Evaluation of Participatory Budgeting Activity in Scotland 2016-2018

Angela O'Hagan, Clementine Hill-O'Connor, Claire MacRae, Paul Teedon
Glasgow Caledonian University

Introduction

Bringing decision making on local resources closer to local people is a process known worldwide as 'participatory budgeting' (PB). First introduced in the particular political context of post-dictatorship Braziil over 30 years ago, the intention of activists and local politicians in Porto Alegre was to decentralise administrative power at the local level, by engaging and empowering local residents to be involved in making decisions on local priorities and the allocation of public resources to meet identified needs. The concept of PB has travelled the world, and has landed in Scotland in the particular and dynamic context of political engagement as a legacy of the 2014 independence referendum, public conversations and formal consultations on democratic and community renewal and legislative underpinning for community empowerment – the Community Empowerment (Scotland) Act 2015.

As part of its commitment to community empowerment, the Scottish Government through the Community Choices Fund, has supported a national development programme to underpin the introduction of participatory budgeting through local authorities, public and voluntary sector partners. £6.5million has been allocated by the Scottish Government between 2014-2018. This funding has supported a national programme of training, project match-funding, digitised voting, practice development and exchange, a web-based portal, and a three-year evaluation. Local authorities were no longer eligible for the 2018 funding but would instead be supported in developing practice to meet the most recent change in direction – the introduction in 2017 of a 1% target of local authority budgets to be allocated through community participation by 2021 (Community Choices 1% Framework Agreement between the Scottish Government and the Convention of Scottish Local Authorities (COSLA)).

In 2015, the Scottish Government commissioned a team at Glasgow Caledonian University (GCU) to conduct an evaluation of 'participatory budgeting activity' which has been ongoing from commencement in 2016 to the end of 2018. The evaluation has therefore been simultaneous with the development of what have been called the 'generations' of PB development in Scotland. These developmental phases can be grouped into training and exploratory activity in phase 1, with training to local authorities provided by PB Partners. Phase 2 saw local authorities go live with a series of participatory events for the allocation of localised small grants to fund local, community-based projects. In Phase 3, the small grants events continued, but local authorities and their public sector partners began to move into more mainstream service, budget, and partnership working for decision making.

The evaluation ran alongside the development and delivery of PB activities at a time when the policy context was also shifting with the creation of the Community Choices Fund in 2016/2017, and the development and publication in 2017 of the Framework Agreement noted above.

The evaluation selected 6 case studies, including the 3 Ayrshire local authorities as one case study grouping. The other areas were Glasgow, Edinburgh, Fife, Western Isles, and Aberdeenshire. The evaluation was undertaken in three overlapping phases.

Phase one, in 2016 a first round of interviews were undertaken with all 20 local authorities enagaged in PB at that time. Interviews were with council officers and elected members and set the baseline for data on practice and definitions of PB.

Phase two, in 2017 interviews with stakeholders in community and partner organisations were undertaken. A learning set was established comprising members from local authorities and community organisations from different case study areas. Focus groups and consultation events were held in Glasgow and Fife and the evaluation team attended working group meetings in Edinburgh and Fife. This evidence was also supplemented with an online survey of PB event participants in Glasgow and Fife. Further, over 2016 and 2017 the evaluation team attended PB events and undertook interviews with council officers and members across the case study areas. An Interim Findings Report was published in November 2017.

Phase three, in 2018 a repeat round of interviews was held with council officers, this time including finance directors and elected members with a financial management/oversight role, and external stakeholders, in order to gauge attitudes and approaches to implementing the Framework Agreement 1% target.

This Research Findings summarises findings across these phases from the most extensive evaluation of PB in Scotland to date. The findings are grouped around the four key areas of impact that the evaluation was commissioned to focus on, impact on:

- Communities
- Services
- Local Democracy, and
- Tackling Inequalities.

