

Evaluating Participatory Budgeting Activity in Scotland – Interim Report Year 2

Angela O’Hagan, Clementine Hill O’Connor, Claire MacRae, Jennifer Broadhurst and Paul Teedon

Contents

Introduction	1
Evaluation Project	3
Summary of Key Findings	6
Findings in relation to core research questions	11
Implications for practice and policy	15
Focus of Phase 3	19
References	21

Introduction

Since 2014 the Scottish Government has invested over £4.7 million in a range of measures to support the introduction and development of participatory budgeting (PB) in Scotland. Financial support has included project and match funding for Scottish local authorities, with allocations in 2014 and 2015 to support training and practice development, fund resources to support community involvement and the delivery of participatory decision making on local resource allocation. In 2015, the Community Choices Fund was introduced as a means of direct financial support and match funding to public authorities and community organisations to support local activity and services. Part of the investment from the Scottish Government has included funding a national support programme that to date has comprised the development of a national knowledge exchange network and website; funded training and consultancy for public authorities and communities through PB Partners; support to introduce digital voting mechanisms; this evaluation study and a wider evaluation programme; an international conference in 2016; learning events and publications; and a recently introduced facilitator training programme. The third call for applications to the Community Choices Fund has an allocation of an additional £1.5m for 2017/18 to be split between public authorities and community organisations for activities to promote and advance PB.

Originating in Puerto Alegre (Brazil) over thirty years ago, the concept of PB has travelled and transferred across the world, adapting to local policy and political contexts. In essence, PB aims to enable local people to decide on the issues that matter to them and to help them to understand public spending, put forward their own ideas and vote on them (PB Partners). The Scottish Government describe PB as “a way for local people to have a direct say in how public funds can be used to address local needs” and consider it to have important potential in helping individuals feel connected to each other and to their communities and can instill a sense of ownership, trust and connectivity.

The Scottish Government is supportive of PB as a tool for community engagement that fits with the objectives of the Community Empowerment (Scotland) Act 2015 and considers it an important resource to build on the wider development of participatory democracy in Scotland (Scottish Government website). The Scottish Government has framed its policy on PB through policy and legislative provision for community empowerment and since 2015 the funding stream and related activities have been referred to as Community Choices.

Between inception in 2014 and commencement of the evaluation project at the end of 2015, 20 local authorities in Scotland were directly engaged with the Scottish Government through funding support for training on PB practice and to develop awareness of PB and practical implementation. This activity was part of the 'first wave' of the currently funded PB activity following political commitment from the current Scottish Government. PB as a concept pre-dates the current Scottish National Party government, and is an established method in community engagement globally. Practice among community-based or community-led organisations and some local authorities in Scotland also pre-dates the current drive to increase PB activity.

This summary presents the initial findings of an evaluation study of PB activity in Scotland, with a particular focus on local authorities, by researchers based at Glasgow Caledonian University (GCU) between October 2015 and June 2017. It identifies any impact that PB has had on local communities, local services, and local democracy in Scotland across 20 local authority areas with more detailed analysis of 6 case study local authorities. The research methodology can be characterised as participatory action research, which ensures that the perspectives of distinct actors (institutional and community) are incorporated into the focus, process, and analytical activity of the evaluation project and that questions of voice, diversity, and representation are not only addressed in the research activities but form the central methodology – of interviews and focus groups.

Evaluation Project

This interim report provides the initial findings and identifies any impact on local communities, local services, and local democracy from local authorities engaged in the process. The extent to which approaches to PB have been formulated and aim to address enduring and underlying inequalities has also been a key focus of the evaluation process.

The original evaluation project was to run from October 2015 to October 2017. In May 2017, a third year was agreed to allow for closer analysis of the implications of lessons to date to inform the proposed expansion of participatory and community budgeting to 1% of local government budgets as set out in the 2016-2017 Scottish Government Programme for Government.

Data is still being generated and analysed, the findings presented here are based on first round interviews with 20 local authorities and more detailed engagement with the six case study authorities. It is not intended to be a definitive analysis as the study is ongoing, but rather offers indicative implications for policy for both the Scottish Government and local authorities, and some considerations for practice development as PB expands in Scotland.

