Policy Briefing

Mainstreaming participatory budgeting: What works in building foundations for a more participatory democracy?

Key points

- Participatory budgeting (PB) is a democratic innovation that has become central to advancing three policy agendas in Scotland: public service reform, community empowerment and social justice.

- The grassroots growth of PB within Scotland's communities has been accelerated by increasing political, legislative, policy and capacity-building support since 2014. This has expanded PB processes from a handful in 2010 to more than 200 to date.

- The Community Choices programme has generated an investment of £6.5 million by the Scottish Government, and local authorities have also allocated an estimated £5 million to PB processes so far.

- These developments have built some foundations for the 'mainstreaming' of PB, which goes beyond the community grant-making model that has been predominant and opens up space for more complex models that also involve mainstream public budgets and service design.

- For PB to make a substantial difference in the lives of citizens and communities, democratic innovators across Scotland will have to overcome a range of challenges related to culture (mindsets, attitudes, ways of working), capacity, politics, legitimacy and sustainability.

- What Works Scotland has highlighted several areas for improvement, including the need to increase the deliberative quality of PB processes and their focus on tackling inequalities. Realising the transformative potential of PB depends, to a great extent, on those two dimensions.

- Building effective digital infrastructure to complement face-to-face PB processes will be instrumental to the success of mainstreaming PB and enabling large-scale citizen participation.

- The mainstreaming of PB must be supported by properly resourced and trained teams of local authority staff, including engagement practitioners and community organisers who can develop strategies to remove barriers to participation and ensure diversity and inclusion. Involving a cross-section of the relevant population is essential for the legitimacy and effectiveness of PB processes.

- National and local support for the mainstreaming of PB should include the development of regional initiatives that create space for peer learning and support across neighbouring local authorities. This may include the creation of cross-authority PB delivery teams that can support each other in the design and facilitation of large-scale PB processes.

- Mainstreaming PB may require revising current local authority budgeting systems so that finance departments and procedures are retuned to accommodate new participatory and deliberative processes.

- PB organisers must be mindful that whatever systems are put in place in the early stages of mainstreaming PB are likely to create path-dependencies for all future processes. Therefore, building mechanisms to regularly review those systems is key for ongoing learning and adaptation.

- The success of PB depends on the buy-in and contribution by politicians and public service leaders who may not have been part of the PB journey in Scotland so far. As the foundations to mainstream PB are built over the next two years in each local authority, all relevant stakeholders, gatekeepers and powerholders must be involved in co-producing the new systems as well as fostering new mindsets and ways of working.

Introduction: What is participatory budgeting?

Participatory budgeting (PB) is a process that involves citizens in deciding collectively how to spend public money. This democratic innovation originated from blending two policy agendas: community empowerment and social justice. Over three decades, PB has evolved from experiences in Brazil to a global movement with thousands of processes around the world.

While PB processes vary depending on the context, conveners should consider ten key strategic choices in designing and implementing PB (for more details see Harkins & Escobar 2015). Below is a table summarising these crucial considerations.

Table 1: Summary of key strategic choices in designing and implementing PB

PB	Key choices		
1. Emphasis	**Social justice and redistribution** e.g. PB as a policy to tackle social problems and inequalities, and redefine the relationship between state and civil society	**Community engagement** e.g. PB as a mechanism to involve communities in addressing local issues	**Combined** e.g. using a pre-agreed budget matrix that allocates more funds to disadvantaged areas
2. Scope	**Organised around a theme or service** e.g. health, education, housing	**Organised geographically** e.g. ward, locality, region	**Combined** e.g. a particular service in a particular geographical area
3. Scale	**Neighbourhood** e.g. PB takes place at the level of wards or neighbourhoods	**Multilevel** e.g. the process involves several levels, from the neighbourhood or ward to the local authority	
4. Funding	**Community grants** e.g. programme funds; pooled budgets	**Mainstream budgets** e.g. percentage of an ongoing area or service budget	**Combined** e.g. a mainstream budget topped up by *ad hoc* funds
5. Facilitation	**In-house** e.g. facilitators belong to the organisation that funds the process	**External** e.g. facilitators are independent from funding organisation	**Combined** e.g. mix of in-house and external facilitators
6. Proposals	**From the community** e.g. projects are proposed by citizens, community groups and third sector organisations	**From the authorities** e.g. government departments, agencies or public services propose a menu of initiatives	**Combined** e.g. proposals for expenditure are formulated by both communities and authorities

