularly those traditionally marginalised or excluded – to participate</li> </ul>	<ul style="list-style-type: none"> <li>Residents should be involved in setting budget priorities and identifying projects for public spend in their area wherever possible</li> </ul>	<ul style="list-style-type: none"> <li>Because people often immediately identify with issues in their own neighbourhoods, budget allocation should apply to neighbourhood level, or the lowest level possible.</li> <li>A Participatory Budgeting process must begin early enough in the budget cycle for residents to influence both priority setting and project identification where appropriate, and to be able to see that they have influenced budgetary decisions</li> <li>There should be wide representation of the community where possible. If representation is limited, other measures should be put in place to stop results being skewed</li> </ul>
<p>Direct Involvement</p> <ul style="list-style-type: none"> <li>Promote direct involvement of communities in Participatory Budgeting processes particularly in budget decisions</li> <li>Provide and promote training, development or capacity-building that support direct community involvement</li> </ul>	<ul style="list-style-type: none"> <li>Participatory Budgeting should involve direct as well as representative engagement wherever possible</li> </ul>	<ul style="list-style-type: none"> <li>Direct and open involvement of residents in budget decisions will replace the funding allocation and grant-giving work of resident panels, grants panels, committees and sub-groups wherever practicable</li> <li>Budget literacy programmes and seminars and workshops around direct democracy will support this</li> </ul>
<p>Support for representative democracy</p> <ul style="list-style-type: none"> <li>Promoting and supporting representative democracy</li> <li>Developing both representative and participatory models to work alongside each other</li> </ul>	<ul style="list-style-type: none"> <li>Participation mechanisms such as Participatory Budgeting should be seen as supporting representative democracy rather</li> </ul>	<ul style="list-style-type: none"> <li>Local councillors should be involved from the start of any Participatory Budgeting process and participate in designing it with local people</li> <li>PB organisers and councillors need to consider the role of councillors in the Participatory Budgeting process and whether or not it is appropriate for them to be involved in influencing or participating in a vote</li> <li>Councillors should ratify decisions made by local people as soon after they have voted as possible, preferably at the same meeting</li> </ul>

Value	Principle	Standards
	<p>than undermining it. Councillors hold a unique position as community advocates and champions. Participatory Budgeting can increase citizens' trust of councillors and boost the role of ward councillors</p>	<ul style="list-style-type: none"> <li>• If in exceptional circumstances a decision is overturned, it should be explained to the local people involved in the Participatory Budgeting process quickly and clearly, to minimise any sense of disempowerment</li> <li>• The steering group managing the Participatory Budgeting process should choose the method of voting or decision-making carefully. An inclusive and empowering method should always be chosen over any method that excludes or divides people, which could take power away from communities and undermine Participatory Budgeting</li> </ul>
Mainstream Involvement	<ul style="list-style-type: none"> <li>• Over time Participatory Budgeting processes should move towards residents being involved in decisions over mainstream budgets (as opposed to only small grants processes)</li> </ul>	<ul style="list-style-type: none"> <li>• Small grants processes should generally be seen as a way of introducing and testing Participatory Budgeting processes, rather than an end in themselves</li> <li>• Practitioners should state publicly that their long-term aim in using Participatory Budgeting is to engage citizens in decisions on mainstream budgets (or the investment part of these budgets)</li> <li>• Capacity-building and budget literacy programmes to enable citizens to participate effectively in mainstream budgetary processes should support these aims</li> <li>• Cross-partner themes are beneficial in Participatory Budgeting processes, and pooled or partner cross-budgeting processes should be encouraged where possible</li> </ul>
Accessibility	<ul style="list-style-type: none"> <li>• Promote Participatory Budgeting models where mainstream funding is used and repeated annually</li> <li>• Promote the community capacity-building needed for good decision-making on mainstream budgets</li> </ul>	<ul style="list-style-type: none"> <li>• Participants must have good and clear access to Participatory Budgeting processes</li> <li>• Representation of all groups in the area should be monitored, especially to include minority and hard-to-reach groups. The results can be used to inform future Participatory Budgeting processes</li> <li>• Language should be understandable and technology should be manageable for people attending Participatory Budgeting events or being given information about Participatory Budgeting</li> </ul>

Value	Principle	Standards
widely and appropriately		<ul style="list-style-type: none"> <li>• Attractive and targeted marketing and publicity should make sure anyone knows about Participatory Budgeting events and how they can get involved</li> <li>• Desirable levels of accessibility and equal representation should be agreed and monitored; including the involvement of traditionally marginalised or excluded groups</li> <li>• Wider accessibility issues such as transport and childcare should be considered when selecting venues and arranging dates and times</li> <li>• For good community representation, the role of children and young people should be considered. The steering group should decide whether or not they can vote. If not, specific Participatory Budgeting processes for children and young people should be considered, where possible</li> </ul>
Transparency	<ul style="list-style-type: none"> <li>• Have open and clear processes</li> <li>• Involve communities in scrutiny of Participatory Budgeting-funded projects or programmes</li> <li>• Provide full and open information on all public budgets</li> </ul>	<ul style="list-style-type: none"> <li>• Participatory Budgeting 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</li> <li>• The true costs of all projects must be made known</li> <li>• The names and roles of all those with responsibility for managing and planning Participatory Budgeting processes must be published, and clear grievance procedures put in place</li> <li>• All rules devised for a Participatory Budgeting process must be drawn up in partnership with local residents</li> <li>• Any conflicts of interest for any person involved in the Participatory Budgeting process should be made public and absolutely clear</li> <li>• Budget literacy support should be provided and public budgets should be explained to those involved, to allow the best possible allocation of resources through the Participatory Budgeting process</li> <li>• True costs of Participatory Budgeting-funded projects should be widely known and reported consistently</li> <li>• The budget available for Participatory Budgeting processes should be clearly defined at the start of each year, and protected from being reduced by budget pressures within that year as far as possible</li> </ul>

Value	Principle	Standards
<p>Deliberation</p> <ul style="list-style-type: none"> <li>• Take part in a wide-ranging debate as an integral part of Participatory Budgeting</li> <li>• Support practices that promote thoughtful consideration</li> <li>• Support participative democracy</li> </ul>	<ul style="list-style-type: none"> <li>• Participatory Budgeting processes should take citizens beyond personal choice and involve real deliberation around budget decisions</li> </ul>	<ul style="list-style-type: none"> <li>• The physical space at Participatory Budgeting events should allow for people to group together to discuss and reflect before they vote or make decisions</li> <li>• The programme at each Participatory Budgeting event should allow time for people to think and deliberate before they vote and make decisions</li> <li>• Resources should be available to facilitate deliberation at Participatory Budgeting events</li> <li>• Facilitators should make sure all voices are heard, not just the loudest. Intimidation of any form should not be tolerated at Participatory Budgeting events</li> <li>• Suitable, interesting and fun deliberation processes should be used to help everyone participate</li> </ul>
<p>Empowerment</p> <ul style="list-style-type: none"> <li>• Promote empowerment of individuals and communities</li> <li>• Promote active citizenship to create better public services</li> <li>• Support a stronger civil society</li> <li>• Promote community development and capacity-building within Participatory Budgeting</li> </ul>	<ul style="list-style-type: none"> <li>• Participatory Budgeting events are centrally concerned with empowering local citizens in decisions over local services and shaping their local area through allocating part of a public budget</li> </ul>	<ul style="list-style-type: none"> <li>• Although there may be several reasons for starting a Participatory Budgeting project, all publicity, events and processes should make clear that empowering local people is a priority</li> <li>• Citizens, officers, councillors and partners should plan and lead Participatory Budgeting events together, demonstrating local people's empowerment</li> <li>• Evaluation should explore how well Participatory Budgeting has empowered people</li> <li>• Good capacity-building is essential for good community empowerment and should always be used in Participatory Budgeting processes</li> </ul>
<p>Shared responsibility</p> <ul style="list-style-type: none"> <li>• Have clarity and transparency in the aims of Participatory Budgeting projects</li> <li>• Involve all stakeholders in setting the aims of Participatory Budgeting projects</li> </ul>	<ul style="list-style-type: none"> <li>• Participatory Budgeting should build common purpose and a commitment from all stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• The programme's aims should be agreed in a democratic and deliberative forum that involves members of the affected community</li> <li>• Roles and responsibilities should be agreed between those involved</li> <li>• The process should be adapted to suit the local situation and meet the needs of all stakeholders</li> </ul>

Value	Principle	Standards
<ul style="list-style-type: none"> <li>• Have clear roles and responsibilities in Participatory Budgeting projects</li> <li>• Develop communities' sense of ownership and responsibility for their local areas</li> </ul>		<ul style="list-style-type: none"> <li>• Community development practices should be used to bring communities and statutory agencies together to feel shared ownership and responsibility for local areas</li> </ul>

# Annex D: Costs of inputs to the Participatory Budgeting process

## Introduction

- D.1 Chapter 4 summarised the time inputs to the Participatory Budgeting process in the eight case studies and presented an overall estimate of the public sector resources (both in-kind and financial) that were used in the Participatory Budgeting process in the case study areas as well as the value of resident time inputs. This Annex provides more detail of the financial and non-financial elements of set-up, decision-making and on no-going management costs which underpin the summary figures and unit costs.

## Non-financial inputs to the set-up phase

### *Time inputs to the set-up phase*

- D.2 Table D-1 presents the evidence on the time inputs identified by the respondents as being necessary to set up the Participatory Budgeting process. The number of individuals involved is recorded and these are categorised according to whether they were residents, local authority staff, councillors, Housing Association staff, New Deal for Communities staff or staff or volunteers from the voluntary sector. These are total inputs in the sense that they reflect no adjustment for whether the resources would have been incurred anyway in providing some form of community engagement in the absence of Participatory Budgeting. This adjustment is made later in this section. The total population contained in the area that was the subject of the Participatory Budgeting process is also provided.
- D.3 Where the Participatory Budgeting activity was at the specific neighbourhood level the range on labour input was from six to 31 individuals, with resident involvement ranging from one to 15 residents. The average local authority staff input ranged from four to 14 members of staff and the number of councillors involved in the set-up process ranged from zero to four.
- D.4 For the local authority-wide schemes the total number of individuals was higher, as we might expect, suggesting the potential for significant economies of scale compared with the set-up of neighbourhood-level schemes. For the four case studies able to provide data, the total number of individuals involved ranged from 20 to 63. Resident input during this initial set-up phase was not substantially higher than the neighbourhood-level schemes, ranging from zero to 50. Local authority staff input ranged from four to eight officers, but the range of experience on councillor input was substantially greater (two to 59).

**Table D-1: Total time input to the set-up phase – number of people involved:**

	Neighbourhood-level Participatory Budgeting activity			Local authority-wide Participatory Budgeting activity		
	No. case studies	Range		No. case studies	Range	
		Low	High		Low	High
Residents	5	1	15	4	0	50
Local Authority staff	5	4	14	4	4	8
Councillors	5	0	4	4	2	59
Housing Association staff	5	0	1	4	0	2
New Deal for Communities staff	5	0	5	4	0	0
Voluntary organisations - staff	5	0	2	4	0	1
Voluntary orgs - volunteers	5	0	0	4	0	4
Other	5	0	4	4	0	3
<b>Total</b>	<b>5</b>	<b>6</b>	<b>31</b>	<b>4</b>	<b>20</b>	<b>63</b>
<b>Population of areas with data:</b>	<b>Total: 66,746 (mean 13,349)</b>			<b>Total: 661,575 (mean 165,394)</b>		
Note: the ranges in each row represent the minimum and maximum levels of involvement evidence from the case studies. Since the minima and maxima for different types of individual may come from different case studies, the Low and High columns may not sum to the Total range.						

- D.5 Table D-2 adds a further dimension to the level of resources incurred at the set-up stage by considering the total number of hours expended. For neighbourhood-level Participatory Budgeting schemes, the evidence suggests that total time inputs ranged from 25 to 640, suggestive of significant diversity in the approaches adopted, a finding reinforced by the evidence provided elsewhere in the report. Local authority staff inputted between 21 and 120 hours to the set-up, depending on the case study, and the range on resident time inputs was also wide, from three hours to 120 hours. Councillors inputted up to 64 hours to support the set-up of neighbourhood-level schemes. Where appropriate, New Deal for Communities staff inputted up to 320 hours and voluntary sector staff up to 96 hours.
- D.6 For those Participatory Budgeting schemes that were local authority-wide the range on set-up commitment suggests substantial economies in set-up if it is assumed that the typical level of service delivery was the same but provided over a much more extensive geography. The range on total set-up inputs across the case studies was from 186 hours to 1,056 hours. Much of this increase, compared with neighbourhood-level schemes, came from increased input from local authority staff and councillors. The range on resident inputs was similar between local authority-wide schemes and neighbourhood level schemes.

**Table D-2: Total time inputs to the set-up phase – estimated total time invested in hours**

	Neighbourhood-level Participatory Budgeting activity			Local authority-wide Participatory Budgeting activity		
	No. case studies	Range		No. case studies	Range	
		Low	High		Low	High
Residents	5	3	120	4	0	160
Local Authority staff	5	21	120	4	133	520
Councillors	5	0	64	4	14	536
Housing Association staff	5	0	8	4	0	4
New Deal for Communities staff	5	0	320	4	0	0
Voluntary organisations - staff	5	0	96	4	0	7
Voluntary orgs - volunteers	5	0	0	4	0	21
Other	5	0	10	4	0	10
<b>Total</b>	<b>5</b>	<b>25</b>	<b>640</b>	<b>4</b>	<b>186</b>	<b>1056</b>
<b>Population of areas with data:</b>	<b>Total: 66,746 (mean 13,349)</b>			<b>Total: 661,575 (mean 165,394)</b>		
Note: the ranges in each row represent the minimum and maximum levels of involvement evidence from the case studies. Since the minima and maxima for different types of individual may come from different case studies, the Low and High columns may not sum to the Total range.						

D.7 The case study respondents were asked to consider how many of the people identified as contributing time to the set-up of the process would have been involved in other forms of community engagement activity and how much time would they otherwise have committed in that way if Participatory Budgeting had not existed. With this information in place it was possible to calculate the additional set-up time inputs due to Participatory Budgeting in terms of both the number of people involved and the hours of time committed. Table D-3 and Table D-4 present the results. The evidence is clear. Much of the resource commitment identified in Table D-1 and Table D-2 would otherwise have been devoted to some form of community engagement so that the additional resource cost associated with Participatory Budgeting is relatively quite small. The overall range is between zero and 22 individuals at the neighbourhood level and zero to 13 individuals for local authority-wide Participatory Budgeting schemes. Resident input was more likely to be additional in the latter, whereas local authority input was more likely to be additional for neighbourhood-level schemes. In terms of the associated hours inputted, the additional time committed to set-up at the neighbourhood level ranged from zero to 131 and from zero to 468 for local authority-wide Participatory Budgeting schemes.