A multi-disciplinary team comprising researchers from the WiSE Research Centre, Glasgow School for Business and Society (Social Sciences, and Risk subject groups); the School for Engineering and Built Environment; and the Yunus Centre for Social Business and Health has engaged in a multi-method approach to the evaluation. This has included a series of structured interviews with local authority elected members and officials; members of local communities; and engaged third party organisations. A first round of interviews with local authorities was followed by a second phase of in-depth observation at PB events; and observation (and some participation) in development groups at local and national level. A series of interviews with

officers and elected members from 6 case study authorities was conducted up to June 2017.

The team has also attended and observed a range of activities across Scotland. An action research set of community, public bodies and local authority officers has also been established and provides an opportunity for ongoing data collection, reflection and analysis of the implementation and impact of introducing PB. Focus group discussions and the development of an action research set are ongoing activities.

Between October 2015 and June 2017 the team has conducted:

- 5 interviews with community reps
- 20 interviews with elected members
- 2 focus groups
- 11 participatory budgeting events across 4 local authority areas.

The cases were selected on a range of criteria to ensure a spread of experience in PB, urban and rural mix, varied funding allocations and policy framing. The six selected local authority cases are Glasgow, Edinburgh, Fife, Pan Ayrshire (North, South, and East), Western Isles Council, and Aberdeenshire Council.

The ongoing evaluation study reveals a range of approaches in use to date by local authorities and variations in community engagement these activities are producing. Given the activity on the current scale is new and emerging, expectations of the impacts on communities, services, local democracy and pre-existing inequalities have to be realistic. The findings from this evaluation of current activity in Scotland reinforce previous conclusions from comparative European research and studies on Scotland in affirming that there is no one model and that significant variations in format and procedure, as well as in strategic intent are common (Sintomer et al. 2008; Escobar and Harkins, 2015).

After almost three years of investment from the Scottish Government and significant levels of activity by the majority of Scotland's local authorities and a wider range of community based and third sector organisations, efforts to promote and implement PB in Scotland have been vibrant. The extent to which some of this activity is having a transformative impact and is sustainable for local authorities, at least in the way the approaches are currently managed, is however questionable. The extent to which communities, politicians and council officers are engaged and convinced of the purpose and benefits of PB is also mixed.

While evidence of positive impact on the core variables in focus in the evaluation is still limited, other variables are of equal importance at this stage in the development of PB in Scotland. These include the extent to which there is clear and consistent understanding of what is meant and understood by PB; what the strategic objectives and indicators are for local and national government; and what local communities understand and stand to gain by engaging in decision-making on the allocation of resources. To date, the introduction of PB signifies a commitment and investment of time and resource from community applicants and participants as well as on the part of local authorities. Changing the relationship between communities and government at the local and national level means establishing a different contract between citizens and the state. The extent to which this leads to a shift from a transactional relationship (whereby councils provide services or resources in response to expressed needs or direct requests) to a transformational shift in power is a question at the core of developments in PB.

Summary of Key Findings

- Since 2014 increased levels of financial investment from the Scottish Government combined with political support for PB have seen significant levels of activity by the majority of Scotland's local authorities and a wider range of community based and third sector organisations.
- Engagement and commitment to PB by communities, politicians and council officers is mixed. Evidence suggests that the varying range of approaches in use by local authorities so far is resulting in a number of differences including in levels of participation, the construction of PB (thematically or geographically), the boundaries for applicants (communities, charities, schools and other local public resources), and the processes for community engagement (events, voting, presentations).
- It is evident that the introduction of PB signifies a commitment and investment of time and resource from community applicants and participants as much as it does on the part of local authorities.
- There is limited evidence of consistent definitions of participatory or community budgeting in use across individual local authorities. A key observation is that local authorities tend to adopt, and adapt, definitions signifying a variance on standard definitions and the principles of PB.
- Participatory decision-making can be limited and challenging for both local authorities and communities. The transformation of power relations in resource allocation appears to be a cause of uncertainty. With the exception of two local authorities, communities are not engaged in specific budgetary allocations for mainstream services. The grants-based approach evident across local authorities engages communities in participatory decision-making for small community projects.
- Overall there seems to be a distinction between PB being operationalised as a transactional delivery method in community

planning, and community engagement being regarded as a strategic goal and starting point for transforming relationships between communities, councils and public services and resources.