Key Findings

Among the many findings of interest from this comprehensive evaluation, a number centre around the ongoing need for clarity of concept, definition, and purpose as to what constitutes PB, and what local authorities have in mind when considering activities and approaches to increasing community participation.

For many respondents in interviews, at PB events, to surveys and in focus groups, and from observing PB activity across the country, it is clear that:

- Officers and elected officials generally recognised and were supportive of the potential of PB in Scotland, but a number of them, and others engaged in PB activity, expressed their concerns about the approaches to some of the activities that were organised, particularly in relation to the extent of community involvement in tight timescales, and practicalities around the timings of events organised as part of the early efforts at implementation.
- The evaluation identified mixed approaches to events-based 'PB' activities with some variation and considerable replication of approach across local authorities who had participated in training from the same providers.
- There were mixed responses from community participants to local events and the levels of participation in planning and decision making locally.
- There is evidence of learning by local authorities on the formulation and management of local PB events, including acknowledging the importance of community involvement in planning events and ensuring longer lead-in times.
- The evidence shows a spread of type of local activity and range of sums requested from small 'community pots'.
- There is some evidence that PB processes have moved beyond a focus on single-event mechanisms to incorporate development of community-prioritisation approaches.

Impacts of PB in Scotland

The full report contains extensive data from a wide range of sources, including from the many interviews conducted with elected members, local authority officers, local groups and other stakeholders. The findings on the key areas of impact are summarised here.

Impacts on Communities

- PB has been carried out within the context of scarce resources at all levels: council; community; individual organisations; and households which has had an impact on the perception of PB at community level in relation to how it differs from small grant funding for community-led projects, and how PB can scale up to be the decision making process for more substantial council service budgets.

- PB in the form of small grants can create tensions within communities given the competitive nature of the process and this has led to questions of fairness and transparency.

- Perceptions of the participatory aspects of PB varied, depending on the process used. Some valued the opportunity to be involved in local decision making at voting events, however, others felt excluded from processes.

- PB events have brought communities together, raising the visibility of previously unknown organisations and creating networking opportunities.

- Whilst there are examples of previously overlooked or isolated community organisation, there has been persistent exclusion of disabled people and individuals not engaged in local disability or disabled people's organisations, or ethnic minority organisations.

- The use of locality planning mechanisms became more prevalent over the evaluation period but did vary nationally, and in the extent to which PB activity aligned with community-based locality planning.

Impacts on Services

- Evidence shows that there has been limited impact on service provision, as in 2016-2017 the Community Choices processes were still new and in development, and the principal focus of activity was on small grants for community activity.

- PB-funded service provision tended to include individual, small scale requests to replace services previously funded directly by the local council, including for example, community-based social care or breakfast clubs.

- There were examples in which cuts to services, e.g. libraries, were presented as a PB exercise whereby the community was consulted on budget cuts, rather than on funding priorities.

- There has been some innovation in the application of housing revenue and road/traffic budgets where local residents were engaged in priority setting and allocation to specific projects – i.e. some evidence of PB's transformative activity/potential.

- There is some evidence of a use of thematic approaches, with locally focused events for young people, older people, people in recovery, and with Police Scotland at local levels engaging communities on safety and hate crime specific projects.

Impacts on Local Democracy

- Local councillors were involved in PB activity at decision making level and visibly engaged in local activity.

- Concerns were raised about the division of decision making responsibility between elected members of local councils, community councils, and community members making decisions on resources.

- There was considerable variation in the consistency and character of engagement of local authority councillors, with some using ward newsletters to inform widely on opportunities, and evidence of others directly contacting known groups.
- Community councils engage differently and to varying levels in PB activity. Some respondents consider community councils to be positive stakeholders, or local anchor organisations, while elsewhere community councils are not so well regarded.
- Local authority members vary in their levels of enthusiasm for PB, with some fully on board, others still sceptical, and others still unconvinced that PB is a cost-effective way of engaging communities in decision making.