**Table D-3: Additional set-up time inputs due to Participatory Budgeting – number of people involved**

	Neighbourhood-level Participatory Budgeting activity			Local authority-wide Participatory Budgeting activity		
	No. case studies	Range		No. case studies	Range	
		Low	High		Low	High
Residents	5	0	4	3	0	10
Local Authority staff	5	0	12	3	0	3
Councillors	5	0	0	3	0	1
Housing Association staff	5	0	0	3	0	0
New Deal for Communities staff	5	0	3	3	0	0
Voluntary organisations - staff	5	0	1	3	0	0
Voluntary orgs - volunteers	5	0	0	3	0	0
Other	5	0	3	3	0	0
<b>Total</b>	<b>5</b>	<b>0</b>	<b>22</b>	<b>3</b>	<b>0</b>	<b>13</b>
<b>Population of areas with data:</b>	<b>Total: 66,746 (mean 13,349)</b>			<b>Total: 484,175 (mean 161,392)</b>		
Note: the ranges in each row represent the minimum and maximum levels of involvement evidence from the case studies. Since the minima and maxima for different types of individual may come from different case studies, the Low and High columns may not sum to the Total range.						

**Table D-4: Additional set-up time inputs due to Participatory Budgeting – additional hours of input**

	Neighbourhood-level Participatory Budgeting activity			Local authority-wide Participatory Budgeting activity		
	No. case studies	Range		No. case studies	Range	
		Low	High		Low	High
Residents	5	0	38	3	0	48
Local Authority staff	5	0	70	3	0	240
Councillors	5	0	10	3	0	228
Housing Association staff	5	0	0	3	0	0
New Deal for Communities staff	5	0	40	3	0	0
Voluntary organisations - staff	5	0	2	3	0	0
Voluntary orgs - volunteers	5	0	0	3	0	0
Other	5	0	3	3	0	3
<b>Total</b>	<b>5</b>	<b>0</b>	<b>131</b>	<b>3</b>	<b>0</b>	<b>468</b>
<b>Population of areas with data:</b>	<b>Total: 66,746 (mean 13,349)</b>			<b>Total: 484,175 (mean 161,392)</b>		
Note: the ranges in each row represent the minimum and maximum levels of involvement evidence from the case studies. Since the minima and maxima for different types of individual may come from different case studies, the Low and High columns may not sum to the Total range.						

### ***In-kind contributions to the set-up phase***

D.8 The case study respondents were also asked to identify the in-kind resource inputs spent in setting-up the Participatory Budgeting operation. Table D-5 shows that these inputs were very small for both categories of Participatory Budgeting.

**Table D-5: Total set-up in kind expenditure on set-up phase**

	Neighbourhood-level Participatory Budgeting activity			Local authority-wide Participatory Budgeting activity		
	No. case studies	Range		No. case studies	Range	
		Low	High		Low	High
Advertising and promotion (including newsletter and leaflet printing, website development, production of DVDs)	5	£0	£0	4	£0	£0
Venue hire and refreshments	5	£0	£40	4	£0	£600
Translation costs (including Plain English support)	5	£0	£0	4	£0	£0
Training support	5	£0	£0	4	£0	£0
Other consultancy costs (e.g. for facilitation)	5	£0	£0	4	£0	£300
Purchase of specialist equipment (e.g. electronic voting equipment)	5	£0	£0	4	£0	£100
Other	5	£0	£500	4	£0	£0
<b>Total estimated equivalent cost of in-kind contributions</b>	<b>5</b>	<b>£0</b>	<b>£540</b>	<b>4</b>	<b>£0</b>	<b>£1,000</b>
<b>Population of areas with data:</b>	<b>Total: 66,746 (mean 13,349)</b>			<b>Total: 661,575 (mean 165,394)</b>		
Note: the ranges in each row represent the minimum and maximum levels of involvement evidence from the case studies. Since the minima and maxima for different types of individual may come from different case studies, the Low and High columns may not sum to the Total range.						

D.9 The case study respondents were asked how much of the in-kind expenditure would otherwise have been in place providing some form of community engagement in the absence of Participatory Budgeting and this information was used to derive the additional set-up in kind expenditure due to Participatory Budgeting. The results are summarised in Table D-6. The additional in kind set-up costs are small for both types of Participatory Budgeting activity.

**Table D-6: Additional set-up in-kind expenditure due to Participatory Budgeting**

	Neighbourhood-level Participatory Budgeting activity			Local authority-wide Participatory Budgeting activity		
	No. case studies	Range		No. case studies	Range	
		Low	High		Low	High
Advertising and promotion (including newsletter and leaflet printing, website development, production of DVDs)	5	£0	£0	3	£0	£0
Venue hire and refreshments	5	£0	£40	3	£0	£0
Translation costs (including Plain English support)	5	£0	£0	3	£0	£0
Training support	5	£0	£0	3	£0	£0
Other consultancy costs (e.g. for facilitation)	5	£0	£0	3	£0	£0
Purchase of specialist equipment (e.g. electronic voting equipment)	5	£0	£0	3	£0	£0
Other	5	£0	£500	3	£0	£0
<b>Total</b>	<b>5</b>	<b>£0</b>	<b>£540</b>	<b>3</b>	<b>£0</b>	<b>£0</b>
<b>Population of areas with data:</b>	<b>Total: 66,746 (mean 13,349)</b>			<b>Total: 484,175 (161,392)</b>		
Note: the ranges in each row represent the minimum and maximum levels of involvement evidence from the case studies. Since the minima and maxima for different types of individual may come from different case studies, the Low and High columns may not sum to the Total range.						

## Non-financial inputs to run Participatory Budgeting

### *Time inputs at Participatory Budgeting decision-making events*

- D.10 This section considers the non-cash inputs (in terms of time and in-kind expenditure) spent in running a Participatory Budgeting scheme. The study sought data on the non-cash inputs for the decision making part of the process separately from those made to the management/delivery of Participatory Budgeting on an ongoing basis. Table D-7 shows the range of case study evidence on the number of people involved by provider and Table D-8 provides the range in time inputs identified. These inputs were all additional and thus were identified as being only those resource inputs that would not otherwise have been incurred in some other form of community engagement event if Participatory Budgeting had not existed.
- D.11 Table D-7 shows that between 82 and 819 individuals participated in decision making meetings for neighbourhood-level Participatory Budgeting schemes and for these schemes between 57 and 814 residents took part. For those

schemes operating across local authorities as a whole, up to 3,287 individuals participated. At the low end of the scale, one of the case studies operated across a local authority but was targeted at disadvantaged young people; hence the relatively small number of individuals involved. Resident input for these local authority-wide schemes ranged from 23 to 3,237. Significant staff input from local authorities was evident across both neighbourhood-level schemes (ranging from four to 15) and local authority-wide schemes (one to 39). Councillor involvement was also a significant element for local authority wide schemes, ranging from four to 57 across the five case studies of this type.

**Table D-7: Time inputs at Participatory Budgeting decision making events – number of people involved (all additional)**

	Neighbourhood-level Participatory Budgeting activity			Local authority-wide Participatory Budgeting activity		
	No. case studies	Range		No. case studies	Range	
		Low	High		Low	High
Residents	5	57	814	5	23	3237
Local Authority staff	5	4	15	5	1	39
Councillors	5	0	4	5	4	57
Housing Association staff	5	0	4	5	0	16
New Deal for Communities staff	5	0	11	5	0	0
Voluntary organisations - staff	5	0	10	5	0	1
Voluntary orgs - volunteers	5	0	1	5	0	25
Other	5	0	7	5	0	16
<b>Total</b>	<b>5</b>	<b>82</b>	<b>819</b>	<b>5</b>	<b>42</b>	<b>3287</b>
<b>Population of areas with data:</b>	<b>Total: 66,746 (mean 13,349)</b>			<b>Total: 854,875 (mean 170,975)</b>		
Note: the ranges in each row represent the minimum and maximum levels of involvement evidence from the case studies. Since the minima and maxima for different types of individual may come from different case studies, the Low and High columns may not sum to the Total range.						

- D.12 Table D-8 provides information on the estimated hours of time input at decision-making events. Again, this is all regarded as additional due to Participatory Budgeting. For neighbourhood-level schemes, the total time input to decision-making events ranged from 217 to 1,394 hours. Not surprisingly input from residents was the most significant component, ranging from 77 to 1,097 hours across the neighbourhood-level case studies. However, the case study evidence also shows that local authority staff were significantly involved in these events as were those from voluntary organisations and New Deal for Communities partnerships where relevant.
- D.13 For local authority-based Participatory Budgeting schemes, the total level of input ranged from 304 to 5,456 hours across these five case studies. Again,

resident input was substantial, ranging from 174 hours in one case up to a maximum of 3,069. There was very wide variation in terms of local authority staff input, which ranged from 20 hours to 2,120 hours.

**Table D-8: Time inputs at Participatory Budgeting decision-making events – estimated hours of input (all additional)**

	Neighbourhood-level Participatory Budgeting activity			Local authority-wide Participatory Budgeting activity		
	No. case studies	Range		No. case studies	Range	
		Low	High		Low	High
Residents	5	77	1097	5	174	3069
Local Authority staff	5	20	236	5	20	2120
Councillors	5	0	30	5	14	864
Housing Association staff	5	0	36	5	0	288
New Deal for Communities staff	5	0	150	5	0	0
Voluntary organisations - staff	5	0	120	5	0	0
Voluntary orgs - volunteers	5	0	5	5	0	450
Other	5	0	48	5	0	288
<b>Total</b>	<b>5</b>	<b>217</b>	<b>1394</b>	<b>5</b>	<b>304</b>	<b>5456</b>
<b>Population of areas with data:</b>	<b>Total: 66,746 (mean 13,349)</b>			<b>Total: 854,875 (mean 170,975)</b>		
Note: the ranges in each row represent the minimum and maximum levels of involvement evidence from the case studies. Since the minima and maxima for different types of individual may come from different case studies, the Low and High columns may not sum to the Total range.						

***Time spent managing the ongoing Participatory Budgeting process***

D.14 Table D-9 indicates the total amount of time estimated to be spent in managing the ongoing-Participatory Budgeting process according to the number of people involved. The largest input came from the residents. The reason that these inputs are so high is because a large number of residents are reported to have contributed to the ongoing oversight of projects influenced through the Participatory Budgeting process, for example via a relatively small part of the agenda on regular ward or area committees. Table D-9 shows that at the high end of the range a large number of people can be involved, but Table D-10 suggests that the amount of time spent per resident is quite small. Not surprisingly, local authority officers provided a more significant proportion of the time inputs to the ongoing Participatory Budgeting process, but once again there were considerable variations across the case studies as the ranges indicate.

**Table D-9: Total time spent managing the ongoing Participatory Budgeting process – number of people involved**

	Neighbourhood-level Participatory Budgeting activity			Local authority-wide Participatory Budgeting activity		
	No. case studies	Range		No. case studies	Range	
		Low	High		Low	High
Residents	5	7	820	5	0	3237
Local Authority staff	5	2	15	5	6	37
Councillors	5	0	8	5	1	57
Housing Association staff	5	0	4	5	0	1
New Deal for Communities staff	5	0	6	5	0	0
Voluntary organisations - staff	5	0	10	5	0	0
Voluntary orgs - volunteers	5	0	1	5	0	1
Other	5	0	1	5	0	4
<b>Total</b>	<b>5</b>	<b>15</b>	<b>859</b>	<b>5</b>	<b>13</b>	<b>3295</b>
<b>Population of areas with data:</b>	<b>Total: 66,746 (mean 13,349)</b>			<b>Total: 854,875 (mean 170,975)</b>		
Note: the ranges in each row represent the minimum and maximum levels of involvement evidence from the case studies. Since the minima and maxima for different types of individual may come from different case studies, the Low and High columns may not sum to the Total range.						

**Table D-10: Total time spent managing the ongoing Participatory Budgeting process- estimate total time invested in hours**

	Neighbourhood-level Participatory Budgeting activity			Local authority-wide Participatory Budgeting activity		
	No. case studies	Range		No. case studies	Range	
		Low	High		Low	High
Residents	5	56	3856	5	0	4890
Local Authority staff	5	21	2488	5	67	8929
Councillors	5	0	30	5	4	1128
Housing Association staff	5	0	36	5	0	17
New Deal for Communities staff	5	0	255	5	0	0
Voluntary organisations – staff	5	0	120	5	0	0
Voluntary orgs – volunteers	5	0	8	5	0	17
Other	5	0	8	5	0	84
<b>Total</b>	<b>5</b>	<b>146</b>	<b>6349</b>	<b>5</b>	<b>120</b>	<b>14448</b>
<b>Population of areas with data:</b>	<b>Total: 66,746 (mean 13,349)</b>			<b>Total: 854,875 (mean 170,975)</b>		
Note: the ranges in each row represent the minimum and maximum levels of involvement evidence from the case studies. Since the minima and maxima for different types of individual may come from different case studies, the Low and High columns may not sum to the Total range.						

D.15 The case study respondents were asked to consider how many people, and how much time, they would have provided to other forms of community engagement activity if Participatory Budgeting had not been in place. This information was used to calculate the additional resource inputs associated with the Participatory Budgeting ongoing delivery. Table D-11 shows that the range in additional time inputs arising from the Participatory Budgeting process for the neighbourhood Participatory Budgeting areas was from zero to 859 individuals and from zero to 169 individuals for the local authority-wide Participatory Budgeting areas.

**Table D-11: Additional ongoing time inputs to the Participatory Budgeting process – number of people involved**

	Neighbourhood-level Participatory Budgeting activity			Local authority-wide Participatory Budgeting activity		
	No. case studies	Range		No. case studies	Range	
		Low	High		Low	High
Residents	5	0	820	5	0	148
Local Authority staff	5	0	15	5	0	21
Councillors	5	0	4	5	0	48
Housing Association staff	5	0	4	5	0	1
New Deal for Communities staff	5	0	6	5	0	0
Voluntary organisations – staff	5	0	10	5	0	0
Voluntary orgs – volunteers	5	0	1	5	0	1
Other	5	0	1	5	0	4
<b>Total</b>	<b>5</b>	<b>0</b>	<b>859</b>	<b>5</b>	<b>0</b>	<b>169</b>
<b>Population of areas with data:</b>	<b>Total: 66,746 (mean 13,349)</b>			<b>Total: 854,875 (mean 170,975)</b>		
Note: the ranges in each row represent the minimum and maximum levels of involvement evidence from the case studies. Since the minima and maxima for different types of individual may come from different case studies, the Low and High columns may not sum to the Total range.						

D.16 Table D-12 shows that the additional number of ongoing hours invested in managing the Participatory Budgeting process ranges from 36 to 1,938 for neighbourhood level Participatory Budgeting activity and from 36 to 6,430 for local authority-wide Participatory Budgeting activity. There is wide variation across the case studies, but the evidence demonstrates the important role of local authority staff outside of the decision-making events themselves.

**Table D-12: Additional ongoing time inputs to the Participatory Budgeting process – number of hours invested**

	Neighbourhood-level Participatory Budgeting activity			Local authority-wide Participatory Budgeting activity		
	No. case studies	Range		No. case studies	Range	
		Low	High		Low	High
Residents	5	24	888	5	0	2175
Local Authority staff	5	5	1050	5	20	4255
Councillors	5	0	30	5	0	832
Housing Association staff	5	0	36	5	0	17
New Deal for Communities staff	5	0	205	5	0	0
Voluntary organisations - staff	5	0	120	5	0	0
Voluntary orgs - volunteers	5	0	4	5	0	17
Other	5	0	8	5	0	84
<b>Total</b>	<b>5</b>	<b>36</b>	<b>1938</b>	<b>5</b>	<b>36</b>	<b>6430</b>
<b>Population of areas with data:</b>	<b>Total: 66,746 (mean 13,349)</b>			<b>Total: 854,875 (mean 170,975)</b>		
Note: the ranges in each row represent the minimum and maximum levels of involvement evidence from the case studies. Since the minima and maxima for different types of individual may come from different case studies, the Low and High columns may not sum to the Total range.						