7. Participants	**Direct citizen participation** e.g. any citizen affected by the decisions at stake	**By intermediaries** e.g. representatives from organisations and communities	**Combined** e.g. forums that include citizens and representatives
8. Participation	**Aggregative** e.g. participants express their preferences through voting	**Deliberative** e.g. participants express their preferences by deliberating in popular assemblies	**Combined** e.g. participants deliberate in assemblies before voting
9. Decision-making	**Devolved** e.g. citizens decide	**Centralised** e.g. citizens are involved but budget holders retain control	**Combined** e.g. citizens and budget holders co-decide through deliberation
10. Institutional fit	**Within representative institutions** e.g. the final budget must be approved by elected bodies and thus timeline mirrors annual budgetary process	**Outwith representative institutions** e.g. the budget is allocated by an organisation or partnership without requiring approval by elected body	**Combined** e.g. an organisation or partnership develops the process in collaboration with elected body

PB in Scotland: First generation lessons (2010-2016), second generation opportunities (2016 onwards)

PB has proliferated rapidly in Scotland, increasing from just a handful of known cases before 2010 to at least 200 cases to date.[1] An early What Works Scotland review (Harkins et al. 2016) of the 'first generation of PB in Scotland' (58 PB processes organised up until June 2016) offered the following findings[2]:

- At least £1.75 million had been invested by June 2016 across 58 PB processes in Scotland, with the Scottish Government having funded 77% of the cases where the funding source could be determined. Participatory budgets ranged from £750 to £200,000, with the average expenditure being £28,400 per PB process.

- At least 179 individual projects had been funded via PB, allocating on average £9,300 per project. The projects reflected a mix of prioritised demographic groups and thematic issues as well as support for a range of geographically defined facilities, projects and local community representation groups (e.g. community councils).

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[1] Crowdsourced map of PB processes in Scotland: https://pbscotland.scot/map/
[2] Please note: The lack of information and evaluation across the first generation of PB in Scotland made this early assessment very challenging. Details of these challenges and missing data are in the review: http://whatworksscotland.ac.uk/publications/review-of-first-generation-participatory-budgeting-in-scotland/

- Only 7% of PB processes were located in rural areas, with 57% of PB processes having taken place within the south west of Scotland including Glasgow City and surrounding local authority areas.
- For the 30 cases where geographical information was available, 90% of PB processes were located within disadvantaged areas (lowest quintile in Scottish Index of Multiple Deprivation). Yet, only one fifth stated the explicit goal of addressing inequalities.
- Most impacts related to the social benefits for the citizens involved as a result of engaging in the PB process, e.g.: improved confidence, aspiration, empowerment, increased sense of control, knowledge and awareness.

This initial picture has already evolved (see Escobar et al. 2018), but the review flagged considerations for PB conveners as the second generation of PB increases the focus on mainstream budgets and services. We highlight three that remain relevant to current developments:

- Opportunities for meaningful dialogue and robust deliberation between citizens, civil society organisations, elected representatives and public authorities should feature more prominently in the design and implementation of PB processes, and thus become a key component in the evaluation of democratic quality of PB.
- Building digital infrastructure to support large-scale citizen participation will be instrumental to the successful mainstreaming of PB.
- Evaluation should involve developing theories of change, including paying attention to impacts resulting from PB processes and the resultant funded projects, investments and services. More broadly, assessing the future success of PB must entail examining what PB does for people and communities, as well as for the democratic system that binds them together.

Towards mainstreaming PB: What challenges must still be addressed?

Recent legislative, policy, and funding developments provide an unprecedented mandate for the second generation of PB to enable citizen participation in decisions about mainstream budgets and services. Key milestones have been the passage of The Community Empowerment (Scotland) Act 2015[3], which affords new rights for community bodies and assigns new duties on public authorities, and the establishment of the Community Choices programme, which supports and promotes PB nationally[4]. This builds on the influential work by the Christie Commission on the Future Delivery of Public Services (2011) and the COSLA Commission on Strengthening Local Democracy (2014), which emphasised the devolution of power to communities. Broader governmental and civil society support was also reflected in the first action plan of Scotland's Open Government Partnership (2016).

Since 2014/15, the Community Choices programme has generated an investment of over £6.5 million by the Scottish Government, while local authorities have allocated an estimated £5 million to PB processes so far. Community Choices is delivered in partnership with local authorities, communities and civil society organisations, and implemented across policy areas from policing to health and social care, transport and education. This funding also supports a three-year evaluation led by Glasgow Caledonian University to assess the impact of PB on communities, services and democracy, with a particular focus on the relationship between

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[3] https://www.gov.scot/policies/community-empowerment/
[4] https://www.gov.scot/policies/community-empowerment/participatory-budgeting/

PB and inequalities (O'Hagan et al. 2017). This is occurring alongside other local work to develop bespoke evaluation toolkits, for example in the Glasgow Community Planning Partnership[5].

