

Participatory budgeting from Brazil to Britain: What can you learn for your local authority?

Community engagement is not a new topic for local government, and communities are often involved in the planning and development of local services.

However, there has been a shift in the emphasis of government policy from the need to engage communities (**community engagement**) and empower them to make real decisions about the delivery of public services (**community empowerment**).

In the development of the Community Empowerment agenda there has been a lot written about a city in Brazil called Porto Alegre and its influence on the agenda in the UK.

What do you know about Porto Alegre and what significance does this Brazilian city have in the development of local government policy in the UK?

More about Porto Alegre

- The 10th largest city in Brazil covering 191sq miles and with a population of over a million people
- One of the most important cultural, political and economic centres in Southern Brazil
- The first city in the world to implement participatory budgeting as a policy tool

Participatory budgeting (PB) is where the link between Porto Alegre and local government policy in the UK originates.

Picture the scene in Porto Alegre, where on an annual basis a cycle of participatory budgeting starts with a series of neighbourhood, regional, and citywide assemblies, where residents and elected budget delegates identify spending priorities and vote on which priorities to implement. Around 50,000 residents take part in deciding how \$200 million dollars should be spent.

Is this a scenario we could see in the UK?

Well, maybe not to this degree, but the UK Government would like to see some of the principles of participatory budgeting operating in every local authority area by 2012.

Participatory budgeting is seen by the UK Government as a key part of the Community Empowerment agenda, in giving people a real say in decisions that affect their local area.

CFE is interested in the Community Empowerment agenda and the development of participatory budgeting by local authorities in the UK. The introduction of initiatives that aid the role of Local Authorities as community leaders and place shapers is refreshing to see but CFE understands that implementing such new processes can be a challenge.

This paper discusses the topic of participatory budgeting and identifies both challenges and learning opportunities for local authorities.

What is participatory budgeting?

Participatory budgeting is a tool that local authorities and partners can use to engage people in making decisions about how local budgets are spent. It aims to give them a say in prioritising individual services or projects through community-led debates, neighbourhood votes and public meetings.

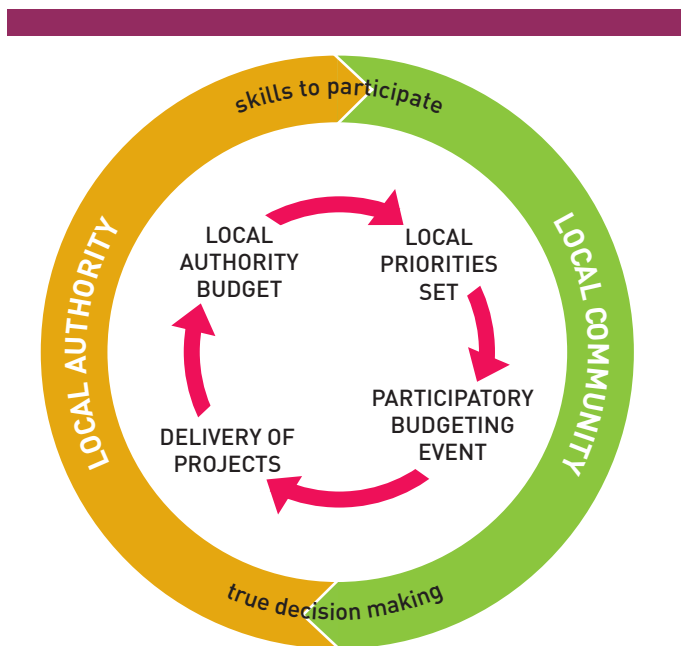


Figure 1: The participatory budgeting process

Figure 1 outlines CFE's simplification of the participatory budgeting process and shows the **interaction** between the local authority and the local community. Local authorities allocate part of their budget on which decisions are made by local communities; the results of this in terms of projects are then delivered back to the community.

Local communities need to be given the skills to participate so they can then play an active role in setting priorities and taking informed decisions on how public funds should be spent in their area. The key inputs into the system are that the community is given true decision-taking power and that there is open and wide participation in the process, involving people who would not otherwise be involved in budget discussions and decisions.

Figure 1 shows that participatory budgeting is seen as an **ongoing process** where priorities are reviewed and funds allocated through a cycle of activities.

Many local authorities may feel that involving local people in running services is nothing new and that this is already done through a number of mechanisms. The difference with the theory of participatory budgeting is that the residents are given **real power** to decide how a pot of money is spent.