***In-kind expenditure on Participatory Budgeting events and the ongoing process***

- D.17 The case study respondents sought to identify the amount of in-kind expenditure that was being incurred in delivering Participatory Budgeting. Table D-13 shows that expenditure was quite small and none was identified at the local authority-wide Participatory Budgeting activity level.

**Table D-13: Total in-kind expenditure on delivering the Participatory Budgeting process**

	Neighbourhood-level Participatory Budgeting activity			Local authority-wide Participatory Budgeting activity		
	No. case studies	Range		No. case studies	Range	
		Low	High		Low	High
Advertising and promotion (including newsletter and leaflet printing, website development, production of DVDs)	5	£0	£850	5	£0	£0
Venue hire and refreshments	5	£0	£120	5	£0	£0
Translation costs (including Plain English support)	5	£0	£0	5	£0	£0
Training support	5	£0	£0	5	£0	£0
Other consultancy costs (e.g. for facilitation)	5	£0	£0	5	£0	£0
Purchase of specialist equipment (e.g. electronic voting equipment)	5	£0	£0	5	£0	£0
Other	5	£0	£0	5	£0	£0
<b>Total</b>	<b>5</b>	<b>£0</b>	<b>£970</b>	<b>5</b>	<b>£0</b>	<b>£0</b>
<b>Population of areas with data:</b>	<b>Total: 66,746 (mean 13,349)</b>			<b>Total: 854,875 (mean 170,975)</b>		
Note: the ranges in each row represent the minimum and maximum levels of involvement evidence from the case studies. Since the minima and maxima for different types of individual may come from different case studies, the Low and High columns may not sum to the Total range.						

D.18 As with the other items of expenditure, the case study managers provided an estimate of the level of on-going in-kind expenditure that would have been committed to some form of community engagement activity in the absence of Participatory Budgeting in their area. This information enabled an estimate of the additional ongoing in-kind expenditure associated with the Participatory Budgeting process. All of the in-kind expenditure at the neighbourhood level (there was none for the local authority-wide case studies) was additional as a result of Participatory Budgeting (Table D-14).

**Table D-14: Additional ongoing in-kind expenditure to the Participatory Budgeting process**

	Neighbourhood-level Participatory Budgeting activity			Local authority-wide Participatory Budgeting activity		
	No. case studies	Range		No. case studies	Range	
		Low	High		Low	High
Advertising and promotion (including newsletter and leaflet printing, website development, production of DVDs)	5	£0	£850	5	£0	£0
Venue hire and refreshments	5	£0	£120	5	£0	£0
Translation costs (including Plain English support)	5	£0	£0	5	£0	£0
Training support	5	£0	£0	5	£0	£0
Other consultancy costs (e.g. for facilitation)	5	£0	£0	5	£0	£0
Purchase of specialist equipment (e.g. electronic voting equipment)	5	£0	£0	5	£0	£0
Other	5	£0	£0	5	£0	£0
<b>Total</b>	<b>5</b>	<b>£0</b>	<b>£970</b>	<b>5</b>	<b>£0</b>	<b>£0</b>
<b>Population of areas with data:</b>	<b>Total: 66,746 (mean 13,349)</b>			<b>Total: 854,875 (mean 170,975)</b>		
Note: the ranges in each row represent the minimum and maximum levels of involvement evidence from the case studies. Since the minima and maxima for different types of individual may come from different case studies, the Low and High columns may not sum to the Total range.						

### Financial inputs to set-up Participatory Budgeting

D.19 The research across the Participatory Budgeting case study areas allowed an estimate of the gross financial inputs to the set-up phase of Participatory Budgeting to be identified. All financial costs are those incurred by the public sector. Table D-15 shows that the total financial input for neighbourhood level Participatory Budgeting activity ranged from £0 to £3,300 and from £0 to £51,300 for local authority-wide Participatory Budgeting activity. The high end of this range was dominated by a local authority which invested in more than £30,000 of electronic voting equipment as part of the set-up phase.

**Table D-15: Total financial inputs to the set-up phase (all public sector)**

	Neighbourhood-level Participatory Budgeting activity			Local authority-wide Participatory Budgeting activity		
	No. case studies	Range		No. case studies	Range	
		Low	High		Low	High
Advertising and promotion (including newsletter and leaflet printing, website development, production of DVDs)	4	£0	£2,500	5	£0	£8,000
Venue hire and refreshments	4	£0	£0	5	£0	£650
Translation costs (including Plain English support)	4	£0	£0	5	£0	£0
Training support	4	£0	£0	5	£0	£1,500
Other consultancy costs (e.g. for facilitation)	4	£0	£800	5	£0	£11,000
Purchase of specialist equipment (e.g. electronic voting equipment)	4	£0	£0	5	£0	£32,300
Other	4	£0	£0	5	£0	£0
<b>Total</b>	<b>4</b>	<b>£0</b>	<b>£3,300</b>	<b>5</b>	<b>£0</b>	<b>£51,300</b>
<b>Population of areas with data:</b>	<b>Total: 55,589 (mean 13,897)</b>			<b>Total: 933,175 (186,635)</b>		
Note: the ranges in each row represent the minimum and maximum levels of involvement evidence from the case studies. Since the minima and maxima for different types of individual may come from different case studies, the Low and High columns may not sum to the Total range.						

D.20 As with the other elements of resource input into the Participatory Budgeting setting-up process, the research probed for information on what would have been the level of finance committed to set-up costs of other forms of community engagement activity in the areas concerned in the absence of Participatory Budgeting. This information was used to produce an estimate of the additional financial costs associated with Participatory Budgeting set-up. Table D-16 shows that most of the financial set-up costs were regarded as being additional for both neighbourhood and local authority-wide types of Participatory Budgeting. The exceptions were venue hire and refreshments and training support, where the evidence suggests that significant proportion of these costs would have been incurred anyway.

**Table D-16: Additional financial set-up cost due to Participatory Budgeting**

	Neighbourhood-level Participatory Budgeting activity			Local authority-wide Participatory Budgeting activity		
	No. case studies	Range		No. case studies	Range	
		Low	High		Low	High
Advertising and promotion (including newsletter and leaflet printing, website development, production of DVDs)	4	£0	£2,500	5	£0	£8,000
Venue hire and refreshments	4	£0	£0	5	£0	£190
Translation costs (including Plain English support)	4	£0	£0	5	£0	£0
Training support	4	£0	£0	5	£0	£0
Other consultancy costs (e.g. for facilitation)	4	£0	£800	5	£0	£11,000
Purchase of specialist equipment (e.g. electronic voting equipment)	4	£0	£0	5	£0	£32,300
Other	4	£0	£0	5	£0	£0
<b>Total</b>	<b>4</b>	<b>£0</b>	<b>£3,300</b>	<b>5</b>	<b>£0</b>	<b>£51,300</b>
<b>Population of areas with data:</b>	<b>Total: 55,589 (mean 13,897)</b>			<b>Total: 933,175 (mean 186,635)</b>		
Note: the ranges in each row represent the minimum and maximum levels of involvement evidence from the case studies. Since the minima and maxima for different types of individual may come from different case studies, the Low and High columns may not sum to the Total range.						

### Financial costs of running Participatory Budgeting

- D.21 Eight of the ten case study areas were able to provide data on the total financial costs of running Participatory Budgeting. These financial costs are summarised in Table D-17 and again it is to be noted that all costs are public sector costs. The financial cost of running Participatory Budgeting in the neighbourhood-level Participatory Budgeting schemes varied from just under £1,000 to over £7,500 per annum. For local authority-wide schemes, the range was from £14,000 to almost £37,000 per annum.

**Table D-17: Total financial costs incurred in ongoing running of Participatory Budgeting (per annum) (all public sector)**

	Neighbourhood-level Participatory Budgeting activity			Local authority-wide Participatory Budgeting activity		
	No. case studies	Range		No. case studies	Range	
		Low	High		Low	High
Advertising and promotion (including newsletter and leaflet printing, website development, production of DVDs)	5	£265	£2,000	3	£11,000	£26,911
Venue hire and refreshments	5	£0	£1117	3	£2,700	£8,619
Translation costs (including Plain English support)	5	£0	£0	3	£0	£100
Training support	5	£0	£0	3	£0	£0
Other consultancy costs (e.g. for facilitation)	5	£0	£380	3	£0	£0
Purchase of specialist equipment (e.g. electronic voting equipment)	5	£0	£0	3	£0	£0
Other	5	£0	£5,544	3	£3,000	£10,750
<b>Total</b>	<b>5</b>	<b>£925</b>	<b>£7,640</b>	<b>3</b>	<b>£14,070</b>	<b>£36,926</b>
<b>Population of areas with data:</b>	<b>Total: 66,746 (mean 13,349)</b>			<b>Total: 452,775 (mean 150,925)</b>		
Note: the ranges in each row represent the minimum and maximum levels of involvement evidence from the case studies. Since the minima and maxima for different types of individual may come from different case studies, the Low and High columns may not sum to the Total range.						

D.22 Table D-17 shows that advertising and promotion and venue hire and refreshments accounted for a significant proportion of the financial costs of running Participatory Budgeting. As part of the case study work we explored the costs of Participatory Budgeting work in more detail and two examples are shown below.

D.23 Table D-18 provides an estimated budget breakdown for one of the local authority-wide case studies which incurred a financial cost of just under £37,000 in its first year. This case study was promoting Participatory Budgeting to a resident population of more than 215,000. Around 30 per cent of expenditure was on Borough-wide promotion through outdoor advertising (on bus shelters) as well as radio, TV and press advertising. Substantial printing costs were also incurred (estimated at 31%) which along with other costs took the proportion of total expenditure on advertising and promotion to

approximately 70 per cent. The decision-making events themselves accounted for approximately 30 per cent of expenditure.

**Table D-18: Financial costs of running Participatory Budgeting – a local authority-wide example**

<b>Item</b>	<b>% of expenditure</b>
<b>Advertising and promotion (including printing)</b>	
Outdoor advertising	5%
Radio	10%
TV	8%
Press	9%
Mailshots	4%
Pop-up stands	2%
Flyers and posters	3%
Printing (including brochure)	31%
<b>Events</b>	
Venue hire	12%
Catering	11%
Crèche	1%
Transport	4%
<b>Total</b>	<b>100%</b>
<b>Total expenditure per annum</b>	<b>£37,000</b>

D.24 Table D-19 shows a similar breakdown for one of the neighbourhood-based case studies which was promoting Participatory Budgeting to a resident population of just under 8,000 with annual expenditure of just under £5,000. Here the event costs themselves were low, mainly due to a free venue and absence of catering, but advertising and promotion expenditure, including follow-up newsletters, accounted for almost 90 per cent of expenditure.

**Table D-19: Financial costs of running Participatory Budgeting – a neighbourhood-based example**

Item	% of expenditure
<b>Advertising and promotion</b>	
Postage	15%
Stationery costs (paper and envelopes)	4%
Printing (letters, envelopes and voting sheets)	26%
Promotional pens	12%
Special newsletter printing	23%
Special newsletter delivery	8%
<b>Events</b>	
Venue hire (free)	0%
Catering (not provided)	0%
Prizes	4%
Vouchers	9%
Childcare costs	1%
<b>Total</b>	<b>100%</b>
<b>Total expenditure per annum</b>	<b>£4,600</b>

D.25 Following the approach adopted for the other elements of Participatory Budgeting resource costs, the research sought to establish the *additional* financial costs of running Participatory Budgeting across the case studies, over and above that which would have been incurred on other community engagement activity anyway. Table D-20 shows that for the neighbourhood-level Participatory Budgeting schemes, the range on total additional expenditure was from £925 to £7,640. For local authority-wide approaches to Participatory Budgeting, the range on additional expenditure was from £0 to almost £19,700. For local authority-wide schemes, the fact that the expenditure range is noticeably lower than the gross expenditures shown in Table D-20 demonstrates that Participatory Budgeting has tended to substitute for other forms of community engagement expenditure.

**Table D-20: Additional financial cost of running Participatory Budgeting**

	Neighbourhood-level Participatory Budgeting activity			Local authority-wide Participatory Budgeting activity		
	No. case studies	Range		No. case studies	Range	
		Low	High		Low	High
Advertising and promotion	5	£265	£2,000	3	£0	£9,060
Venue hire and refreshments	5	£0	£1117	3	£0	£3,375
Translation costs	5	£0	£0	3	£0	£0
Training support	5	£0	£0	3	£0	£0
Other consultancy costs	5	£0	£380	3	£0	£0
Purchase of specialist equipment	5	£0	£0	3	£0	£0
Other	5	£0	£5,544	3	£0	£7,250
<b>Total</b>	<b>5</b>	<b>£925</b>	<b>£7,640</b>	<b>4</b>	<b>£0</b>	<b>£19,685</b>
<b>Population of areas with data:</b>	<b>Total: 66,746 (mean 13,349)</b>			<b>Total for the 3 areas: 586,000 (mean 195,333)</b> <b>Total for the 4 areas: 810,700 (mean 202,675)</b>		
Note: the ranges in each row represent the minimum and maximum levels of involvement evidence from the case studies. Since the minima and maxima for different types of individual may come from different case studies, the Low and High columns may not sum to the Total range.						

### Placing a monetary value on public sector time inputs

- D.26 Some of the evidence collected on the resource inputs described above was financial or in-kind expenditure, expressed in monetary terms. However, key time inputs were expressed in hours committed. In Chapter 4, we present the total public sector resource costs associated with Participatory Budgeting. To turn the public sector time inputs into a monetary value it is necessary to obtain information on how these time inputs are valued.
- D.27 Local Government Analysis and Research provide useful data on local government earnings for more than 100 different job categories. The Local Government Earnings Survey<sup>32</sup> collects demographic and pay data relating to over 1,000,000 local authority posts. It estimates that this accounts for over 60 per cent of the directly employed local government workforce (excluding teachers). In the Local Government Analysis and Research data gross total pay includes: pay before deductions for PAYE, National Insurance, pension schemes and voluntary deductions. All basic pay relates to the pay period.

<sup>32</sup> The latest published survey was undertaken in October 2008 and was completed by 212 local authorities; a response rate of over 50 per cent.

- D.28 We have used the most recent Local Government Earnings Survey (2008-09) as a starting point in translating the information on the time inputs associated with Participatory Budgeting in the case study areas into a monetary value. We have taken the average gross earnings levels for Administrative Officers, Assistant Community Support and Outreach Workers, Housing Officer and Planning Officer and then averaged them. The latest information suggests that in 2008 these local authority occupations earned median gross pay per full-time equivalent post of £18,839, £20,770, £26,799 and £28,661 respectively. The average across these occupations is £23,767 in 2008 prices. This is the gross wage to the employee, but to obtain an overall estimate of the wage cost to an employer requires us to take the gross wage costs and add on non-wage labour costs by applying a mark-up of 21 per cent<sup>33</sup>. Since the Local Government Analysis and Research data is gross earnings per category of worker per annum this has been translated into an hourly value by assuming that the average worker works 1,738 hours per year. The hourly value is estimated to be £16.57 per hour in October 2008 prices. We have adjusted this to 2009-10 prices using HM Treasury's GDP deflator at market prices. This gives a final figure of £16.84 per hour for public sector time inputs.
- D.29 When this is applied to the average number of additional hours spent on different stages of the Participatory Budgeting process (set-up, decision-making events, ongoing management) the range on the value of public sector time inputs for neighbourhood-level and local authority-wide Participatory Budgeting are as shown in Table D-21.