Impacts on Tackling Inequalities

- There is some evidence that the small-grants, local decision making events made significant attempts to include a range of community information resources, family-oriented entertainment, catering and hospitality to attract people and show appreciation of their attendance.
- The commitment by local authorities to reach out to and support equalities groups as part of the PB process is increasing.
- A clear understanding of the structural, financial, and attitudinal barriers people with different characteristics experience is not yet a basic starting point for many PB practices. A move away from more 'tick-box' approaches to equal opportunities to a more detailed understanding of how to achieve equality of participation and outcome is still needed.
- There was limited evidence of analysis of equality characteristics informing practical arrangements for PB activity.
- Physical access was a significant barrier to participation including access to venues, transport to events and interpretation at events.
- For some participants the timing of events was problematic in terms of the times of day events were held and how long events ran.
- There was a lack of advance communication and lead-in time to allow for building understanding and supporting participation.

Implementing the 1%

The evaluation was extended into a third year with a view to capturing learning and key areas of development for local authorities as they move towards the transformation of participation into mainstream budgets and services (the 2017 Community Choices 1% Framework Agreement between the Scottish Government and COSLA). The findings from the evaluation help identify areas requiring specific guidance and support to practitioners and decision makers in implementing this significant change in the relationship between local citizens and local state institutions. Key findings include:
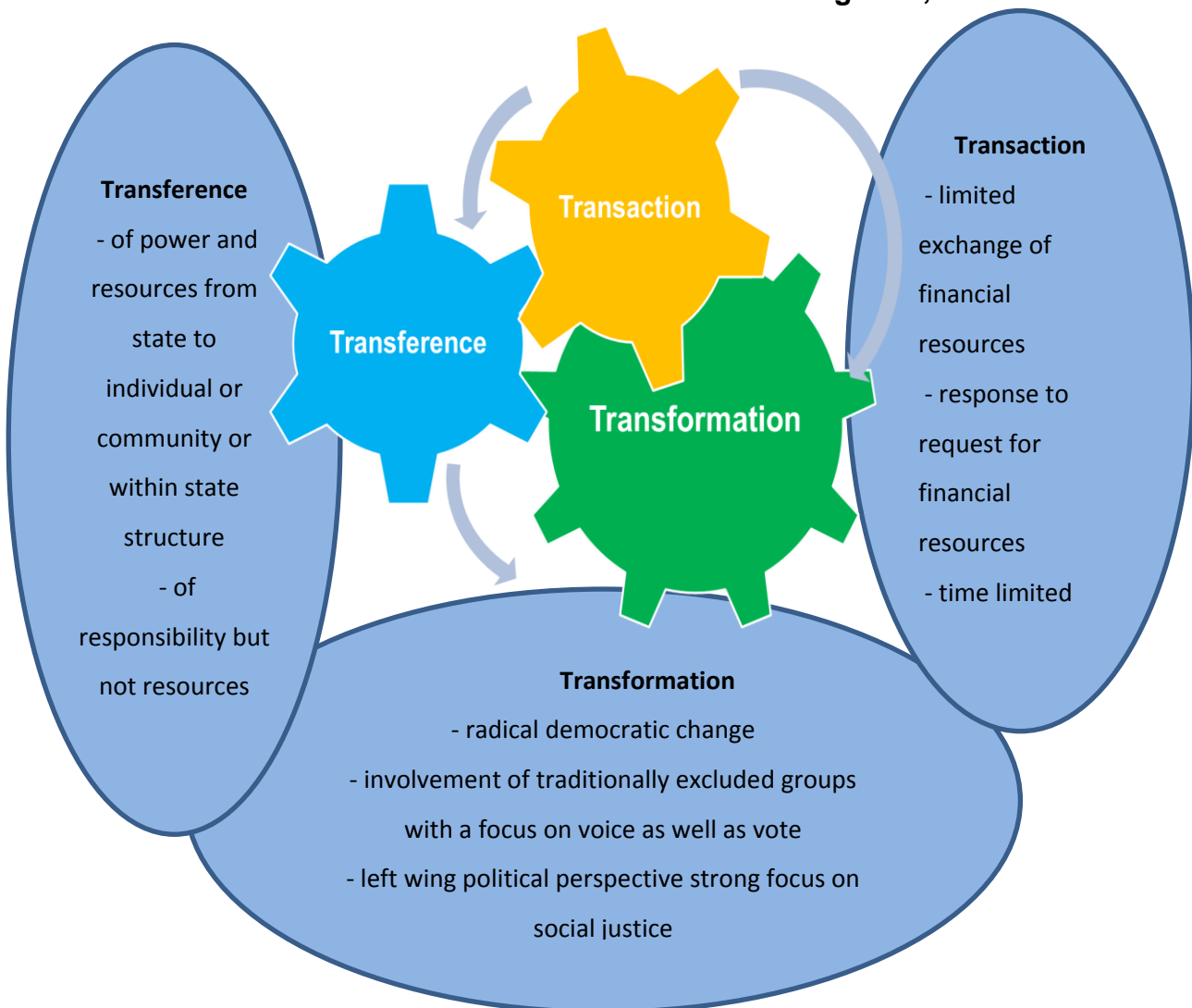
- Evidence from the evaluation suggests there is ongoing uncertainty as to how to expand and support increased participation in local resource allocation decisions.
- Participants raised concerns over stability of local government finances.
- There were concerns that allocation of resources to participation rather than through participatory means will result in a reduction in service budgets.