- The Community Empowerment (Scotland) Act 2015 is clearly a driver and enabler for PB, but the requisite culture change towards more inclusive and shared decision making is not evident across all local authorities. Communities of place and the orientation from the Christie Commission inform some of the framing of participatory activity, but it is not evident as a lead driver.
- Similarly the provisions of the Equality Act 2010 and specifically the potential of the Public Sector Equality Duty to drive community engagement and empowerment have not been noticeable drivers of practice change or community engagement. There is limited reference to both in the strategic framing of PB. It also appears that some ethnic minority communities are not integrated into the process and continue to be less included in outreach and communications work around PB, although there is some evidence of efforts to reach groups not represented by active community groups.
- To date, findings suggest that there is innovative practice developing but strategic capacity and intent require to be more clearly articulated, resourced and reflected in the structures and operations of local authorities.

In this section, the summary findings in the following table are structured around a formulation by the GCU team using the 'strategic design choices for participatory budgeting' from Harkins and Escobar (2015). In their terminology, a policy instrument re-orientates the relationship between public or government authorities and civil society (op.cit., 13). A policy device is when PB is applied as a tool for community engagement, without the more transformative potential of changing the power relationships.

Design choice	Glasgow City Council (GCC)	City of Edinburgh Council (ECC)	Pan-Ayrshire (North, South, East Ayrshire Councils)	Fife Council	Western Isles Council (WIC)	Aberdeenshire Council (AC)
Policy Instrument or Policy Device	Instrument of governing. Using PB as a mechanism to involve communities in locally relevant decisions through the administration of small grants programme. Links to stated priorities in Single Outcome Agreements.	Community engagement, framed within strategic priorities. Is that policy instrument or policy choice?	Policy device for engaging local communities in decision making. Evidence of PB as a policy for engaging communities in tackling local inequalities and working with the local authorities.	Policy device for engaging local communities in decision making. More evidence of PB as a policy for engaging communities in tackling local inequalities and working with the local authorities.	Policy instrument. As a way of governing and taking a different approach expanding community involvement in decision-making in procurement processes.	Policy device for engaging communities in decision making on local inequalities and locally identified need, framed in strategic context of health, wellbeing and environmental improvement.
Neighbourhood or Multilevel	Neighbourhood - Area Partnership and Community Council.	Combined - neighbourhood and partnerships including different council departments, local third sector organisations, Police Scotland.	Neighbourhood and multilevel partnerships including third sector organisations and NHS.	Neighbourhood - localised across rural and urban areas - with partnership support including Coalfields Regeneration Trust.	Multilevel - different departments of local authority (WIC), community councils, local contractors.	Multi-level - combination of local authority neighbourhood structures, partnership agencies through Integrated Joint Board on Health and Social Care, (NHS and local authorities), community/third sector groups.

Thematic or Geographic	Geographic, through Area Partnerships, with singular interventions to include thematic interests of addiction recovery.	Combined - mix of neighbourhood and thematic focus including hate crime and young people.	Combined - localised geographic focus with singular thematic focus including mental health.	Geographic.	Thematic – transport.	Combined - geographic scope within defined thematic focus on environmental improvement, health and wellbeing priorities.
Community Grants or Mainstream Funding	Community Grants.	Combined - small grants, housing revenue grants, roads and environmental improvement funds.	Community Grants.	Community Grants.	Mainstream funding - transport budget.	Mainstream funding administered through small grants process.
Facilitator	Glasgow City Council (Community Empowerment Team) and localised decision making at Area Partnership level.	City of Edinburgh Council (Community engagement and neighbourhood partnerships) and other partner agencies.	3 Ayrshire Councils - (Community engagement team).	Fife Council Community Engagement team.	WIC.	Aberdeenshire Council and Integrated Joint Board (including NHS).
Proposer (who makes the application)	Communities.	Communities.	Communities.	Communities.	Combined - contract renewal, parameters set by WIC, community consulted on needs and preferences, dialogue with service provider/contractor.	Parameters set by institutional partners and communities propose projects.
Participants	Local community groups - new and pre-existing; public bodies including schools.	Local community groups - new and pre-existing; public bodies including schools.	Local community groups - new and pre-existing; public bodies, including schools.	Local community groups - new and pre-existing.	Local community - individuals, pre-existing groups and consultation channels.	Local community groups - new and pre-existing.