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<sup>33</sup> Non-wage labour costs refer to employers' social contributions and other labour costs, over and above wages and salaries. Labour Costs Survey data is available from the Office for National Statistics.

**Table D-21: Range on monetary value of total public sector set-up, decision-making and ongoing time inputs to Participatory Budgeting**

Stage in the Participatory Budgeting process	Neighbourhood-level Participatory Budgeting activity Value of public sector time inputs		Local authority-wide Participatory Budgeting activity Value of public sector time inputs	
	Low	High	Low	High
Value of total public sector time on set-up (one-off)	£354	£8,790	£2,475	£18,019
Value of total public sector time on decision-making process (per annum)	£337	£8,420	£573	£59,950
Value of total public sector time on ongoing process (per annum)	£354	£47,438	£1,196	£171,061
Based on assumed average of £16.84 per hour employment cost (including non-wage labour costs) for public sector time inputs, based on Local Government Earnings Survey data for Administrative Officers, Assistant Community Support and Outreach Workers, Housing Officer and Planning Officer				

### Placing a monetary value on resident time inputs

- D.30 The sub-section above describes the approach used to value the time inputs of public sector workers into the set-up and delivery of the Participatory Budgeting process. Clearly, as the evidence in the earlier part of this section showed, there was also a significant amount of time provided by residents in the Participatory Budgeting process in the eight case studies and this can also be valued.
- D.31 Valuing the time inputs of those who were not directly employed in competitive labour markets presents a number of issues of both a conceptual and measurement kind which we do not seek to review comprehensively here. Some commentators have suggested that one way forward is to value residents using a wage rate that reflects the minimum wage rate adopted in a country, if it has one. In the United Kingdom this would suggest a figure between a quarter and a third of the value we have adopted for the public sector input above. This is a relatively pragmatic approach and will not be without its critics – the estimates should thus be regarded as illustrative.
- D.32 For the purposes of this illustration we have taken the current minimum wage for workers aged 21 and over of £5.93 per hour and applied the same uplift for non-wage labour costs as for the public sector resource costs presented earlier, leading to an hourly ‘value’ of £7.19. Residents’ participation time in neighbourhood-based Participatory Budgeting activity ranges from 136 to 5,073 hours (taking account of set-up time, decision-making time per annum and ongoing management time per annum), with an estimated value of

between £975 and £36,500. For local authority-level Participatory Budgeting activity the equivalent range is from 174 hours to 8,119 hours, with an estimated 'value' of between £1,250 and £58,375.

## Annex E: Participatory budgeting process and activities

E.1 The evaluation sought to identify good practice in engagement and in decision-making processes. This chapter presents the findings on how Participatory Budgeting was established and how the process operated. The chapter concludes with a summary of the critical success factors and barriers to delivery.

### Set up process and activities

E.2 Each of the in-depth case study areas was asked to provide an account of the origin of their Participatory Budgeting activity and the means by which they set up the process. Table E-1 summarises the different origins of Participatory Budgeting in the participating areas, how long they have been running and the governance and management mechanisms through which they have operated. This illustrates (in line with the findings of the e-survey) that Participatory Budgeting processes have mainly been instigated and driven by the relevant local authorities as a means of empowering local residents to 'have a say'. Similarly, evidence from the participating areas points to resources often being provided by teams responsible for Neighbourhood Management, Community Engagement, Social Policy or the management of an area based initiative, i.e. teams with an established presence in the communities concerned.

**Table E-1: Process set up information**

Area	Origin of Participatory Budgeting activity	Year of initial set up	Year of first decision-making process	Mechanism through which Participatory Budgeting is facilitated
<b>Phase 2 in-depth case study areas</b>				
<b>Manton</b>	Introduced to support the general objectives of the Pathfinder	2006	2007	Facilitated through the Neighbourhood Management Pathfinder
<b>Newcastle</b>	Council led initiative	2005	2006	Facilitated by the Social Policy Team at the council
<b>Stockport</b>	Police and Council led initiative	2009	2009	Facilitated by the Neighbourhood Renewal Team in conjunction with Greater Manchester Police and the council

Area	Origin of Participatory Budgeting activity	Year of initial set up	Year of first decision-making process	Mechanism through which Participatory Budgeting is facilitated
<b>Southampton</b>	Originally Council ,Primary Care Trust and New Deal for Communities led initiative and now council led	2006	2008	Facilitated through the New Deal for Communities and the Community Health Group, in conjunction with the council and the Primary Care Trust
<b>Tower Hamlets</b>	Council led initiative	2008	2009	Facilitated through the Local Area Partnerships by the Neighbourhood Management teams and a dedicated project manager, in conjunction with the council

Source: National Evaluation research

- E.3 The evidence from Phases 1 and 2 of the study indicated that it has generally taken between 6-12 months to set up the process and to subsequently hold the first decision-making event. This was found to be largely dependent on the scale of activities – both in terms of geography and budget – and the numbers of parties involved in the development of the process. Table E-1 identifies a couple of cases where the time between setting up Participatory Budgeting and the first decision-making event ran over a period of years – which in the main was the product of changes in the political leadership of the authority. Similarly, there is one notable exception – **Stockport** – which set up and delivered its first decision-making event within a very short timescale (six weeks), as a result of being granted Home Office funding in the January of 2009, which was required to be allocated prior to the end of the financial year.
- E.4 Looking now at the detail of how the various processes were set up, it was clear that Participatory Budgeting was often developed to complement existing community engagement/empowerment initiatives, and for the most part that Participatory Budgeting was viewed as only one of a number of community empowerment tools that could help an area to improve both the level and quality of resident engagement in community based activities. For example, in **Manton**, Participatory Budgeting was introduced as part of the Manton Community Alliance’s broader approach to building the social capital of the community and therefore built on other community empowerment activities delivered by the Manton Community Alliance and various Single Regeneration Budget projects that preceded it.
- E.5 Having established a rationale for developing the relevant Participatory Budgeting processes, a number of areas set up working groups or nominated a group of lead officers to take the idea forward. For example, in **Newcastle**, an early working group was established consisting of relevant council officers, elected members, New Deal for Communities officers and community and voluntary sector officers, who considered the relevant merits of Participatory Budgeting and possible options for a pilot scheme. And similarly, in **Tower Hamlets**, the then Head of Finance within the Cabinet of the council and Director of the Tower Hamlets Partnership sought to drive forward the development of the process, in conjunction with a dedicated Participatory Budgeting project manager and the Neighbourhood Management and Community Engagement teams.

### ***Building capacity***

- E.6 Table E-2 sets out the capacity building or training exercises that were undertaken during the set up of the relevant Participatory Budgeting processes. This shows that most areas undertook some form of development work – although where a process of evolution has occurred, not unexpectedly, the degree of preparation has been muted.

**Table E-2: Capacity building/support provided during the set up of the Participatory Budgeting process:**

<b>Area</b>	<b>Support and advice from the Participatory Budgeting Unit</b>	<b>Evolved organically from local area governance structures</b>	<b>Provided training to delivery staff</b>	<b>Provided training / awareness raising session to/for local Councillors</b>	<b>Provided training to local Residents/ organisations</b>
<b>Case study areas</b>					
<b>Manton</b>		✓			✓
<b>Newcastle</b>	✓		✓		✓
<b>Stockport</b>					
<b>Southampton New Deal for Communities</b>	✓	✓	✓		
<b>Tower Hamlets</b>	✓	✓	✓	✓	✓

Source: National Evaluation study research

\* Please note that blanks indicate that the information was not provided, rather than no activity

- E.7 Evidence from both Phases 1 and 2 of the study has shown that the advice and support provided by the Participatory Budgeting Unit in response to requests from areas has varied to meet local needs and circumstances: in several areas it provided early and subsequent advice to the development of the Participatory Budgeting process; in one area it helped to develop the process and acted as a member of the Participatory Budgeting planning group; in another it provided training for key members of staff and mentoring support; in another it facilitated two introductory workshops; and in another it provided comments on the project initiation document that was developed as part of the set up process.
- E.8 It would appear that training for councillors and residents has been limited and as a result of a desire at the local level to raise awareness and increase engagement as opposed to placing an emphasis on training to build capacity to deliver the process effectively. Furthermore, local delivery teams were

usually on hand to provide support to potential bidders and to those projects awarded Participatory Budgeting funds (and therefore acted as a form of ongoing capacity building). Figure E-1 provides examples of this form of capacity building.

### Figure E-1: Capacity building

#### Capacity building facilitated through local delivery teams

A Participatory Budgeting team was established within **Newcastle City Council**, which sits within the Social Policy team. This team supports the development and facilitation of Participatory Budgeting whenever a pot of discretionary funding becomes available which is appropriate for Participatory Budgeting.

**Tower Hamlets** recruited a Participatory Budgeting Project Manager, who led the 'on-the-ground' development and facilitation of the decision-making events in conjunction with the Community Engagement and Neighbourhood Management teams. For example, this staff resource facilitated awareness raising sessions with local councillors and the Local Area Partnership Steering Group members.

In **Southampton**, support was provided by community development workers to groups who required help with the project application process.

The Neighbourhood Renewal team in **Stockport** provided intensive support to help groups submit proposals prior to the decision-making event and supported groups for 12 months after the event to implement their projects.

Source: National Evaluation case study research

- E.9 In terms of the roll out of Participatory Budgeting, it would appear that the availability of staff resources to support the development and running of Participatory Budgeting initiatives is the main constraint on the speed at which Participatory Budgeting gets rolled out. A second constraint included the availability and willingness of budget-holders to contribute funds to be allocated via Participatory Budgeting, which is likely to become a significant issue in the current economic climate.

#### Delivery process and activities

- E.10 The evaluation worked with the study areas to understand what processes and activities they used to facilitate Participatory Budgeting in order to find out what worked in terms of empowerment and effective allocation, distribution and use of resources. This involved exploring the following questions:
- Who is involved in decision-making and how are they involved? And, are the people who attend the events representative of the relevant population?
  - How has the Participatory Budgeting process been facilitated, i.e. what steps are involved? And how is the quality of the decision-making process assessed?

- Who is responsible for monitoring and implementing the resultant projects or service changes?

E.11 The following sections provide a detailed account of the means by which Participatory Budgeting has been facilitated in the five in-depth case study areas. Each account provides a response to the first three questions. The evidence on the remaining questions is explored in the subsequent section. This section also draws on the evidence from the thematic case studies.

***Manton – Participatory Budgeting in a deprived neighbourhood, with some existing community development and empowerment mechanisms***

*Who is involved?*

- E.12 All residents in Manton were eligible to vote in the decision-making processes that have been facilitated by the Manton Community Alliance. Participation was promoted widely to residents via marketing in local employer’s canteens, pubs, bookmakers and schools. Similarly, the different stages of the decision-making process were facilitated using different formats e.g. online, via post, via DVD, and were held in a range of community venues to encourage both representative and maximum engagement in the process.
- E.13 In addition to the residents, the only other group eligible to vote were local councillors. Within this group, the County Councillor for the Manton area acted as a ‘returning officer’ for the voting process and as such did not vote in the process.
- E.14 Looking at the wider involvement in the decision-making process, as the Participatory Budgeting approach is delivered and coordinated ‘in-house’ by Manton Community Alliance, there has been limited involvement from Senior Council Officers and associated staff. Similarly, although the Leader of the Council and Chair of the Local Strategic Partnership are aware of the process, they have not been directly involved in facilitating it (given its small-scale). However, the Local Authority and Local Strategic Partnership are currently looking to introduce Participatory Budgeting across the district as part of a broader ‘localism’ agenda and have commissioned Manton Community Alliance to support the delivery of Participatory Budgeting in a number of other neighbourhoods. So the local project work and the development of local capacity to deliver Participatory Budgeting is now in a position to help ‘roll out’ and embed Participatory Budgeting across a wider area.
- E.15 Through its processes Manton Community Alliance estimates that approximately 2,642 people have been involved with Participatory Budgeting

since its inception and that Participatory Budgeting is now becoming culturally embedded in the local community in Manton.

- E.16 Table E-3 provides a summary of the type and level of involvement in the decision-making process.

<b>Table E-3: Involvement in the voting and facilitation of the decision-making process</b>		
	<b>Eligible to vote</b>	<b>Involved in the facilitation of the decision-making process</b>
<b>All residents</b>	✓	x
<b>Local councillors</b>	✓	✓
<b>Senior Council officers</b>	x	✓ - from Manton Community Alliance
<b>Leader of the Council and Chair of the Local Strategic Partnership</b>	x	x
<b>Staff from other public bodies (including the voluntary and community sector)</b>	x	✓

Source: National Evaluation case study research

*How has the process been facilitated?*

- E.17 The initial *Voice Your Choice* process sought to allocate £50,000 of Pathfinder monies in 2007-08 and involved three stages.
- **Stage one:** involved a ‘budget bingo’ process through which the community could identify their top 10 priorities for the local area. The ten issues were identified from a list of 40 that had been compiled through a range of consultations with residents and stakeholders.
  - **Stage two:** involved a budget allocation event, where all residents that had participated in the first stage were invited to the event to decide how the £50,000 budget should be allocated amongst the top 10 priority issues. Each participant was given ‘Manton money’ to the value of £50,000 in denominations of £5,000, giving them a maximum of 10 votes each. At the event, an ‘issues champion’ for each of the 10 priorities gave a short presentation about the problem and residents voted, with the money, for each individual issue. Using the total money pledged, it was possible to identify the top five priorities and to apportion the actual £50,000 resource based on this.

- **Stage three:** different community groups, voluntary sector providers and mainstream providers submitted project proposals – setting out what they would deliver against a certain theme and how much money they sought. These proposals were reviewed against a pre-agreed criteria developed by the Manton Community Alliance board and three projects were selected to be taken forward to the final decision-making event. The residents who participated in stage two (plus others to ensure a representative sample participated) were then invited to a second event where each project gave a presentation and residents voted on which projects should be funded.
- E.18 In the first year of the process the community were able to engage in the ‘budget bingo’ (the first stage in the process) either through a community fun day or through the local newsletter that went to every resident in the neighbourhood. In the later years, Manton Community Alliance sought to increase the levels of engagement at this stage of the process by enabling the ‘budget bingo’ form to be completed online, providing freepost envelopes to return the form and working with local schools and their communication channels to encourage children and young people to take part and to promote the scheme to their families. However, this change has led to reduced opportunity for deliberation at the priority setting stage.
- E.19 In 2008-09, and the second year of Participatory Budgeting in Manton, the process was repeated in the same format with the a change to the third stage, with a DVD used to present proposals played at various community events and in different community settings; rather than ‘live’ presentations. The rationale behind this change was a desire to run more events without imposing too much on the time of project proposers, so that Manton Community Alliance could involve and engage more people; however it also meant that people did not necessarily give the content on the DVDs the attention required.
- E.20 In 2009-10, the process was modified to reflect the learning from the first and second year. This has led to a concerted process, where the formerly open choice-based priority selection was replaced by a thematic-based prioritisation process based on the following themes – health, education and job opportunities, environment, community safety and children and young people. This change was made to remove uncertainty amongst mainstream service providers that their budget may not be spent on relevant activity and therefore to encourage more mainstream providers to contribute funding for allocation via Participatory Budgeting. It was facilitated via gathering priorities from relevant mainstream providers and community groups, which were asked to suggest five priorities per theme and subsequently by asking residents to

prioritise two of the themes. Funding was then apportioned between the themes and project proposals were sought and approved by the Manton Community Alliance based on the selected priorities and funding allocation. As such, the approach no longer includes a grand voting event or set of events and instead seeks to involve residents in priority setting.