- For some, the move to mainstreaming PB is an extension of the trajectory individual local authorities have set towards a transformative partnership model of working with communities.
- A key question was raised throughout the interviews: is the 1% figure to be regarded as a 'floor' (minimum) or a 'ceiling' (maximum cap)?

Towards a Scottish Model of PB

In articulating the findings and reflecting on the progression of PB in Scotland, the evaluation process introduced a characterisation of a Scottish model of participatory budgeting: the 3 T's Model – transaction, transference, and transformation (Figure 1).

Figure 1, The 3 T's Model

Transference
- of power and resources from state to individual or community or within state structure
- of responsibility but not resources

Transaction
- limited exchange of financial resources
- response to request for financial resources
- time limited

Transaction

Transference

Transformation

Transformation
- radical democratic change
- involvement of traditionally excluded groups with a focus on voice as well as vote
- left wing political perspective strong focus on social justice

This model reflects the dynamic nature of continuing development in Scotland as participation in local decision making on public resources moves from a funder-beneficiary model to empowered engagement in mainstream budget decision making. This is particularly the aspiration of the joint Framework Agreement.

Actions and Implications for Practice

Informed by these key findings, the full report offers a series of propositions and challenges to the Scottish Government, local authorities, and the wider range of public and non-statutory sector organisations as they progress a Scottish approach to PB. The evaluation findings invite those with a commitment to PB as a potentially transformative force in local governance, community participation and budgetary allocation to consider a number of key propositions, as follows:

- If it is the shared intention of Scottish Government and local authorities to empower communities by changing the nature of decision making processes at the local level, that requires a **transference** of power between the different levels of government and the different actors – institutional and community – engaged in the process.
- If it is the intention of the Scottish Government and public authorities, not only local councils, to reform the structure, design and delivery of public services, then that too requires a **transference** of power and resources, to effect the transformation implicit in public service reform.
- If the intention of central and local government and public authorities is to create genuine partnerships in decision making about the needs of people in their communities that are based on the priorities identified by those people, then that requires a **transformation** in the relationship between all those partners.
- **Transferring** the power and resources to be able to identify and articulate priorities relevant to all members of Scotland's communities also requires re-building trust in government and public authorities.
- If the intention is to support people in Scotland to be actively engaged in decision making and exercising their voice, that requires a **transformation** in the understanding of the structural constraints that continue to limit inclusion and reinforce the exclusion of many because of their poverty, disability, gender or ethnicity.