The adoption of a landmark agreement[6] in October 2017 between the Scottish Government and the Convention of Scottish Local Authorities (COSLA) was a pivotal point for mainstreaming PB in Scotland. The framework agreement to have at least 1% of local authority budgets subject to PB by 2021 establishes the commitment to embed PB as a way of working. This is in the region of at least £100 million of core local government grant funding, both capital and revenue, being directed through community participation.

Mainstreaming PB will not be straightforward and may take years to develop and embed. Translating and adapting key design choices and principles[7] rather than merely 'transplanting' models will be essential to ensure that PB can work effectively in local contexts. There are important considerations in terms of sustainability and how to create a hospitable environment that allows PB processes to become established and effective. Core challenges include:

- **Cultural challenges:** PB requires reshaping mindsets and ways of working so that participatory governance can take hold. This requires learning and commitment from public and third sector organisations, elected representatives, community groups and citizens. New forms of facilitative leadership[8] are also necessary – i.e. the ability to bring people together across divides in order to engage in collective problem-solving, deliberative decision-making and creative co-production.

- **Capacity challenges:** PB requires skills including process design, organisation, knowledge brokering, communication, mediation and facilitation. It also takes local knowledge and the know-how to build trust, negotiate competing agendas and create space for meaningful dialogue and deliberation.

- **Political challenges:** PB can bring a new type of participatory politics that may clash with established relationships and dynamics and challenge the status quo of existing organised interests in a particular community. It can also clash with party politics and electoral dynamics, and it may be difficult to build the cross-party support that can give PB a stable framework for long-term development.

- **Legitimacy challenges:** As with any public participation process, there is the risk of tokenism by which PB may become a symbolic rather than a substantial opportunity for community empowerment. In the current financial context of austerity policy, there is also a risk of using PB for merely administering spending cuts, and this may undermine its perceived legitimacy. PB that fails to mobilise substantial resources to address local problems and priorities may be seen as a distraction from other initiatives, thus losing support from people who want to make a difference in their communities. Consequently, PB must be worth people's effort, time and commitment.

- **Sustainability challenges:** All of the above suggests that PB requires sustainable funding, long-term commitment, ongoing learning and adaptation and perhaps institutional reform (i.e. budgeting systems and procedures). Accordingly, it can take years to bed it in and make it work effectively.

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[5] This is part of a collaborative action research project: http://whatworksscotland.ac.uk/casesites/glasgow/evaluating-the-impact-of-participatory-budgeting/
[6] https://news.gov.scot/news/more-choice-for-communities
[7] See ten principles for effective delivery of PB in Scotland in *Participatory budgeting in Scotland: an overview of strategic design choices and principles for effective delivery* http://whatworksscotland.ac.uk/publications/participatory-budgeting-in-scotland-an-overview-of-design-choices-and-principles/
[8] On facilitative leadership: http://whatworksscotland.blogspot.com/2017/05/facilitative-leadership-involving-citizens-and-communities-in-local-decision-making.html

PB in Scotland going forward: Unlocking its potential for greater participatory democracy and tackling inequalities

Capacity-building and creating civic infrastructure are critical to ensuring that PB in Scotland addresses the challenges identified above and is scalable, empowering and transformative. Investment from the Scottish Government is laying the foundation for this through such activities as:

- the development of a PB knowledge exchange network and website
- funded training and consultancy for public authorities and communities through PB partners
- support to introduce digital voting mechanisms and infrastructure
- an evaluation programme
- learning events and publications
- a facilitator training programme
- the establishment of a community of practitioners to share learning and develop good practice.

While this progress is encouraging, public authorities must also strategically address the workforce and resource implications of PB mainstreaming. PB will struggle if it is not supported by properly resourced and trained teams of engagement practitioners and community organisers. This is essential to ensure meaningful participation by a cross-section of the relevant population. As What Works Scotland has shown (Lightbody 2017), inequalities faced at large in society – related to education, confidence, resources, responsibilities (work and caring), language barriers, disabilities – often prevent people from taking part in participatory processes. The know-how of skilled and experienced practitioners is required to remove barriers to participation. They have a deep understanding of the craft of inclusive engagement as well as a flexible repertoire of strategies and techniques to implement it. This work, and the resources needed to carry it out, is central to ensure diversity and inclusion in PB processes; and these are the foundations for the legitimacy and effectiveness of PB. Building effective digital infrastructure to complement face-to-face processes will also be instrumental in removing barriers and enabling large-scale participation.