- E.21 Finally, and perhaps most significantly, the process sought to distribute funding over a two year period– 2009-10 and 2010-11 – and therefore sought to allocate £100,000. This was undertaken for two reasons: first to ease the pressure/time commitment on Manton Community Alliance staff, which it has done; and second to enable the projects developed to be more innovative and ambitious. This latter aim has not been achieved with projects still only bidding for small (£2,500) pots of money (rather than the £10,000 originally ear-marked). It should be noted that these changes move away from an annual process – which some see as an essential part of Participatory Budgeting – and the outcomes point to the need for development work among project sponsors if ambitious and innovative projects are to come forward.
- E.22 Table E-4 provides a summary of the approach used.

**Table E-4: Summary of approach used (see highlighted boxes)**

<b>Residents involved in initial priority setting process</b>	<b>Residents and community groups invited to submit project applications</b>	<b>Council services and community and voluntary sector invited to submit project applications</b>	<b>Project options developed centrally by the Council</b>
<b>Project applications reviewed by a panel</b>	<b>Deliberation takes place at the decision-making event</b>	<b>Votes cast for each project</b>	<b>Votes cast for preferred projects only</b>

Source: National Evaluation case study research

- E.23 The quality of decision-making has not been formally assessed by Manton Community Alliance.

*Who is responsible for monitoring and implementation?*

- E.24 Manton Community Alliance was responsible for implementing the Participatory Budgeting process and ensuring the activities funded delivered as planned, with the multi-agency Manton Community Alliance board assuming overall accountability. In addition to this, and from 2009-10 onwards, any project funded had to form part of the local Neighbourhood Agreement – a document aimed at increasing the accountability of services by providing details of what level of service will be delivered in the area. In the future Manton Community Alliance also hopes to develop a community review

panel that would be responsible for overseeing the progress of the Participatory Budgeting activities and the neighbourhood agreements.

- E.25 Prior to the introduction of Participatory Budgeting the decision-making culture was primarily driven by the multi-agency, resident-led board of the pathfinder. Therefore, whilst this did involve residents, and meant that services were accountable to residents, it in no way provided the level of control and influence over services that Participatory Budgeting does and, perhaps more significantly, it certainly did not involve the same number of residents that Participatory Budgeting enables.

### *Summary*

- E.26 In developing the Participatory Budgeting process in Manton, the Manton Community Alliance sought to develop and adapt the programme in an attempt to make it work as effectively as possible. This has included a number of changes to the voting and the resource allocation process; some of which worked well, such as reducing the number of different voting stages; others have been less successful, such as combining two years' budgets in an attempt to generate more ambitious projects.

### ***Newcastle – A large urban authority with a long history of community engagement and dedicated Participatory Budgeting team***

#### *Who is involved?*

- E.27 From 2006, when Participatory Budgeting was introduced, to 2009, more than 2,000 people had voted in UDecide schemes, while a further 5,000 were involved in other parts of the process, including the identification of potential projects for inclusion in the voting process. Eligibility for attendance and/or voting depended on the thematic and spatial focus of the particular scheme. For example, in the 2007 UDecide children and young people's pilot, the focus was on schools. Ballot boxes were placed in 15 participating schools and 985 children and young people voted for their top priority from a list of 12 themes identified through an earlier survey.
- E.28 Ward-based Participatory Budgeting projects have in the main operated through some version of the voting event approach. In these exercises, attendance, with voting rights, was available to all residents within the ward, though children generally were only admitted in the company of an adult.
- E.29 Although in principle only residents have been eligible to vote, in practice there have been exceptions: for example, people living just outside the ward may still use facilities located in the ward, or belong to voluntary groups operating from the ward. It has never been felt necessary to introduce formal

checks on residence or eligibility – according to one consultee “...*because local people are involved it just sorts itself out.*”

- E.30 From January 2009, voting was also opened up to Councillors who were resident in the area, on the grounds that they were residents and therefore eligible to vote. This was also a symbolic decision to send a message about the compatibility between representative and participatory democracy. However, some Councillors did not exercise their vote because they were either absent at decision-making events, or acting as facilitators to decision-making and therefore required to remain impartial.
- E.31 Looking now at involvement in the facilitation of the decision-making processes, although senior council officers and Lead Members were not directly involved in delivering the process, both formed part of the governance structure associated with Participatory Budgeting activities. That is, the overall governance of Participatory Budgeting across the city has fallen within the remit of the Council’s Neighbourhood Committee. This Committee is an executive committee chaired by the Leader of the Council which is attended by senior officers from across the council, thereby signalling senior level buy-in and engagement in the process.
- E.32 Table E-5 provides a summary of the type and level of involvement in the decision-making process.

**Table E-5: Involvement in the voting and facilitation of the decision making process**

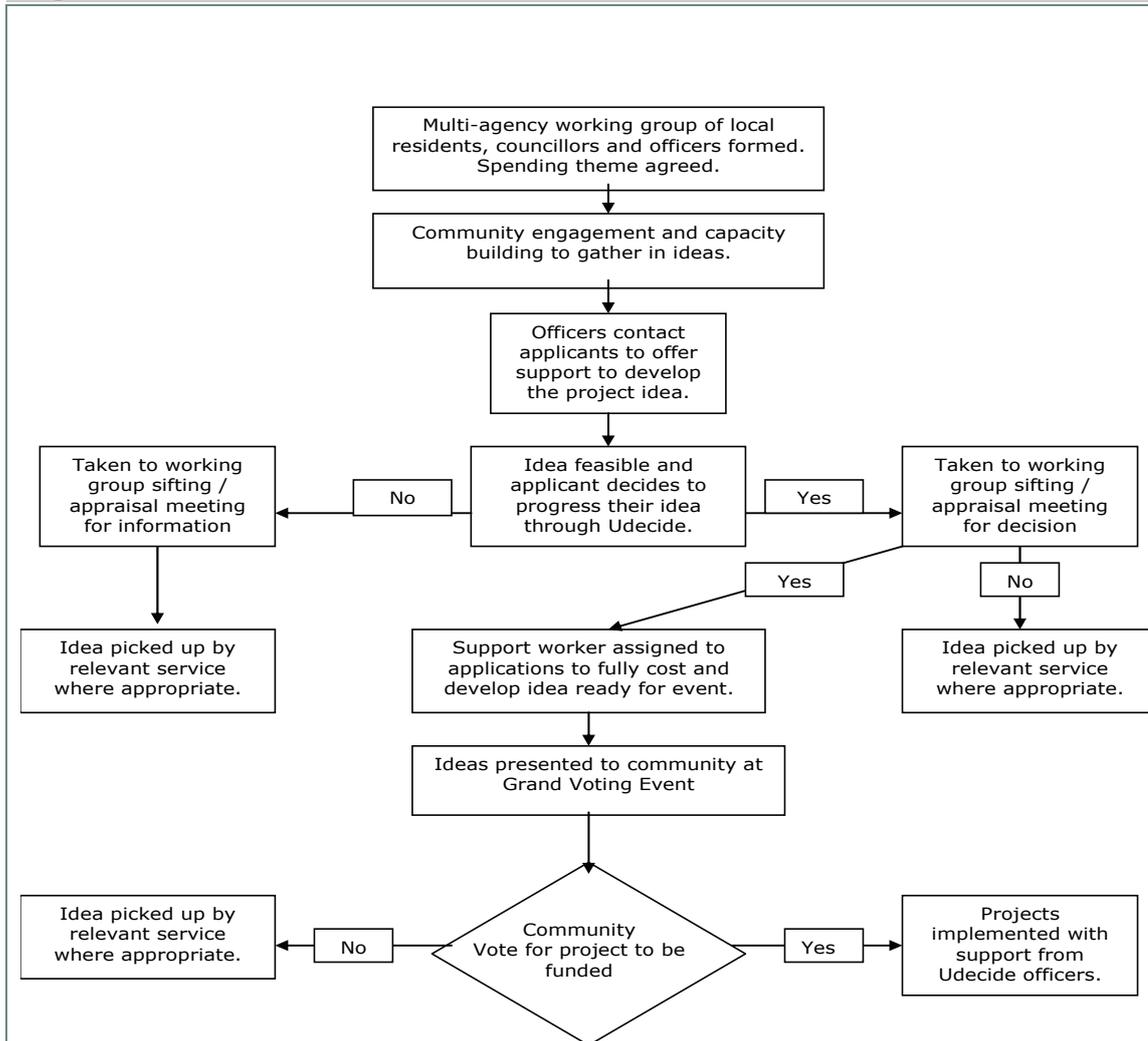
	<b>Eligible to vote</b>	<b>Involved in the facilitation of the decision-making process</b>
<b>All residents</b>	x/✓ - sometimes spatially defined, sometimes thematically defined	✓
<b>Local councillors</b>	✓	✓
<b>Senior Council officers</b>	x	✓
<b>Leader of the Council and Chair of the Local Strategic Partnership</b>	x	✓
<b>Staff from other public bodies (including the voluntary and community sector)</b>	✓	✓

Source: National Evaluation case study research

*How has the process been facilitated?*

- E.33 Participatory Budgeting in Newcastle was facilitated using the pilot model illustrated in Figure E-2 over the course of 2006-2008.

**Figure E-2: Pilot UDecide Process**



Source: Newcastle City Council

- E.34 The pilot model consisted of the following stages:
- target ward(s) selected in consultation with ward Councillors and widespread publicity undertaken in selected ward(s), including leaflet drop, inviting local people to an initial meeting
  - working group selected from that meeting, responsible for canvassing and screening expressions of interest (with technical assistance from officers) and organising the voting day
  - support made available from community development workers and, where appropriate, technical staff to develop projects and to prepare presentation to be made at voting events
  - a decision-making day is held to which all residents are invited, where all participants have key-pads on which they award scores (1-5), having heard presentations from all those submitted proposals and funds are subsequently allocated to the projects with the highest average scores.
- E.35 The Participatory Budgeting process undertaken in Lemington in 2009, which formed the focus of the Newcastle case study research, was facilitated using the approach illustrated in Figure E-3, which was slightly different to the standard process illustrated in Figure E-2. That is, post the project proposal generation stage, the voting process itself was facilitated through the provision of ballot boxes across a variety of venues for a period of a week, during which time any resident could cast a vote for one of a number of packages of environmental improvements. Details of possible projects were set out on display panels, and officers were available to explain to residents what each project offered.
- E.36 The funding distributed as part of the process in Lemington was restricted to revenue-neutral environmental improvements on public land. As such, the incentives to participate in decision-making were shared much more equally throughout the community.
- E.37 By hosting a series of voting events in Lemington, as opposed to a single Grand Voting Day as delivered in the majority of other voting events facilitated in Newcastle, relative participation in decision-making increased by almost 10 fold from 85 (in a comparator grand voting day held in Newburn) to 814 in Lemington. However, although the modified process resulted in higher levels of participation, the nature of participation is likely to have been less informed as the opportunity for deliberation between residents at the voting stage was reduced.

E.38 Table E-6 presents a summary of the standard approach used to facilitate the Participatory Budgeting process in Newcastle.

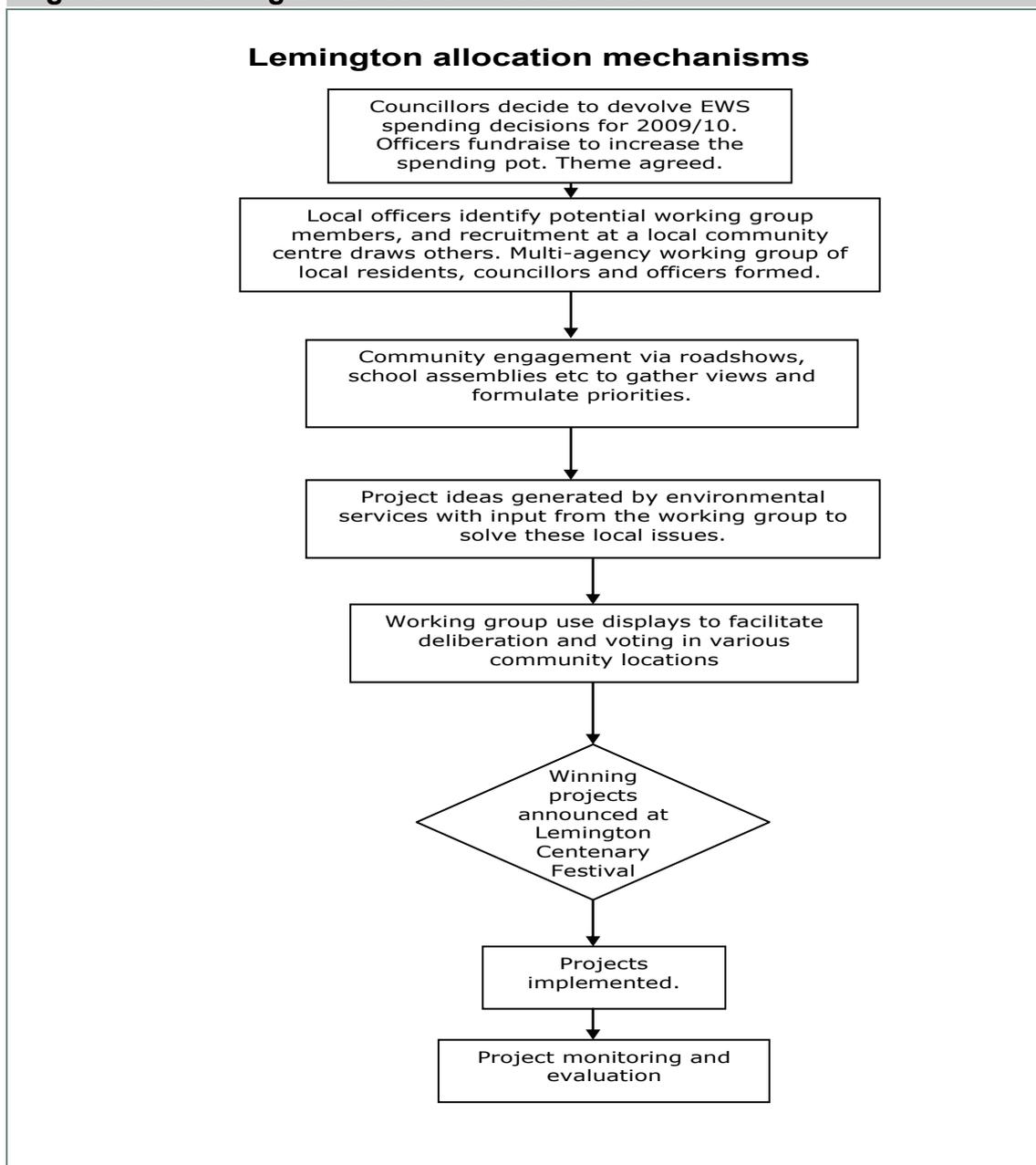
**Table E-6: Summary of approach used (see highlighted boxes)**

<b>Residents involved in initial priority setting process</b>	<b>Residents and community groups invited to submit project applications</b>	<b>Council services and community and voluntary sector invited to submit project applications</b>	<b>Project options developed centrally by the Council</b>
<b>Project applications reviewed by a panel</b>	<b>Deliberation takes place at the decision-making event</b>	<b>Votes cast for each project</b>	<b>Votes cast for preferred projects only</b>

Source: National Evaluation case study research

E.39 The quality of the decision-making process was reported to be assessed through self-evaluation. That is, residents ultimately provided feedback through local satisfaction surveys which illustrate the success of the process and resultant projects.