In responding to these challenges, the evaluation proposes a series of practical actions across the four impact areas (Communities, Services, Local Democracy and Tackling Inequalities) which are informed by the substantial findings detailed in this report.

The actions comprise clear areas of re-orientation and practice by local authorities and partners to progress more inclusive, deliberative, engaged and empowered participation in local resource decision making. Where possible, drawing on the learning and evidence from the evaluation, indicative activities to implement the actions are proposed. The findings offer a range of learning points from the early PB activities and the opportunities to improve community involvement in the design and planning of events, and the need for the diverse needs and experiences of different members of the community.

Actions for Impact on Communities

- Sustain meaningful and purposeful involvement of local communities, including essential preparatory work and local community development by earlier and more proactive activity to engage community residents in what PB means to local communities and what the opportunities to engage could mean for local services.
- Support inclusion and participation of whole communities by identifying and acting upon their different needs and requirements. This includes consideration of equalities characteristics; different patterns of service usage; and support needs in relation to interpretation, accessible venues and transport, and engagement in setting priorities for services such as social care and transport.
- Change to more inclusive and localised ways of working that reflect the differences between places within local authority areas in relation to diversity, income levels, and types of services.
- More closely involve local council officers and other partners in shaping local services, including environmental improvements, use of public space, social care and accessibility of public services and spaces.
- Resource community and institutional capacity building – that is, the skills, confidence and knowledge to engage in sustainable and meaningful participation so there is a transfer of power and resources that effectively empowers communities.
- Make more effective use of Local Outcome Improvement Plans (LOIPs) and an integrated approach to community consultation that transforms community consultation and minimal engagement into informed participatory decision making on budgeting, priority setting and resource allocation.

Actions for Impact on Services

- Develop the analytical and community development capacity within local authorities by improving local data on equality groups and improving understanding of different patterns of service use and participation.
- Develop a better understanding of what PB is, and can achieve by working towards cultural change at all levels of local government to enable a shift in power and decision making.
- Working across local authorities, COSLA and other public bodies will ensure greater coherence of purpose and understanding of PB across the public sector.
- Address the disjointed and dislocated approaches to PB by working towards an integrated service approach to community participation and decision making through improved alignment of community planning objectives and resource sharing processes.
- Address the underlying anxieties of public finance managers that participation is a method that needs to be resourced, not an additional service to fund, by investing time and resource in training and building competence and confidence in transference of power and resources to communities.
- Build internal capacity on analysis and understanding of equalities dimensions of participation through training and awareness raising on equalities with council officers, elected members and partners.

- Resource equalities implications of services to meet diverse needs within communities by ensuring equality impact assessments, effective consultation and mitigation are regularly and consistently conducted on policy proposals from local councils and public bodies.

Actions for Impact on Local Democracy

- Build understanding of PB as a concept among local elected members in local councils and community councils through proactive information and awareness raising materials, that explain PB is a way of doing things that needs to be resourced to support better outcomes for citizens, within limited resources.
- Encourage local authorities and community councils to open up to other forms of citizen participation such as citizens' juries or assemblies, and make more information available in different formats.
- Ensure clear participatory intent is supported by best practice in participatory and deliberative methods by taking steps to address the issues of exclusion identified in the findings and resourcing more inclusive activity.
- Build public knowledge and understanding of public finance so that local people are better informed on local government finance, what decisions they can be involved in, and what differences that might make.
- Open budgetary processes to public scrutiny and participation through improved information available in a range of formats, and providing in advance of budget setting and decision making on priorities.
- Engage local people in budget setting so that PB is both participatory and involves budgeting by empowering local people with information and accessible opportunities to participate in setting spending and service priorities. These more inclusive approaches from local authorities and public bodies would be a confirmation that participation transforms relationships and services.