Type of participation	Combined - presentation of options/proposals at voting events, including some trials of digital voting in real time.	Combined - online consultation and presentation; public presentation, deliberation, and voting. Online voting and digital voting in real time.	Combined - range of presentation and voting formats at small-scale local level.	Combined - range of presentation and voting formats at small-scale local level.	Deliberative - community consultation followed by deliberative process of selection to contract provider.	Combined - range of presentation and voting formats at small-scale local level.
Final decision maker	Citizens.	Citizens.	Residents.	Citizens.	Combined - citizens and budget holders.	'Customers.'
PB fit with democratic system	Institutional - budget allocations are discretionary at Area Partnership level.	Combined - delegated budgets and regular reporting processes; delegated budgets by partner organisations, e.g. Police Scotland.	Institutional - budget allocations are set by local authorities and usual grant governance processes apply.	Institutional - budget allocations are set by local authorities and usual grant governance processes apply.	Combined - final budget set by council, negotiated provision with local contractor.	Combined - institutional partners set budget value with institutional monitoring processes applied.

Findings in relation to core research questions

1. Impact on local services

For the most part, the activities funded and proposals presented through the various PB approaches and events have not been focused on core council services, with the exceptions of local bus transport in the Western Isles and Edinburgh City Council's housing and revenue roads capital. The nature of activity funded is small scale, reflecting the main mechanism for disbursing funds through small-scale local community grants. The provision of small grants to communities is at some level a council service in itself, and has also traditionally served the purpose of delegating to and facilitating activity directed by local communities according to their needs. The very small scale nature of the proposals presented and the activities funded through the PB activities indicates a number of conceptual, operational, and strategic challenges for local authorities and communities, and the Scottish Government in the roll-out of the commitment to 1% of mainstream budgets.

The impact to date on local services has been limited with no demonstrable evidence of impact or change. The prospect of moving to 1% of council budgets to be allocated through participatory processes means making a 'jump' from area-based allocations of an average of £10,000 to potentially up to £1m each across 23 wards in Glasgow, for example, and on a smaller scale in other local authorities, will potentially have significant implications including:

- i. Restructuring institutional processes and opening up routes to participation in resource allocation and priority setting at a higher level within the local authority than currently obtains.
- ii. Addressing local authority staffing and resourcing of the process.
- iii. Building community capacity for engagement in decision-making on local and authority-wide priorities and service provision.
- iv. Clarity on the strategic intent and purpose of expanding participation.

2. Impact on local communities

From the evaluation data and observations to date it is clear that there are mixed views on potential impact. Variations are evident as to whether there has been an impact on local communities of the PB processes, the extent to which any impact has been positive or negative, different perspectives on these questions from community residents and citizens and from local authority and other institutional stakeholders, and the extent to which any impact has been transformational and is sustainable.

What is clear is a high level of engagement and commitment from Council Officers who are involved in the processes. They are enthusiastic in a number of key aspects:

- re-connecting with communities
- supporting increased community involvement in priority setting and planning
- the potential for transforming relationships.

However, a number of competing perspectives exist alongside the enthusiasm. The sustainability of current models is a recurring concern among local officers, reinforced by the absence of robust strategic policy and resourcing commitments at the council level. A second, but not secondary, observation is the resistance or at least uncertainty around the allocation of 1% of council funds through participatory processes and the implications for staff numbers, service provision and quality, and the protection of statutory services.

3. Impact on local democracy

As regards the potential to transform the relationship between citizens and the state, which is a high-level ambition of PB, there is very limited evidence of significant change. What is clearer are divisions in opinion and experience which demonstrate a spectrum of responses and perceptions from largely negative to rather more positive and optimistic.

There continues to be high levels of cynicism as to what the real intent of PB activity is and the extent to which there is 'authentic' (Harkins and Escobar, 2016) engagement. The operational inconsistencies and lack of clear and advance communications in many of the local authority areas, including the case studies, have contributed to a lack of clarity and understanding as to what PB is and why the local authorities are engaging, which in turn have reinforced existing perceptions among community participants of being the object of state (local government) interventions rather than partners co-producing actions and outcomes.

For some participants their experiences of the PB activities are another example of having had something 'done to them' or activities being tokenistic rather than having been part of a changing relationship.

