

Mid Devon District Council – items for agenda

This form should be completed by Member(s), Officers or members of the public when proposing an item for Scrutiny or a PDG.

Proposer's name and title	Cllr Elizabeth Lloyd	Date	May 2022
Proposed issue and brief description	Participatory budgeting (PB) – explore what we can learn from PB processes in other places in the UK and internationally, and think about how this might inform our own budget-setting process and increase community engagement.		
Background	<p>Participatory budgeting is a process whereby residents play an active role in deciding where parts of an authority's budget are spent, through discussion, briefings and debate. (See information from LGA website below).</p> <p>In the UK, most cases of participatory budgeting have been small scale community grant allocations. Even on a smaller scale, they have been credited with encouraging greater local involvement, increasing confidence in local service providers, and increasing control for residents over the allocation of resources. MDDC does this to some extent with S106 funding.</p> <p>Having heard about PB being used in other places (e.g. London, Scotland, Brazil), and hearing that some residents feel there is a lack of meaningful community engagement at the Council, and a lack of involvement in decision-making, there could be an opportunity to explore other ways of shaping budgets. Whilst much of the council's core budget is statutory and prescribed, where there are new areas that are self-contained, the Council could explore if there is a way to open up engagement and participation.</p> <p><u><i>Statutory duty to consult on the budget</i></u> Under the Local Government Finance Act 1992, the Council has a statutory duty to consult ratepayer representatives on annual spending proposals, ahead of setting the budget.</p> <p>The Council conducted a combined residents' and budget setting survey in November 2021. The survey ran for one month.</p> <p>There were 1683 responses to the resident and budget survey. In that survey there were 48 comments about increased communication, engagement and consultation with residents. Residents requested: increased involvement in decision making; greater consultation about forthcoming changes; and increased citizen participation in policy making like working groups.</p>		
What will the outcome be?	This proposal is that the Scrutiny Committee hold a Spotlight Review to consider whether participatory budgeting is something that MDDC could consider. The review could:		

- Review the current system of budgeting (with input from 42 elected representatives) particularly through the lenses of community engagement, democracy, and use of public resources; and understand the available methodologies of participatory budgeting (some of which we already use), and undertake an assessment of the potential benefits, outcomes and impact to learn about other ways to set budgets and support residents;
- Explore how other Local Authorities are using this process and the impact it has had;
- Talk to stakeholders, including other Local Authorities doing this and the LGA, to create informed recommendations on whether this is something that could work in MDDC;
- Consider how Members can be more involved in the process;
- Consider the pros and cons of alternative methods, and make recommendations as to whether and how the process might be taken forward in MDDC, for example whether it could be a single theme, a single ward, project based, a trial across a couple of town/parish councils, and/or a process that extends and develops existing spending processes, e.g. determining S106 spending.

This could be a collaborative and fresh way to shape our place, by adapting existing processes, which might be welcome given the challenges and financial pressures that Councils and residents face. The outcome would be that residents feel more engaged, clear and confident on how Councils decide to spend money. It can help deepen democracy, build stronger communities, and create a more equitable distribution of public resources.

LGA - Participatory budgeting

Participatory budgeting is a form of citizen participation in which citizens are involved in the process of deciding how public money is spent. Local people are often given a role in the scrutiny and monitoring of the process following the allocation of budgets. Costs of participatory budgeting can vary anywhere between £400 and £40,000 depending on the size and the scope of the project.

Participatory budgeting began in Porto Alegre in Brazil in 1989 and was credited with shifting priorities to better support the poorest parts of the city, improving services, improving infrastructure, strengthening governance, and increasing citizen participation. It was a real success in terms of involving people typically left outside of the political process. The money allocated to the participatory budget in Porto Alegre was US\$64 million, or 21% of the total budget in 1999.

In the UK, most cases of participatory budgeting have been small scale community grant allocations. Even on a smaller scale, they have been credited with improving the self-confidence of individuals and organisations, improving intergenerational understanding, encouraging greater local involvement through increased volunteering and the formation of new groups, increasing confidence in local service providers, and increasing control for residents over the allocation of resources.

Participatory budgeting can be used after a devolution deal has been agreed. While based on use in local settings, it has the ability to be scaled up to make decisions about entire regions as well, as in the case of Porto Alegre.

The decisions made by the participatory budgeting forums should be binding. Careful consideration should be given towards ensuring that the citizens involved are given sufficient information and support to reach decisions that can be enacted. This helps avoid feelings of disenfranchisement which result from decisions not being acted on.

Participatory budgeting gives citizens real control over where a budget is spent. As such, budgets can be spent in a way which better reflects the strengths, needs and aspirations of the population and can be more effective.

Key considerations for devolution

- A forum where citizens decide how to spend a set amount of public money in their local/devolved area;
- Usually applied locally but can be scaled up to sub regional/combined authority level;
- Most useful after a devolution deal has been agreed and decisions need to be made about budget allocations from the Single Investment Fund, for example. Costs vary but can be done for as little as £400;
- Budgets can be spent in a way which better reflects the strengths, needs and aspirations of the local community. Can improve self-confidence, increase volunteering and faith in local service providers, helping to establish positive relationships with citizens and organisation within devolution areas.

How do I get started?

- Work to understand the size and scope of the devolution budget, alongside the relevant outcomes required;
- Speak to lead officers to explore where there might be an opportunity to experiment with participatory budgeting, initially on a relatively small scale;
- Identify areas most appropriate for participatory budgeting and opportunities to scale up from hyperlocal, to local and combined authority levels;
- Hold roundtables with local stakeholders who may be interested in participating and helping recruit citizens to be involved. Think carefully about legitimacy and how you can make your participatory budgeting forum representative of the stakeholder population across the devolved area.

For further information, and detailed case studies, please see the LGA website.