**Figure E-3: Lemington UDecide Process 2009**



Source: Newcastle City Council

*Who is responsible for monitoring and implementation?*

- E.40 Responsibility for delivering the projects funded through Participatory Budgeting has rested with the successful bidder: either the council service department or voluntary and community sector organisations. However, overall responsibility for managing the process and overseeing resultant activities has rested with the Participatory Budgeting team, who sit within the Community Engagement Service. As discussed in Chapter 3, this team has been called upon whenever a 'pot' of discretionary or flexible funding has

become available and it was deemed appropriate to distribute it using Participatory Budgeting.

- E.41 The Participatory Budgeting team has also been responsible for monitoring and ensuring that approved projects are delivered on time and budget. Irrespective of which organisation has implemented projects (council department, voluntary organisation, other agency); the city's standard procedures for allocating grant aid have been employed. As such, offer letters have been issued to all those participating, who subsequently have been asked to sign up to the relevant grant conditions, which stipulated the provision of quarterly monitoring reports that were sent to the Working Group and (for ward-based Participatory Budgeting projects) the ward committee.
- E.42 The community has not been directly involved in monitoring and implementation of projects, although for thematic Participatory Budgeting schemes, service users have usually fed back through normal consultation routes on progress and satisfaction with change.

### **Summary**

- E.43 Overall, Participatory Budgeting practices are well established in Newcastle. The approach can be brought to bear in a variety of circumstances, whenever there is a pot of funds to distribute and willingness on the part of the budget-holders to devolve this decision-making to communities.
- E.44 Participatory Budgeting has been used both at a ward-level to distribute funds specifically targeted at a particular neighbourhood; and city-wide at a community of interest such as young people and carers. There is a dedicated Participatory Budgeting staff resource within the Community Engagement team, and many other community development workers are trained to deliver the approach, as one tool in the wider kit of community engagement methodologies.

### ***Southampton – 'Your Health, Your Community, Your Voice' is a health themed Participatory Budgeting delivered in a deprived neighbourhood with a long history of community engagement***

#### *Who is involved?*

- E.45 Voting at the *Your Health, Your Community, Your Vote* decision-making events has been open to all residents over the age of 12, where their details were confirmed upon entry to the event venue. An exception to this rule was made in 2011, when a decision was made to widen the coverage of the event to individuals who may not be residents but who may directly benefit from the

Primary Care Trust funding i.e. they are a regular attendee at the funded projects.

- E.46 Thornhill’s local councillors have been encouraged to attend the decision-making events but have not been allowed to vote, as none of the relevant councillors live in the area. As such, the councillors were invited as ‘VIPs’ at the first event and at the subsequent two events they attended as ‘vote counters’ and were more heavily involved in the process, which both the residents and councillors found beneficial.
- E.47 The Community Health Group which evolved from the Thornhill Plus You (TPY) Community Health Working Group (established to help develop TPY funded health projects locally) has acted as the facilitator and governing body for the Participatory Budgeting process. The Community Health Group comprised of up to eight residents including an ex-nurse, as well as representatives of Southampton City Primary Care Trust, the City Council (Health and Social Care Directorate) and officers from the New Deal for Communities (including the lead officer for Participatory Budgeting and the Community Development manager). Although the Community Health Group had previously been the key decision makers for allocating Primary Care Trust funding at the level of the New Deal for Communities, following the introduction of Participatory Budgeting, their role became facilitation, as decisions were made by the members of the community.
- E.48 Table E-7 provides a summary of the type and level of involvement in the decision-making process made by the relevant parties in Southampton.

**Table E-7: Involvement in the voting and facilitation of the decision-making process**

	Eligible to vote	Involved in the facilitation of the decision-making process
<b>All residents</b>	✓	x/✓ - in part through the Community Health Group
<b>Local councillors</b>	x/✓ - only if resident in the local area	✓
<b>Senior Council officers</b>	x	✓
<b>Leader of the Council and Chair of the Local Strategic Partnership</b>	x	x
<b>Staff from other public bodies (including the voluntary and community sector)</b>	x	✓

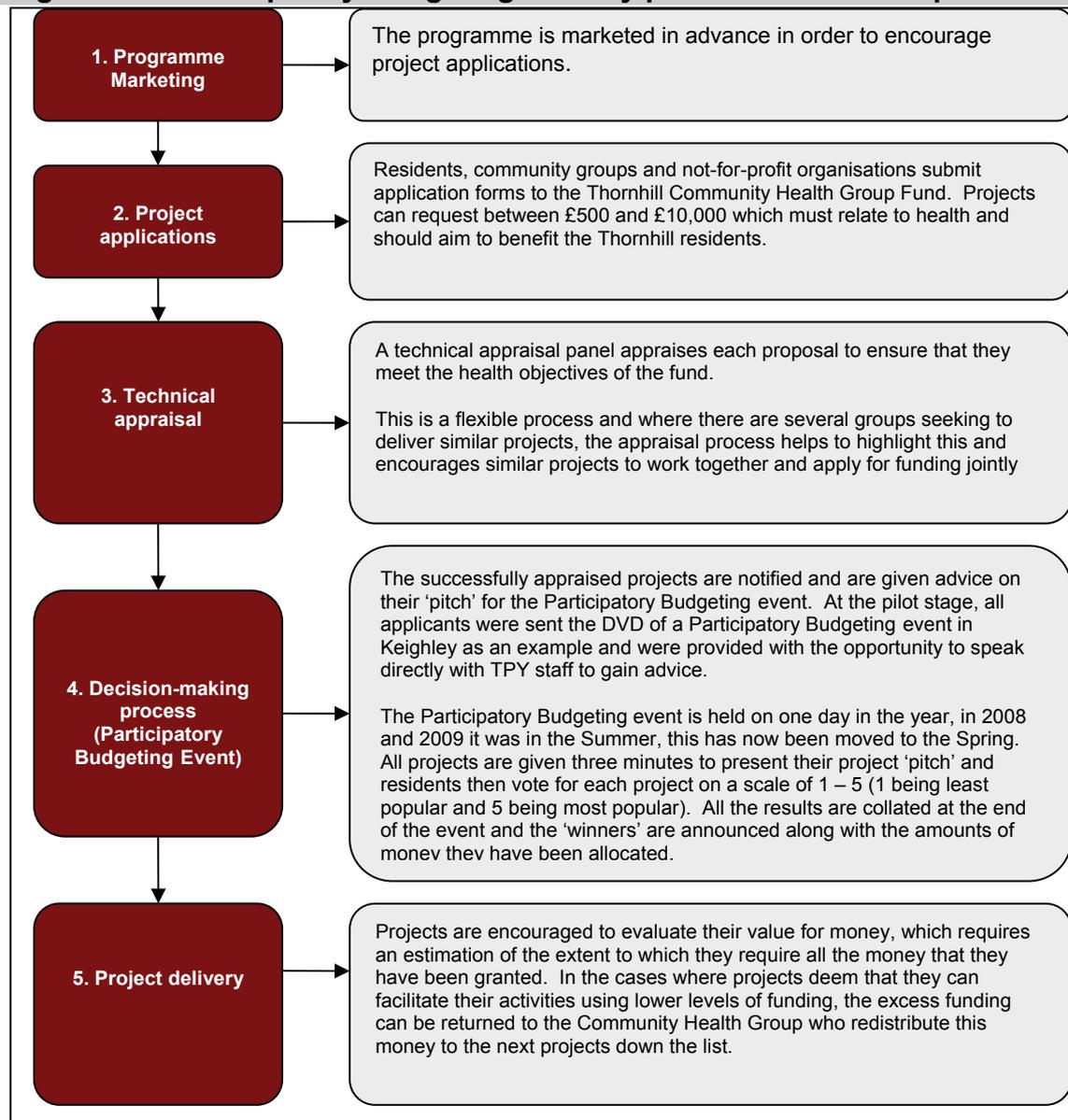
Source: National Evaluation case study research

*How has the process been facilitated?*

E.49 The delivery of Participatory Budgeting has not changed significantly since it was implemented in 2008 (Figure E-4). As such, the standard approach involved the following steps:

- marketing to promote the event and to attract project applications
- residents, community groups and not-for-profit organisations submitted applications to the Community Health Group
- the Community Health Group appraised the applications and put forward projects that met the health-related objectives of the funds to be allocated through the process
- a decision-making event was held, where all projects were given three minutes to present their project
- the residents then voted for each project using a scale of 1-5 (where a score of 1 implied the least popular and 5 implied the most popular)
- the votes were collated and the winners were announced at the end of the event in order to ensure more transparency than other approaches and to allow residents to make the connection between the event and the outputs achieved.

**Figure E-4: Participatory Budgeting delivery process in Southampton**



E.50 Unusually, as part of the process, applicants were allowed to encourage supporters to come along and vote for them at the decision-making event. Feedback sought from the area illustrated mixed reactions towards this element of the process, e.g. one focus group member commented that rallying supporters might compromise the fairness of the Participatory Budgeting process because “...people could bring about fifty people and support one project...”.

- E.51 Table E-8 presents a summary of the Participatory Budgeting approach used in Southampton.

<b>Residents involved in initial priority setting process</b>	<b>Residents and community groups invited to submit project applications</b>	<b>Council services and community and voluntary sector invited to submit project applications</b>	<b>Project options developed centrally by the Council</b>
<b>Project applications reviewed by a panel</b>	<b>Deliberation takes place at the decision-making event</b>	<b>Votes cast for each project</b>	<b>Votes cast for preferred projects only</b>

Source: National Evaluation case study research

- E.52 The quality of decision making has not been formally assessed by the New Deal for Communities/Community Health Group.

*Who is responsible for monitoring and implementation?*

- E.53 The Primary Care Trust has retained statutory responsibility for the funds; although the Community Health Group has overall responsibility for monitoring and implementation. As part of the terms of receiving Participatory Budgeting money, projects have been required to submit quarterly monitoring reports with regular updates of progress and delivery. The information was verified and where progress has been slower than anticipated, progress has been discussed and in more serious cases funding could be withheld.
- E.54 Although there is no formal feedback mechanism to residents, progress made by Participatory Budgeting funded projects has been reported in the area's quarterly newsletter and displays to illustrate the achievements of the previous year's projects were displayed at the following year's Participatory Budgeting event. There was also some expectation that projects would promote the successes of their work. The team suggested that in order to make sure this happens, a requirement to provide feedback may be placed in the contract held between the Community Health Group and individual project sponsors.

### *Summary*

- E.55 The Thornhill Plus You New Deal for Communities in conjunction with Southampton City Primary Care Trust and Southampton City Council have facilitated three annual cycles of health-themed Participatory Budgeting<sup>34</sup>. This approach of resource allocation has sought to build on a long standing history of community engagement within the New Deal for Communities.

<sup>34</sup> The process is now facilitated by Southampton City Council.

- E.56 The process, which has culminated in a Grand voting event, has been facilitated and managed by a multi-agency working group – the Community Health Group – which has included senior level involvement from both the City Council and the Primary Care Trust.

***Stockport – Neighbourhood level, small-scale allocation of a variety of mainstream and delegated service budgets***

*Who is involved?*

- E.57 Five decision-making events have been delivered in Stockport since January 2009. These have been facilitated at the neighbourhood level (with a focus on – deprived – Priority 1 areas) and have built upon the foundations of existing community empowerment initiatives implemented by a range of providers (such as the Neighbourhood Renewal team, the Primary Care Trust, Stockport Homes etc). As such, all residents in the relevant Priority 1 areas have been invited to participate in the relevant decision-making event through a variety of marketing mechanisms including: promotional leaflets; posters; community based engagement through the Neighbourhood Renewal team, Neighbourhood Policing team and other partner agencies.
- E.58 Local Councillors have been invited to attend the decision-making events, where they have acted in a facilitating capacity, as opposed to participating in the presentations or voting process. As such, their attendance has included presenting cheques to successful projects, and helping a small number of groups to complete their application forms (at one event).
- E.59 Given the initial Home Office related impetus to set up a Participatory Budgeting initiative in the area, senior officers from the Community Safety and Neighbourhoods team and from Greater Manchester Police have been closely involved in the delivery of the approach. This has included the promotion of Participatory Budgeting at a high/strategic level, influencing partners to contribute funds, sitting on the Panel which reviews applications for funding, and ensuring that the approach is aligned with both Police and Council priorities and processes (for example, integrating Participatory Budgeting with the new Neighbourhood Management structures).
- E.60 The Leader of the Council and Chair of the Local Strategic Partnership have not been directly involved in the Participatory Budgeting process, and there is no lead member/board member for the process in Stockport. However, the Leader has been briefed and there have been discussions about how far it might be used elsewhere. Furthermore, two reports have showcased the work to the Local Strategic Partnership with the hope of attracting additional funding from a wider set of partners.

- E.61 The Safer Stockport Partnership (which is a sub-group of the Stockport Partnership Local Strategic Partnership) has played an important role in the Participatory Budgeting process. To date, the group has been chaired by the same member of staff who is responsible for overseeing Participatory Budgeting, and has been underpinned by the Stockport Tactical Business Partnership Group (also chaired by Head of Community Safety and Neighbourhoods) which contributes funding to the Participatory Budgeting process.
- E.62 In addition to the Council and police, other public bodies that have engaged with Participatory Budgeting included Housing Associations, the Greater Manchester Passenger Transport Executive and Fire and Rescue (which contribute funding), and the Primary Care Trust alcohol and drug misuse support service and health trainers (who have had stands at the decision-making events to promote their services/support). Stockport Community and Voluntary Services have also been involved as a funder, as a partner in the delivery of preparatory workshops with residents, as a member of the Participatory Budgeting project review Panel, and more recently in the joint development of Participatory Budgeting evaluation proformas alongside the Neighbourhood Renewal team.
- E.63 Table E-9 provides a summary of the type and level of involvement in the decision-making processes that have been facilitated in Stockport.

**Table E-9: Involvement in the voting and facilitation of the decision-making process:**

	Eligible to vote	Involved in the facilitation of the decision-making process
All residents	✓	x
Local councillors	x	✓
Senior Council officers	x	✓
Leader of the Council and Chair of the Local Strategic Partnership	x	✓
Staff from other public bodies (including the voluntary and community sector)	x	✓

Source: National Evaluation case study research

*How has the process been facilitated?*

E.64 The Participatory Budgeting process in Stockport has been facilitated as follows:

- community groups were invited to submit a written application form for funding of between £500 and £3,000 for each project
- application were then assessed by a Participatory Budgeting Project Review Panel, which was chaired by the Head of Community Safety and included representation from the Neighbourhood Renewal team, the Police, Stockport Homes and a representative from the community and successful bidders notified
- successful bids were subsequently presented at the relevant decision-making event, where each community group was given three minutes to present its proposal
- residents then participated in facilitated discussions and subsequently used electronic voting pads to vote, where votes were cast for each project on a scale of 0-3 following each project presentation, where 3 points indicated the project should be given all of the specified funding, 2 points indicated they should be given most of the money, one point some of the money and zero points none of the money. Projects were then ranked in order of popularity and 100 per cent funding was then allocated to the most popular group of projects, 75 per cent funding to the next group and 50 per cent to the next group etc., which has led all projects to receive some funds. Results were displayed on the screen

to strengthen links between the views of the residents and resultant actions.