PB activities to date have not generally been presented as 'democracy in action', although some local elected members describe it this way, there are positive and optimistic perceptions of the *potential* for a changed relationship with more decision-making authority vested in the community, with a sense and practice of ownership and responsibility respected.

A major barrier, however, to effecting a transformation in the relationship between local authorities and local communities is the extent to which local authorities – officers and elected members – are prepared to transfer power to local communities; and the extent to which local communities are organised and resourced to assume that power.

Questions of power are under-developed in the context of PB as a transformation in the relationship between the state and citizens. Among elected members and council officers there is evidence of an enduring perspective that the lowest level of delegation of funds should be the local neighbourhood or area partnership and that elected members and officers should set the level of resources in the community pot.

4. Tackling inequalities

So far evidence for the evaluation has revealed very little reference to the enabling potential of the Public Sector Equality Duty (PSED) within the Equality Act 2010, or indeed proactively using its provisions to advance equality and foster good relations in PB activities. This suggests that the PSED is an under-utilised lever for local authorities and public bodies to ensure a more inclusive approach to their PB activities, and to maximise the alignment between the Community Empowerment (Scotland) Act 2015 and ethos and drive for mainstreaming equality to deliver more equal and inclusive outcomes.

Overall equalities monitoring of PB activities is limited, with data capture of participation limited to voting events. There is a recurring acknowledgement among officers and elected members of under-representation in engagement, participation, voting, and receipt of funds particularly among Asian, Black and Chinese members of the community. These deficiencies have been highlighted as areas of concern by ethnic minority and community organisations.

PB activities are not (yet) breaking established exclusions experienced by ethnic minority people and other communities, such as the newly integrating communities of refugees and asylum seekers and migrants from 'new' parts of the world. While there is limited evidence of participation by new and established migrant communities, for the most part it has been very localised and limited to one or two groups, and in some cases through places of worship.

There has also been a limited level of participation from disabled peoples' organisations (DPOs), with one example from Glasgow events, and no other self-identifying DPO leading proposals/bids at local events. A number of proposals have included requests for resources that may be used by disabled people and older people.

There are one or two exemplary equalities analysis where data has been generated and analysed across protected characteristics and this is being used to inform approaches to community engagement and participation. Examples include a thematic project in Edinburgh on tackling hate crime in partnership with the local

authority and Police Scotland, and other projects in Edinburgh specifically designed to engage young people. Fife, the Ayrshires and Edinburgh have involved local schools in these approaches. Thematic projects to support local mental health projects and wellbeing have also formed part of activities in the Ayrshire councils and Aberdeenshire.

Other local authorities recognise current deficiencies and the need to improve engagement with a wider range of community-based and community-led organisations.

For the most part equalities concerns, as encapsulated in the protected characteristics within the Equality Act 2010, have largely been considered in the context of socio-economic disadvantage, and a place-based approach to policy dominates in part through the use of deprivation indices and locality planning. Based on the evidence to date, practice of equality impact assessment and analysis of participation, engagement, and beneficiaries appears to be a significant area for development. The intersections of sex, gender, race, class, age, disability, gender identity, sexual orientation and place are not evident in the design and delivery of many PB activities, with the result that ‘tackling inequalities’ approaches lack a multi-dimensional perspective.

Implications for practice and policy

From the considerable volume of data generated in the first phases of this evaluation a number of issues have significant implications for further development of PB by local authorities and for future support and direction from the Scottish Government.

Overall, we have identified four main areas of learning as relevant to the future development and implementation of PB. Local authority officers, community residents and representatives of community and other stakeholder organisations are all concerned that future development of PB should be transformational, reflecting the fundamental principles of the concept – bringing decision making closer to communities and that the processes and content of decisions being made should be meaningful and contribute to positive change for communities.

1. Living up to expectations and 'principles' of participatory budgeting requires improvements and clarity in articulating the purpose and intention of participatory budgeting

At present, the dominant approach can be characterised as transactional rather than transformational. In order to effect a transformation in relations between communities and local authorities, there requires to be a clear recognition of existing power imbalances between communities, citizens, civil society and that these power relations must change.

There is a significant need for a strategic distinction between the purpose and intent of local grants and the rationale for differences in distributing them through established paper-based applications and assessments and through recent PB activities. This relates to the need for capacity building with local communities in order to develop an understanding of the rationale for different approaches to resource allocation and the significance for their fundraising.