As one resident involved in participatory budgeting in Brazil said:



If it feels like we have decided...its participatory budgeting. If it feels like someone else has decided, it isn't.



One way to understand the concept of participatory budgeting is by examining the model of participatory budgeting that originated in Brazil's Porto Alegre.

The Brazilian or 'classic' model of participatory budgeting

Porto Alegre was the first city in the world to implement participatory budgeting as part of public policy and did so against a backdrop of high levels of inflation, corruption and poverty. The model developed in Brazil is known as the '**classic**' model and it is from these origins that participatory budgeting has been developed in the UK.

The key features of the Porto Alegre model of participatory budgeting are;

Residents involved in priority setting and budgeting decisions

Neighbourhood assemblies were established open to all local people. Assemblies made recommendations to identify local priorities and what should be spent

People given the skills to participate

It is unrealistic to expect people to make meaningful contributions to budgeting processes unless they are equipped with the skills they need. People need to understand how council budgeting works

Annual cycle of budget, priorities review and planning

Participatory budgeting works on an annual cycle linked to the councils budgeting timetable. Meetings are held to review the implementation of the previous years priorities and set priorities for the coming year

Start by 'thinking small' with budgets

The size of the budget allocated to participatory budgeting often starts small, such as one per cent of the council budget. In Porto Alegre the proportion of the budget allocated to participatory budgeting has grown slowly to 17 per cent

Budget matrices link areas of need to citizen choices

Within participatory budgeting there are rules agreed by local citizens. These rules often refer to certain criteria such as population size and deprivation by which to weight the allocation of money to those areas most in need

Open and transparent process

Residents need to see their decisions being translated into real projects and services in their communities

The model of participatory budgeting in Brazil was developed in response to the massive economic and social problems existing at the time. The important learning for local authorities in the UK is what elements of the Brazilian model are appropriate or replicable in our communities?

As we will discuss now, the UK experience of participatory budgeting is different to that of Brazil.

The UK experience

The development of the Community Empowerment agenda can be traced back to 2006 and **David Miliband**¹ who outlined the vision of 'double devolution'. More recently, in his first major statement as Prime Minister, **Gordon Brown**² outlined that we will see greater community empowerment through four areas, one being the control of neighbourhood budgets through participatory budgeting approaches. The most recent government white paper on empowerment, '**Communities in control: real power real people**'³, identified participatory budgeting as a tool every local authority will be encouraged to use by 2012.

In 2008 the UK Government released '**Participatory Budgeting: A Draft National Strategy - Giving more people a say in local spending**'⁴ using the following definition.



Participatory budgeting engages people in taking decisions on the spending priorities for a defined public budget in their local area. This means engaging residents and community groups to discuss spending priorities, make spending proposals, and vote on them, as well as giving people a role in the scrutiny and monitoring of the process.



The government has announced a total of **34 pilot areas** covering urban, rural, north and south areas within different governance arrangements and authorities. Some areas, such as Salford City Council have had an interest in participatory budgeting for some time and have been allocating small budgets to local community groups since 1999.

Salford City Council has established a series of 'community committees' made up of elected members and representatives of community groups who can then vote on proposals. In one participatory budgeting event in spring 2007 almost 50 local people attended the 'community committee' and voted on a series of proposed schemes using £100,000 of highways funding.

A range of other activity has taken place in the UK, for example in **Newcastle** they have branded their participatory budgeting process 'U decide' and are running a pilot scheme in three political wards targeting environmental improvements. This has involved local residents submitting ideas for improvements online and scoring proposals at participatory budgeting events with the top rating projects prioritised against the amount of money available.

Norfolk County Council has agreed to allocate £200,000 via participatory budgeting in support of its local area agreement (LAA) targets. The **London Borough of Harrow** launched an open budget initiative whereby elements of the budget were opened up to public debate around priorities.

Evidence on the direct impact of participatory budgeting upon communities in the UK is currently limited, though examples do exist. The Salford experience was successful in attracting a high number of people (if not a representative sample) and in terms of the level of partnership working. However, the more important learning will come from the impact participatory budgeting has upon service delivery and any resultant benefits to local communities.

Although research is emerging on the implementation of participatory budgeting within the national pilot areas, much more needs to be done to establish best practice to support other local areas. In this latter regard Communities and Local Government's (CLG) key delivery agency, the Participatory Budgeting Unit (PBU), are helping promote and develop participatory budgeting and advise community development workers and local authority officials on the development of new projects.

Why implement participatory budgeting?

What are the benefits to local authorities of implementing these processes into their mainstream budgeting?