- E.65 Additional features of the approach used in Stockport included: facilitation of the voting event by a member of the police force; facilitated table-based discussions where staff members from the Neighbourhood Renewal, the Community Safety department at the Council and the police acted as facilitators.
- E.66 Given the differing funding streams that have been sourced and subsequently allocated at each of the five decision-making events, each event has sought to address different themes. For example, the first event which attracted mainly Home Office and police funding, focused on crime and community safety; whereas the most recent event, attracted a range of funding including monies from the Home Office, the Neighbourhood Renewal team, a Housing Association and funding from the Community and Voluntary Services and therefore sought to focus on the Neighbourhood Renewal Strategy themes, i.e. broader themes than community safety.
- E.67 Table E-10 provides a summary of the Participatory Budgeting approach used in Stockport.

**Table E-10: Summary of approach used (see highlighted boxes):**

<b>Residents involved in initial priority setting process</b>	<b>Residents and community groups invited to submit project applications</b>	<b>Council services and community and voluntary sector invited to submit project applications</b>	<b>Project options developed centrally by the Council</b>
<b>Project applications reviewed by a panel</b>	<b>Deliberation takes place at the decision-making event</b>	<b>Votes cast for each project</b>	<b>Votes cast for preferred projects only</b>

Source: National Evaluation case study research

- E.68 The Neighbourhood Renewal team has not undertaken a formal assessment of the quality of the decision-making process to date. However, the team suggested that the quality of decision making was determined by resident satisfaction, therefore, if residents were able to make the decisions themselves, it was assumed that they were more satisfied (and therefore that the quality of decision making has improved).

*Who is responsible for monitoring and implementation?*

- E.69 The Neighbourhood Renewal team has been responsible for implementing the Participatory Budgeting process and overseeing the implementation of its resultant activities. At the first Participatory Budgeting event, both the police

and Neighbourhood Renewal team (overseen by the Council's Community Safety and Neighbourhoods department) were responsible for implementing the process, but since then the responsibility has shifted to rest solely with the Neighbourhood Renewal team. As such, the Neighbourhood Renewal team has provided intensive support to help groups submit proposals prior to the event, and provided groups with support for 12 months after the event to implement their projects.

- E.70 Each community group that received Participatory Budgeting funding was required to sign a contract with the Neighbourhood Renewal team to confirm that it would spend the funding on the activities set out in their proposal. Each community group in receipt of funding was also required to complete an evaluation pack – to date this has focused on receipts and invoices, but at the time of the fieldwork, the Neighbourhood Renewal team was in the process of developing a more detailed evaluation pack for community groups to complete, which included requests for evidence of outputs (e.g. number of people engaged in the activity) and outcomes and impacts.
- E.71 The Neighbourhood Renewal team has ultimately been accountable to its funders to ensure that the results from the Participatory Budgeting process were taken forward. Participatory Budgeting evaluation reports have been prepared by the Neighbourhood Renewal team and sent to the Safer Stockport Partnership's TBP, but to date these have only included information on the projects that secured funding and feedback on the event itself. The Neighbourhood Renewal team was aware of that some funders required more evidence on what was achieved for the money than was at that stage provided and was taking steps to address it through the improved self-evaluation.
- E.72 The community was not formally involved in checking the progress in implementing projects – and it appears that there was very little knowledge amongst residents and partners (including those who contributed funding) on the progress made. The issue was to be addressed by providing an update on projects at community based forums/celebration events and a mail-drop to all residents that attended the decision-making events. In addition, discussions have been held with the Communities Together Forums (which are made up of representatives of local community groups and interested individuals) in relation to how local residents and Communities Together Forums members would like to be involved in the monitoring process.

### *Summary*

- E.73 Participatory Budgeting activities in Stockport were relatively new compared to the other in-depth case study areas. However, the initial Home Office

impetus to trial the approach has attracted senior-level champions and has enabled the area to embed its approach within existing Council structures. As such, the area has successfully drawn in and subsequently allocated funding from a variety of different sources.

- E.74 The process has been facilitated by a well-networked team – the Neighbourhood Renewal team – and as such, has been able to build on established working relationships with the local communities and partners in the relevant areas. A standard approach has been used, where project applications were sought and sifted and a Grand Voting Event was held, where residents were able to influence which projects were taken forward.

***Tower Hamlets – You Decide! is a large scale, local authority-wide Participatory Budgeting process, that seeks to allocate mainstream funding***

*Who is involved?*

- E.75 Two sets of annual decision-making events have taken place in Tower Hamlets. These were facilitated through a series of eight events, which were held at the level of the Local Area Partnerships, each of which is part of the Tower Hamlets Partnership (i.e. the Local Strategic Partnership). The first annual set of events were open to all residents over the age of 11 years, as well as local Councillors and Local Area Partnership Steering Group members, who were all entitled to vote at their local event. The decision to allow young people between the ages of 11 and 18 years to participate in the events was primarily made to ensure that the decision-making process reflected the young population demographic of the authority as a whole.
- E.76 The recruitment process involved a pre-registration step, where residents were asked to provide their name, postcode and a set of equalities based data either prior to or at the event itself. There was no formal requirement to bring any type of identification on the day of the event, as it was felt that residents would in general only attend an event within their local area.
- E.77 Looking now at the involvement of local councillors, there was an evident difference between the levels of involvement in the Participatory Budgeting process of those who sat in the Cabinet and those who did not, i.e. ‘backbenchers’. That is, members of the Cabinet were heavily involved throughout the development and delivery of the process; whereas backbench councillors had only limited involvement in the process.
- E.78 Local Area Partnership Steering Group members (councillors and local residents) were provided with a similar range of opportunities to engage in

You Decide! as backbench councillors and therefore also had limited engagement with the process.

- E.79 Focusing now on the involvement of senior officers from within the council, it was evident that in the main, most of this group had been heavily involved in the development and delivery of *You Decide!* This involvement included significant input in the development of the menu of project options that formed the basis of the decision-making events. That is, the Corporate Management Team asked each Service Head to provide a potential set of projects that could be delivered through the *You Decide!* process. Service Heads worked with their senior managers to develop potential project options, which were reviewed by the Corporate Management Team and subsequently signed off by the Cabinet. Service Heads were then asked to help facilitate at the Year One events, where each presented the project options that would be delivered by their directorate. The second set of annual events involved the distribution of Primary Care Trust sourced funding and as a result Primary Care Trust staff helped to facilitate the events.
- E.80 In summary, the development and delivery of the process was centrally-led by the Cabinet, with significant input from the Corporate Management Teams. Table E-11 provides an illustrative summary of the type and level of involvement in the process.

**Table E-11: Involvement in the voting and facilitation of the decision-making process**

	Eligible to vote	Involved in the facilitation of the decision-making process
All residents	✓	x
Local councillors	✓	✓
Senior Council officers	x	✓
Leader of the Council and Chair of the Local Strategic Partnership	✓	x/✓ - Leader of the Council could vote in capacity as a local Councillor
Staff from other public bodies (including the voluntary and community sector)	x	✓

Source: National Evaluation case study research

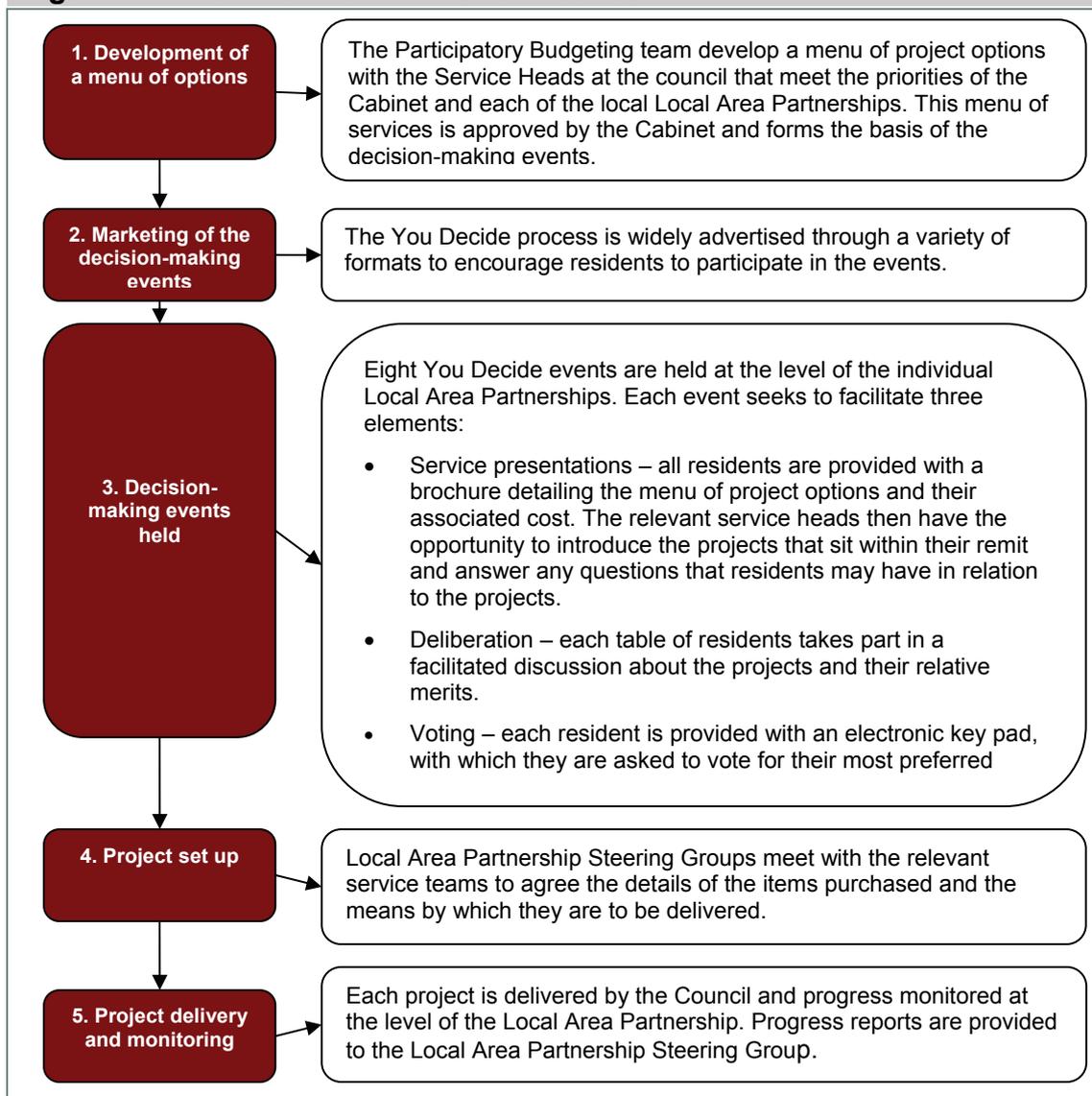
*How has the process been facilitated?*

- E.81 Figure A-1 illustrates the process facilitated during Year One of *You Decide!* The process was facilitated in four stages, as follows:

- The council-led Participatory Budgeting team developed menus of services in conjunction with the Service Heads at the council that met both the council's overarching priorities and local area priorities. The wider menu of services was then approved by the Cabinet.
- A set of eight public '*You Decide!*' events were advertised and subsequently facilitated. Each event comprised of the following three elements:
  - **Service presentations** – three service heads presented the potential projects from their service areas (one service head covered three 'cabinet priorities' and the other two covered one each). They provided a description of each project as well as giving some background as to what was already provided by their team. After each presentation members of the audience were given the opportunity to ask questions.
  - **Deliberation session** – each table of residents was given the opportunity to discuss the relative merits and disadvantages of each of the project options. Each table discussion was facilitated by either a member of the council or a stakeholder agency (e.g. the Primary Care Trust) to ensure that everyone had the opportunity to contribute and that all views were treated equally.
  - **Voting** – each resident was given a 'who wants to be a millionaire' style quizpad to cast their votes. After each vote the project that had received the highest number of votes was purchased and the amount for that item deducted from the total budget. Another vote was then held and the item that then received the most votes was purchased. This continued until the total *You Decide!* fund for the Local Area Partnership had been exhausted. As the event progressed it became clear that some items were no longer affordable, therefore facilitators worked with their table of residents to make them aware of the choices and compromises they would have to make.
- A meeting was convened between the Local Area Partnership Steering Groups and the relevant Service Heads to agree the details of the items they have purchased (such as where shrub beds would be located or how often the services would report to the Steering Group on how they were spending the local money).

E.82 Members of the public and the Steering Group helped to monitor the services by using a 'community contract'. This contract was built into the process and reviewed at every stage. It set out the responsibilities of the Steering Group, the residents and, importantly, the services.

**Figure E-5: You Decide! Year One Process**



Source: SQW case study research

E.83 A number of lessons were learnt during the first annual cycle of the process, which prompted changes in the way in which the Year Two process was facilitated. Issues encountered during the Year One cycle included: limited local input from the Local Area Partnership Steering Groups into the development of the menu of project options; limitations in the coverage of projects on the Year One menu; a high incidence of 'block voting' and 'lobbying', which was felt to have been amplified by the voting mechanism used; issues associated with children aged 11-18 years of age being eligible to vote; and timely delivery of projects as a result of insufficient planning on the part of the relevant council services. As such, this learning was fed into the development of the Year Two process. Figure E-6 provides an illustration of some of the changes that were made to the process.

## Figure E-6: Effectiveness of the Year One process and resultant changes

### Changes from Year One to Year Two

**Development of the menu of project options** – a number of consultees reported that the development of the menu of project options had been centrally-driven and as a result, had lacked local input from the Local Area Partnership Steering Groups, who were felt to know the main issues in their respective areas. As such, Local Area Partnership Steering Group members were invited to provide feedback on the draft menu of project options in the second year to ensure local engagement was enhanced.

**Facilitation at the events** – three service heads introduced the menu of projects at each of the Year One events, which introduced a level of variation into the ‘project pitches’, which in turn was felt to have influenced the voting. Therefore in Year Two, all projects were introduced by an event facilitator to ensure all were pitched at the same level.

**Block voting and lobbying** – a number of residents felt that some community groups had been mobilised by Council staff to attend the events to ensure that the project options that were of particular relevance to them were selected. For example, a number of the areas selected to fund the Early GCSE and Mother Tongue/ESOL projects, both of which were targeted to support particular communities. This was felt to have resulted in an increase in tension between community groups. It was also recognised that the voting mechanism used, i.e. please state your preferred project, enabled this type of project selection to occur, as it would only take a relatively small number of people to vote for a particular project, for it to be selected. As such, the Participatory Budgeting team sought to minimise the level of lobbying that took place from within the Council during Year Two and the voting system was changed in Year Two to address this issue. Voting took place within each of the priority themes, where residents were asked to state their preferred project within a theme, following which the two projects which received the most votes were placed in a ‘run-off’ vote, which meant residents then had to state which of the two projects they preferred. This resulted in the selection of one project from each theme, followed by ‘free-for-all’ voting once each priority had been covered, where residents were then simply asked to select their preferred projects from the remaining projects, until the point at which the funding had been exhausted.