Clarity and consistency is required across the PB processes including calls for bids, eligibility and bid selection criteria; transparency in selection criteria and processes; and parity of voting eligibility. Clarity is also required with regards to the relationship between additional activity carried out by the community and funded by local authorities, and activity and functions previously provided by the local authority and now being funded on a more limited level through community activity.

2. Building capacity and competence for meaningful and sustainable participation within communities, local authorities and partnerships

a. Communities

From the evidence to date it is clear that there are a series of first and second order outcomes, but that the latter have emerged by default as first order objectives have not been clearly formulated at a strategic level. The valuable secondary outcomes include increased awareness and knowledge of community-led activity at local level; increased community cohesion through acknowledgement of activity across communities of place and identity; and practical exchanges of information and resources.

First order, or strategic, objectives have not been clearly articulated by the majority of local authorities analysed. The by-products, the valuable second order benefits which are not explicitly stated around community cohesion, for example, but are clear evidence of developing community identity, capacity, and social capital are clear to both the community and institutional actors with potential for further action now and in the future.

b. Local Authorities

PB activities to date represent a significant resource commitment on the part of local authorities, or more specifically on the community development/engagement functions which have been charged with delivering this approach and where no additional staff have been allocated. Existing staff are absorbing considerable additional workloads which represents an unsustainable delivery model. This will require strategic resourcing attention as local authorities upscale towards the 1% target.

c. Partnerships

In addition to effective resourcing levels for staff, other institutional actors such as Health and Social Care Partnerships and Community Councils were also highlighted as not only key to the development of PB, but in need of support to reform ways of working and engagement with communities as well as additional resources to increase their participation in the process.

3. Policy and legislative drivers for Participatory Budgeting

The Public Sector Equality Duty (PSED) is not widely regarded as either an enabler in the process or that PB also supports the implementation/compliance with public sector equalities duties in the form of extended consultation, mitigation of inequalities and the fostering of good community relations. Highlighting the opportunities not only of PSED compliance, but of the advancement of equality and enhanced effort to tackle inequality is a clear opportunity for the Scottish Government.

Further clarity and direction from Scottish Government and clarity from public authorities on their strategic direction is required in relation to the strategic interest

in transformation – including transfer of power – in local decision-making processes in community participation. Similarly the policy context and enabling legal and policy drivers including Open Government Partnership, Community Empowerment (Scotland) Act 2015, Public Sector Equality Duty, incoming socio-economic duty and the pre-existing duty to promote wellbeing at local levels could be more clearly linked.

Further clarity of purpose and communication from the Scottish Government may respond, at least in part, to calls for further legislative underpinning for PB, given the extensive provision already in place that could be better understood and maximised.

Public service reform has been largely an implicit rather than explicit driver of engagement in PB. Transforming delivery of public services has to date been accelerated through a range of ideological and political steers from new public management constructs of the relationship between service users (customers) and the state as a facilitator, or a municipal paternalism whereby the public authority dominates and directs decision making on behalf of the local population, and in more recent years the downward pressure of austerity cut backs on public spending. Public service reform premised on a new relationship with citizens, deciding on public resources for public good potentially opens up alternative methods of engagement and transformation in decision-making, but requires a significant culture change in local authority political and resource management.

4. Strategic engagement with 1%

It is clear from the evidence generated in the evaluation to date that there is both a lack of clarity and certainty as to what assignation of 1% of councils budgets via participatory processes means in practice. A number of strategic and operational questions remain to be addressed by the Scottish Government. These include:

- Is 1% intended to be ‘top sliced’ across the full council budget or a total of 1% of council spend on activities and allocations being decided through a range of deliberative and participatory processes?

- Is the directive to implement participatory decision-making at all levels of council budget-setting, i.e. at full council and committee level as well as at neighbourhood/ward level?
- What is the 1%? Across full council budget or within neighbourhoods or services? What flexibilities do local councils have and what flexibilities will Scottish Government support? What learning and development needs and process changes are required at council and at Scottish Government levels?

Focus of Phase 3

As the interim report has been produced while data analysis is ongoing it has provided a snapshot of evidence for discussion of the main themes of the evaluation. This evidence demonstrates enthusiasm for revised ways of working between local authorities and communities, but for this to be realised and sustainable there needs to be an improvement in the strategic policy and resourcing commitments and framing by local councils. Local communities require clearer guidance and support to participate meaningfully and for their contribution in knowledge, time and resource to be recognised and better valued if the relationship is to shift from transactional to transformative.