It is argued that participatory budgeting will **benefit local authorities** in a number of ways and examples listed are;

- supporting the duty to involve
- encouraging community cohesion
- increasing transparency and respect

These are potential benefits, however it would be hard to justify that these could be achieved through the introduction of participatory budgeting alone.

In addition, there are a number of potential **benefits** of participatory budgeting to **local communities**. These include;

- increasing the voice of citizens in local decision making,
- the opportunity to deepen citizenship and democracy,
- greater community influence and voice over services delivered in local areas,
- opportunities for council and councillors to engage more with citizens and vice versa,
- an increased sense of cohesion by understanding each others' interests,
- understanding complexities of public budgets and trade offs.

The above benefits of introducing participatory budgeting could be viewed as highly idealistic 'grand narratives'. Arguably, none of the benefits listed relate to the real impact of improvements in public services and any resultant improvements in residents' **quality of life** that CFE believes should be the measure of success for any participatory budgeting process.

It is also important to note that the measurement of many of these benefits is problematic. It is therefore essential that each participatory budgeting project has a clear list of **defined outcomes and success factors** by which the impact of that process could be measured at a local level.

The challenges of implementing participatory budgeting

Participatory budgeting has the potential to be a useful tool in the process of empowering local communities. As with any emerging initiative there are uncertainties about implementation and challenges that local authorities will face in implementing participatory budgeting.

From CFE's analysis of participatory budgeting and our knowledge of this policy area we have identified a number of **key questions** that local authorities planning participatory budgeting activities either for the first time or building on previous processes need to **consider**.

How will the process engage a representative section of the community?

It is clearly fundamental in participatory budgeting that the community makes the decisions, but which members of the community are involved? How do you ensure that the process doesn't just involve those people who have traditionally had the loudest voice?

In the example of Salford, although they were successful in engaging the local community in the process, they did not engage a good cross section of residents - 90 per cent were 55 and over.

Community engagement is a real challenge and for the participatory budgeting process to work effectively and local priorities tackled, a **representative group of the community must be involved**. There is no one-size-fits-all approach to community engagement but local authorities and the voluntary and community sector are well placed to implement a range of **innovative techniques** to reach target groups within the community.

What skills and information does the local community need to reach informed decisions?

A feature of participatory budgeting is that people need to be given the skills and the right level of information to effectively contribute. To do this, residents need to make informed decisions through understanding complex issues, such as the trade-offs involved in making budgeting decisions. The way information is disseminated is critical in achieving this. Information has to be **clear, objective and easily accessible** to all.

Participatory budgeting has the opportunity to present information more directly and interactively to better engage with communities. Deliberative techniques could be used to inform participants about key issues so they can arrive

at considered decisions. For example, the innovative presentation of information via presentations, case studies and multimedia, such as interactive voting technology allows participants to develop their views and opinions to reach an informed decision.

If the community uses subjective or incomplete information, the risk is that priorities will be misidentified and the community risks wasting both their time and financial resources. Local residents need to understand how the **council budgeting process** works and be given simple straight forward information to gain this understanding.

How will we know if it has been successful?

Participatory budgeting is a flexible process but some form of **assessment framework** is required to assess what has been achieved. The framework does not have to be complicated but it is vital that each participatory budgeting activity has clear, measurable and achievable outcomes that can demonstrate an impact on the local community. The framework cannot be 'copy and pasted' from other areas or processes, each participatory budgeting process is different and needs to be assessed individually.

Building upon the design of assessment frameworks through **rigorous and regular evaluations** of local participatory budgeting activities will help understand at a local level what works and what does not and help other areas learn from effective practice.

In the participatory budgeting process, **trust** between the local community and local government is vital. Independent evaluations of participatory budgeting processes would help ensure that there are **no conflicts of interest** in the evaluation process and that the most beneficial learning can be identified. This will also boost the trust that participants have in the process and contribute to the sustainability of participatory budgeting.

Think local!

It is important to reiterate the fact that participatory budgeting is **not a one-size-fits-all solution**. Learning from other pilot areas is important but assessing what the local context is and designing the participatory budgeting process to fit this is vital to its success.

Participatory budgeting needs to be **designed locally, delivered locally and assessed and evaluated locally**.

What are your thoughts about participatory budgeting?

CFE is interested in the challenges you face, benefits that participatory budgeting can bring and how this policy can really empower your communities.

To share your thoughts please contact Kris Ambler or Susana Flores at CFE:
kris.ambler@cfe.org.uk - susana.flores@cfe.org.uk - 0116 229 3300