**Inclusion of the youth vote** – block voting was reported to have occurred for youth-related projects, where again, the relevant young people were felt to have been encouraged to attend the events by Council officers to ensure that particular projects were selected. Resident feedback highlighted this as an issue, which led to a change in the voting eligibility criteria for Year Two, where only residents over the age of 18 were allowed to vote at the events. In addition, a separate youth event was held, which brought together young people from across the school councils and which sought to allocate a separate pot of funding.

Source: National Evaluation case study research

E.84 Table E-12 provides a summary of the Participatory Budgeting approach used in Tower Hamlets.

<b>Table E-12: Summary of approach used (see highlighted boxes)</b>			
<b>Residents involved in initial priority setting process</b>	<b>Residents and community groups invited to submit project applications</b>	<b>Council services and community and voluntary sector invited to submit project applications</b>	<b>Project options developed centrally by the Council</b>
<b>Project applications reviewed by a panel</b>	<b>Deliberation takes place at the decision-making event</b>	<b>Votes cast for each project</b>	<b>Votes cast for preferred projects only</b>

Source: National Evaluation case study research

E.85 No formal assessment of the quality of the decision-making process was undertaken for either Year One or Two of *You Decide!* However, the team recognised that the quality of deliberation across the events had been variable in that some had facilitated excellent dialogue, whilst other had not.

*Who is responsible for monitoring and implementation?*

E.86 Following the decision making events, each of the relevant service teams held discussions with the Local Area Partnership Steering Groups to discuss how to take forward each of the selected projects. This led to the drawing up of contracts between the relevant teams of the council and the Local Area Partnership Steering Groups, both of whom were given responsibility for ensuring that the relevant activities were delivered appropriately and within the timescales set out by the Programme. This subsequently led to the delivery of the projects within each of the eight Local Area Partnerships.

E.87 Given the parameters of the prioritisation process, the majority of projects were delivered by the council, which sought to ensure that none of the activities that had been funded duplicated existing council services. A few exceptions to this general delivery model included a small number of projects that had been delivered by third sector organisations.

E.88 The relevant council teams monitored project delivery in conjunction with the Neighbourhood Management team had also supported this activity.

E.89 Resident involvement in this process was limited in Year One, but has increased in Year Two through the creation of *You Decide!* task groups, which have been set up through Local Area Partnership Steering Groups, as a means of localising the monitoring process.

### *Summary*

- E.90 Participatory Budgeting in Tower Hamlets can be classified as a large scale, local authority wide Participatory Budgeting process, which sought to allocate mainstream funding. The process was championed by a Lead Member from the Cabinet and senior level staff from within the council, and was facilitated by a dedicated project manager. As such, the process has been high-profile in its nature and has engaged residents from across the borough.
- E.91 The approach used in Tower Hamlets differs from the other in-depth case study areas in that: the project options presented at the decision-making events are compiled internally by the council, as opposed to being developed by a combination of residents, the voluntary and community sector and mainstream providers; and the process used a preference-related voting methodology, where votes were simply cast for preferred projects, as opposed to a ranking allocated to each project. As such, although the differences imply the delivery of a more restricted form of Participatory Budgeting in Tower Hamlets, the area has successfully allocated large-scale mainstream funding through a resident-based decision-making process.

### **Critical success factors for, and barriers to, delivering effective Participatory Budgeting**

- E.92 The in-depth case study areas identified some critical success factors and barriers to the effective delivery of a Participatory Budgeting process – these are broadly in line with the findings from Phase 1b of the research. Looking first at the critical success factors, the study areas identified a number of points which included the need to ensure the process had:
- high level buy-in linked to the hierarchy of the council or governing body
  - commitment to the provision of funding
  - sufficient planning and development time to ensure sufficient levels of training and capacity building is undertaken
  - a strong and effective local delivery team that is able to facilitate capacity building within the community
  - a strong partnership approach and strong leadership within this partnership approach
  - embedded itself within low level and easily recognisable geographies that are in line with the level of funding available for allocation via Participatory Budgeting

- successful branding and subsequent marketing
- clear decision-making/funding criteria
- transparent and engaging decision-making processes
- sufficient levels of monitoring and evaluation post the decision-making stage.

E.93 Table E-13 sets out a list of the most commonly identified critical success factors and the implication or outcome associated with each factor.

<b>Table E-13: Critical success factors for the effective delivery of Participatory Budgeting</b>		
<b>Category</b>	<b>Critical Success Factors</b>	<b>Outcome</b>
<b>Inception</b>	Senior level buy-in and drive within the Council or governing body	Decision-making processes support Participatory Budgeting, removing obstacles to implementation and roll out of Participatory Budgeting
	Commitment to the provision of funding	Enables the process to be taken forward both in terms of money to allocate via Participatory Budgeting and resources to cover the cost of introducing a new form of decision-making
<b>Planning and set-up</b>	Sufficient planning and development time – ensure training and capacity building undertaken	All parties are informed of the role they are to play in the process, which alleviates any anxieties or concerns – including councillors, officers and residents  Development of more formal capacity building at the outset of a process
	Development of a vision which sets out what initial Participatory Budgeting events will lead to in terms of involvement in wider decision-making	Clear objectives and goals are set for the process, which means people know what is to be achieved and can track progress over time
	Access to sufficient levels of external support to set up and plan the process	Independent support provides background on what's been learnt from elsewhere – so pitfalls can be avoided and brings a 'challenge' function to the set up process, making sure the process is rolled out effectively

Category	Critical Success Factors	Outcome
	Embedding of a strong partnership approach with associated strong leadership	Drawing together a range of agencies and partners enables the contribution of different sources of funding, the sharing of skills, in-kind resources to support the facilitation of the process and the ability to utilise wider networks to access community groups and residents
	Successful branding and marketing	Strong branding of Participatory Budgeting activities in conjunction with marketing campaigns which utilise a variety of mechanisms – posters, leaflets, radio adverts etc – have helped to raise awareness of the process and led to increased engagement of harder to reach communities
Delivery	Embedding the process within low level and easily recognisable geographies that are in line with the level of funding available for allocation via Participatory Budgeting	Residents relate to and witness tangible benefits within their area, thereby securing higher levels of buy-in to the process and building local people's confidence that the process can make a difference
	Appropriate delivery team to facilitate the process – e.g. Neighbourhood Management team, who work closely with local residents and community organisations – as community development activities are key	Full range of community development techniques used to engage a wide range of residents and therefore increased participation – furthermore, increased levels of participation in other civic events or activities
	Technical expertise required to test the feasibility of ideas and to cost prospective projects	Introduces theoretical and practical knowledge of relevant policy areas  Selection of appropriate/affordable shortlisted projects and presentation of accurate material to the wider community – reducing the possibility of dashed expectations, if proposals have to be withdrawn at a later date as they are not practical or have not been costed correctly
	Communication and transparency throughout the process – including successful marketing at the beginning of each process	High levels of attendance and participation at events  Buy-in from the community  Re-enforces the outcomes and impacts of the process raising awareness
	Clear decision-making/funding criteria, which is disseminated to all potential bidders	Clarity of purpose and provision of clear and informed project applications

Category	Critical Success Factors	Outcome
	'Pitching' at a level and in a form that the community can understand and respond to	Communities understand the purpose and? the intentions of the process and each prospective project and therefore are actively engaged in the process – leading to more effective decision-making processes
	Transparent decision-making process	Helps build confidence in the process and illustrates tangible results to those participating
	Effective monitoring and evaluation processes to ensure the benefits of the process and its subsequent activities are recorded and are fed back to local residents and funders	Maintains local engagement and enthusiasm for the process Funders understand what they got for their money and are therefore more willing to fund activity in the future
Represent-ation	Ensure the decision-making event is attended by a balanced representation from the relevant groups of interest in a local area without introducing bias into the process, particularly from specific well organised groups	Resultant projects are based on the pooled knowledge and views of the local community Increased community cohesion and social capital

Source: National Evaluation case study research

E.94 Looking now at the barriers to effective delivery of the Participatory Budgeting process identified by the study areas, and building on the findings from Phase 1 of the Evaluation, a number of issues were raised by several of the case study areas. These included:

- the resource intensive nature of the set-up and facilitation of Participatory Budgeting decision-making events, which was felt to require considerable amounts of in-kind staff time
- organisational rigidity, which could include passive or active resistance from local councillors and council officers, where consultees voiced concerns in relation to devolving decision-making away from the perceived 'experts' or 'representative residents'
- the ability to attract a representative sample of the community to the events, as it was recognised that some members of the community would not take part regardless of the efforts made to engage them in this nature of process
- challenges associated with meeting the requirements of agencies that contribute funds that are subsequently allocated through a Participatory Budgeting approach

- insufficient levels of monitoring and feedback after the decision-making event
- a tendency for project applications and subsequently successful projects to be activity-based rather than outcome-led
- a lack of capacity within the community (and mainstream service providers) to develop ‘innovative’ and ‘sustainable’ projects.

E.95 The case study areas were asked to identify the methods which they had either used or intended to use to address the identified barriers. Table E-14 details the most commonly cited barriers to the effective delivery of the process, describes the methods by which they can be addressed and where possible, provides examples of mitigation activities.

**Table E-14: Barriers to delivery for the effective delivery of Participatory Budgeting**

Category	Barriers to delivery	Methods to address the barrier	Examples of mitigation activities
Engagement	Lack of understanding of what Participatory Budgeting is and what it involves – i.e. service providers and communities struggle to grasp the Participatory Budgeting concept	Use community outreach and engagement work to raise awareness of the relevant process and to illustrate the potential influence residents could have on the outcomes of the process	See Figure 6-6 above, which illustrates examples of community engagement used by the study areas
	Lack of public interest	As above Keep the events/decision-making process as simple as possible, to ensure that residents are not put off attending and participating	In the <b>Manton Neighbourhood Management Pathfinder</b> , decision-making events have taken place in conjunction with key community events or venues (such as schools), which was felt to have significantly aided the engagement and participation process
	Councillors worried about where they fit within the process and what it means for their role in the local area	Ensuring that all councillors and relevant Service Heads are offered the opportunity to take part in sufficient training to increase their understanding of their role in the Participatory Budgeting process	Briefing sessions for councillors Training for those councillors who will help facilitate events
	Council officers sceptical about devolving mainstream decision-making to local residents		Update briefings to councillors not directly involved in facilitating events

Category	Barriers to delivery	Methods to address the barrier	Examples of mitigation activities
	<p>Limited political support for the process</p>	<p>Use examples to illustrate potential positive outcomes and increased community engagement as a result of a Participatory Budgeting process</p> <p>Demonstrate councils of all parties are operating Participatory Budgeting, suggesting it is not a party political issue</p>	<p>As above</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Availability of resources</p>	<p>Limited level of funding available to allocate through the process often means that the process needs to be isolated to pilot activities or particular geographies</p>	<p>Seek buy-in from local authority departments and align the process with the strategic aims of the council to increase the potential funding avenues</p> <p>Make the process appealing to mainstream partners so that they can see the benefits of committing resources</p>	<p>A number of the study areas reported that links had been made with various departments at the relevant councils and other public sector bodies, in order to enhance both the project sift process (where ideas were passed onto the relevant departments for feasibility checks) and the project delivery process. For example, in Norfolk the County Council provided pump priming funds for the process using the second homes tax; this triggered additional funds of £60,000 from other sources; and projects used other funds in subsequent phases.</p>
	<p>Resource intensive during set up phase – needs significant level of resources to get the process off the ground</p>	<p>Participatory Budgeting process should align and tie into existing community engagement and empowerment activities and should not be viewed in isolation</p>	<p>All participating study areas stated that the Participatory Budgeting process had been designed and implemented to act as a supplementary activity to existing community engagement and empowerment activities</p> <p>A number of the areas facilitated the set up of the Participatory Budgeting process through staff teams which regularly worked with local communities and therefore whose job remit included community engagement/development activities</p>

Category	Barriers to delivery	Methods to address the barrier	Examples of mitigation activities
	<p>Funding uncertainties mean it is not clear the Participatory Budgeting process will be maintained, a. as discretionary resources may not be available; and b. because of a reluctance to use Participatory Budgeting to determine budget priorities where savings are needed</p>	<p>Ensure sufficient senior level buy-in and drive within the Council or governing body</p>	<p>The study areas had not had not addressed this issue in full at the time of the fieldwork. The Big Society Network and Nesta are supporting 9 pioneer areas to test how Participatory Budgeting can be used to inform plans for mainstream services at a time of fiscal austerity.</p>
Strategic alignment	<p>Lack of an overarching strategic plan which helps communities to prioritise issues/projects</p>	<p>Exploration of ways in which the relevant governance structures can become more strategic through the introduction of strategies/action plans at the local level, which are agreed by communities at the start of each cycle</p>	<p>In <b>Tower Hamlets</b>, the menu of services that was presented at the decision-making events and therefore which formed part of the deliberation process, was designed to help meet the Cabinet Priorities for the year. Therefore potential projects were designed to supplement the existing activities of the council</p>
	<p>Meeting the requirements of agencies that contribute funding to the Participatory Budgeting process – for example, where a funding partner required community groups to be formally constituted and have a bank account before they were granted Participatory Budgeting funding</p>	<p>More intensive capacity building could be undertaken to ensure that community groups are better equipped to take on monitoring and evaluation responsibilities post being awarded funding</p>	<p>The <b>Stockport</b> Neighbourhood Renewal team, which facilitates the Participatory Budgeting process, has worked together with Stockport Community and Voluntary Services to provide training sessions for residents on understanding constitutions.</p>

Category	Barriers to delivery	Methods to address the barrier	Examples of mitigation activities
Delivery weaknesses	Lack of mechanisms to ensure consistency of delivery between areas within a local authority district	Development of minimum standards to facilitate the processes which are embedded across an area	Both barriers were cited by a number of the study areas, which were in the process of either considering or designing minimum standards to facilitate the Participatory Budgeting process. This is likely to include guidance on the minimum levels of support and feedback that are to be provided to project applicants and similarly, the embedding of consistent and clear monitoring and evaluation processes
	Insufficient levels of feedback and monitoring, post the decision-making event which may serve to decrease the resultant outcomes of the Participatory Budgeting process	Development of clear monitoring and reporting procedures which are deployed across an area	For example, each project that receives Participatory Budgeting funds in <b>Stockport</b> is required to sign a contract with the Neighbourhood Renewal team to confirm that it will spend the funding on the activities set out in their proposal. Each community group is also required to complete an evaluation pack, which in the future will include the provision of evidence on outputs (e.g. the number of people engaged in the activity) and outcomes and impacts.
	Tendency for projects to be activities as opposed to outcomes focused		

Source: National Evaluation research

## Conclusion

- E.96 This chapter has provided a summary of how Participatory Budgeting was established and how the process has operated in the areas that participated in the evaluation. It highlighted the variety of approaches that have been used to facilitate Participatory Budgeting processes and good practice examples of the methods by which individual steps of the process could be carried out. The next chapter provides initial findings on what the process has achieved to date.