Actions for Impact on Tackling Inequalities

- Improve data and knowledge on local communities so that communication, engagement opportunities, and service design more closely reflect local needs and priorities.
- Use the Public Sector Equality Duty (PSED) as a strategic lever to engage council departments and partners across the public sector in equality analysis and designing public services by consulting directly with people on finance and service decisions. This means improving the practice of Equality Impact Assessments as a matter of good governance.
- Use the National Standards for Community Engagement as a practical framework to support local authorities, third and public sector partners to engage to reach out to local people across diverse needs and experiences.
- The Scottish Government could make use of the ministerial duties within PSED in Scotland to support and direct the improvement of equality analysis and practice within local governance by requiring regular reporting on activity to advance equality of outcome and improvements in practices related to empowering local communities.

These actions all require to be underpinned by sustainable political commitment to increase community participation, representation and deliberation in priority setting and resource allocation in Scotland. Local authorities have been the focus of the evaluation, but are not the sole actors in delivering greater community empowerment, even with the high levels of enthusiasm, energy, and effort that has characterised developments to date. These actions require a re-orientation and re-engagement with the multiple agencies involved in public service delivery in Scotland, in partnership with local people.

Conclusions

The early iterations of PB as a small grants process varied in how they have been presented to communities and the extent to which communities have been engaged in decision making beyond a transactional – funder:beneficiary relationship. Where there is evidence of transference of decision making power over local priorities and resources, communities and councils (and their partner organisations) are responding by changing, or aiming to change, their ways of working around service planning and design. The small grants as a transactional model has had important benefits around community cohesion, transferring knowledge and awareness of local activity, if not power over resources.

The transformative potential of PB is clear but requires significant improvement in the deliberative opportunities and processes for supporting participation in decision making at local level and at the level of council budgets. Uncertainties over levels of funding and stability of resources to councils undermine the ability of local authorities to scale up community participation. Established organisational and behavioural norms also impede innovation and the cultural change necessary to effect the systemic and political shift to increased community participation in budgeting and priority setting. As innovative examples emerge, it can be hoped that local authority elected members and officers will increase in confidence to adapt and to adopt more open and inclusive ways of working. The sharing of such good practice models might usefully be further encouraged.

Without significant shifts in understanding of the relevance of equalities characteristics, and the structural constraints that arise from gender, disability, race and class discrimination, there is a significant risk that approaches to PB will not engage across the depth and diversity of local communities. It is imperative to invest in accessible and deliberative processes, challenge established perceptions and behaviours, and take the lived realities of people's lives as a starting point if participation in public service decision making are to be inclusive and transformative.

Local communities do not all have the same capacity or share the same interests in being engaged in decision making. Capacity can be developed by increasing knowledge, supporting participation and access to opportunities, and by clearly articulating the purpose and rationale for individuals and community members to give their time and effort. Building trust in public authorities and the belief in the commitment to listen and respond are central to improving community capacity.

Ultimately, participation requires resources of time and finance from local authorities and other public sector partners to secure and sustain local capacity and interest. As councils

develop their approaches to 'mainstreaming' PB, factoring in participation to spend is an essential consideration. Currently, many councils regard participation as an additional cost or that funds allocated to participation are lost to core service budgets. This mindset represents one of the most significant challenges to mainstreaming PB. It requires clear guidance from Scottish Government ministers and officials that participation is both the objective and the process through which community empowerment is to be supported, and community engagement in decision making is to be operationalised.

This report has identified a wide range of positive practice and commitment alongside considerable uncertainties and vulnerabilities. In presenting the analytical framework of the "3T's" - transaction, transference, and transformation – the intention is to offer the Scottish Government and other stakeholders an approach to characterise their own interpretation and implementation of PB. In addition, the model can serve as a way to evaluate the extent to which current practice at national or local level is meeting the aspirations of the principles of PB as a concept, and in relation to the demands placed on it. Ongoing evaluation of the implementation of PB as a mechanism for community empowerment and tackling persistent inequalities should also continue to be part of practice, reflecting the current and future contexts of public finance and public services in Scotland.