National and local support for the mainstreaming of PB should include the development of regional initiatives that create space for peer learning and support amongst practitioners across neighbouring local authorities. This may involve the creation of cross-authority PB delivery teams that can support each other in the design and facilitation of large-scale PB processes.

An interim evaluation report[9] of the Community Choices programme by O'Hagan et al. (2017) noted that while PB has become a valuable tool to raise awareness of community led activity and to develop community identity, capacity and social capital, PB activity between October 2015 and June 2017 has been dominated by transactional rather than transformational approaches[10]. The transformative potential of PB as it is mainstreamed in Scotland depends to a great extent on PB conveners improving two important and interrelated areas: the need to increase the deliberative quality of PB processes and to strengthen their focus on tackling inequalities.

'Deliberative' models[11] can increase the democratic quality of PB by allowing community learning, scrutiny and problem-solving, which in-turn produces more robust, informed and considered decision-making. Deliberative quality is important regardless of the PB model, but arguably more so for second generation PB entailing mainstream budgets and services.

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[9] A final report is expected by the end of January 2019.

[10] Transactional approaches are where local authorities provide services or resources in response to expressed needs or direct requests in contrast to transformational approaches where community members and local authorities are partners sharing power and co-producing actions and outcomes (O'Hagan et al. 2017).

[11] See examples of deliberative engagement here: http://whatworksscotland.ac.uk/topics/mini-publics/

The key at this stage is to explore how mainstreaming doesn't simply become an upscaling of grant-making and therefore a process that sits on its own, disconnected from broader local governance. Instead, second generation PB must aim to create participatory spaces where communities actively influence and reshape public services as well as expenditure of revenue and capital funds.

To do this effectively, mainstreaming PB may require revising current local authority budgeting systems so that finance departments and procedures are retuned to accommodate new participatory and deliberative processes. PB organisers also must be mindful that whatever systems are put in place in the early stages of mainstreaming PB are likely to create path-dependencies for all future processes. Therefore, building mechanisms to regularly review those systems is key for ongoing learning and adaptation.

Careful consideration must be given for how mainstreaming PB can enable participatory decision-making that tackles inequalities by applying redistributive measures to improve outcomes. Embedded rigorous, long-term evaluation of PB should consider its holistic impact, including its effects on health and wellbeing as well as on other outcomes[12]. Being able to produce evidence of the impact of PB can generate greater support from across political parties and institutions, potentially increasing its sustainability and scalability. One of the problems that PB encountered in other countries is the discontinuation of the process due to changes of administration and lack of cross-party support.

The success of PB depends on the buy-in and contribution by politicians and public service leaders who may not have been part of the PB journey in Scotland so far. As the foundations to mainstream PB are built over the next two years in each local authority, all relevant stakeholders, gatekeepers and powerholders must be involved in co-producing the new systems as well as fostering new mindsets and ways of working.

Mainstreaming PB will require commitment from democratic innovators across the country in order to reinvent the relationship between citizens, public services and elected representatives in line with the Christie Commission and the COSLA Commission on Strengthening Local Democracy. This may have implications for arrangements in governance, procurement, budgeting and administration, which should be considered in the current Local Governance Review initiated by COSLA and the Scottish Government to provide the groundwork for a new Local Democracy Bill[13].

The full impact of second generation PB, in both community grant-making and mainstreaming, also hinges on parallel institutional and political reforms to address the 'silent crisis of local democracy' in Scotland (Bort et al. 2012). This may include, for example, considering further devolution of powers to local government (Commission on Local Tax Reform, 2015; Gibb & Christie, 2015), developing community planning partnerships as institutions of participatory governance (Escobar et al, 2018; Weakley & Escobar 2018) and reforming community councils (Escobar, 2014). The current Local Governance Review presents a unique opportunity to think about these potential reforms in systemic terms. This must include careful consideration for the fundamental role of local councillors in enabling and contributing to this agenda.

The full potential for PB to advance participatory democracy and tackle inequalities in Scotland is yet to be unlocked and the choices being made now as PB is mainstreamed will prove critical in enabling this in the years to come.

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[12] The focus of most studies conducted on the impact of PB have evaluated political outcomes but less so health and wellbeing outcomes (see Campbell et al. 2018).
[13] See http://www.cosla.gov.uk/news/2017/12/local-governance-review

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