Further analysis of the considerable volume of data generated in Phases 1 and 2 will continue in the first instance and will shape the focus of inquiry in Phase 3. Some of the action research activity is already underway. This will focus on the lessons to date from the evaluation, and will work with participants in the action research to consider the implications for future practice.

The two principal areas of activity in Phase 3 are:

1. Action research focusing on what effective and sustainable participation requires (what it means, what it looks like, and what it needs to make it happen) from the perspective of a range of stakeholders involved at various stages of the PB process.

Similarly, based on findings to date, Phase 3 will work with local authority elected members and officers, including finance and strategy officials, on the implications

for practice of implementing participatory methods across 1% of council budgets. In particular, the qualitative process will focus on the questions on strategic engagement, with the aim of generating insight and material for future guidance and practical direction for local authorities.

2. Understanding the 1% and what are the implications for local authorities

With Scottish Government proposals for local authorities to commit to allocating at least 1% of council budgets through participatory processes, Phase 3 of the research project will explore the state of readiness of local authorities and communities to make this transition, and seek to identify levels of understanding and strategic approaches to implementing alternative approaches to budget setting through empowered community engagement.

The evidence to date suggests that there is general enthusiasm and support for improving community engagement and that PB activities, stimulated by funding from the Scottish Government, are one way of advancing this. Communities of practice are emerging, supported by Scottish Government investment in the information portal and networking opportunities. These both underpin and reflect the positive disposition to the concept of PB. Practitioners are cautious and have raised operational concerns about the resourcing capacity to support ongoing work on PB and conceptual concerns about the extent to which a new contract with communities is possible, or for some even desirable, in the current context.

However, PB is being introduced at a fast pace at a time of other organisational change and budgetary constraint. Furthermore, approaches to PB are not yet anchored in the strategic thinking and planning of many local authorities. Findings so far point to a need for greater clarity of intent and meaning of PB, strategic guidance from the Scottish Government and local authority bodies including COSLA if the implementation of the 1% is to be effective and enduring. These factors combine to raise questions and concerns about the sustainability of PB, at least in the current transactional and small scale formats.

References

Aberdeen City and Shire. 2014. Strategic Development Plan, 2014. Available at: <https://www.aberdeenshire.gov.uk/media/10717/aberdeencityandshirestrategicdevelopmentplan2014.pdf>. Accessed 12 July 2017.

City of Edinburgh Council. 2012. The City of Edinburgh Council Strategic Plan 2012-Edinburgh. Available at: http://www.edinburgh.gov.uk/downloads/file/3431/council_strategic_plan_2012-2017

Accessed 14 July 2017.

Escobar, Oliver and Chris Harkins. 2015. "Participatory budgeting in Scotland: an overview of strategic design choices and principles for effective delivery". Glasgow Centre for Population Health and What Works Scotland.

Glasgow City Council. 2012. Strategic Plan 2012-2017. Available at: <http://www.glasgow.gov.uk/CHttpHandler.ashx?id=14572>. Last accessed 14 July 2017.

Scottish Government. 2016. Statement on Programme for Government. 6 September 2016. Available at: <https://beta.gov.scot/publications/first-minister-statement-programme-government/>. Accessed 11 July 2017

Scottish Government Website

<http://www.gov.scot/Topics/People/engage/Participatory-budgeting>. Last accessed 30 August 2017.

Sintomer, Yves, Carsten Herzberg and Anja Röcke. 2008. Participatory Budgeting in Europe: Potentials and Challenges', *International Journal of Urban and Regional Research*, Volume 32.1 p. 164–78.



© Crown copyright 2017

You may re-use this information (excluding logos and images) free of charge in any format or medium, under the terms of the Open Government Licence.

To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or e-mail: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

The views expressed in this report are those of the researcher and do not necessarily represent those of the Scottish Government or Scottish Ministers.

This report is available on the Scottish Government Publications Website (<http://www.gov.scot/Publications/Recent>)

The Scottish Government
St Andrew's House
Edinburgh
EH1 3DG

ISBN: 978-1-78851-421-7 (web only)

Published by the Scottish Government, November 2017