

The background of the slide features the official coat of arms of the City of Vancouver. It is a shield divided into four quadrants. The top-left quadrant shows a sailing ship on the water. The top-right quadrant depicts a stag's head with large antlers. The bottom-left quadrant shows a beaver. The bottom-right quadrant features a grizzly bear. Above the shield is a crown with four maple leaves. A banner at the bottom of the shield contains the motto "A NE FOR A".

Agenda Item 6

Participatory Budgeting – Proposed Framework

Falkirk Council

Title: Participatory Budgeting – Proposed Framework
Meeting: Executive Committee
Date: 16 April 2019
Submitted By: Director of Corporate and Housing Services

1. Purpose of Report

- 1.1. The purpose of this report is to outline a framework of proposals to develop and implement participatory budgeting within Falkirk Council.

2. Recommendations

2.1. The Executive is asked to agree:-

- (1) Agree the proposed elements of a Council participatory budgeting framework, subject to more detailed development, and as follows:**
 - a. A community grant funded model targeted on areas for Community Action Planning, as set out in paragraphs 4.2 – 4.8**
 - b. A place based model working with a grouping of services and the accompanying preparatory work needed to make this happen, as set out in paragraphs 4.9 – 4.13**
 - c. Using co-production and service redesign to mainstream citizen influence on how resources are deployed to achieve outcomes.**
- (2) Note the initial steps being taken to progress the development of a community deal based on the concept developed by Wigan Council**
- (3) Request that the Local Governance Review policy development panel has a session on Participatory Budgeting, considering each element in turn and making recommendations to the Executive on how Participatory Budgeting will work in Falkirk; and**
- (4) Request that a further report on participatory budgeting is presented to the Executive in June that provides further detail on how Participatory Budgeting will work in Falkirk, including service specific proposals on place based Participatory Budgeting, and incorporating recommendation from the policy development panel.**

3. Background

- 3.1 Participatory Budgeting (PB) is an approach that seeks to mobilise, include and empower individuals and communities to manage public resources differently and engage people in government. It is a democratic process in which community members directly influence how public resources are allocated and spent. It enables citizens to work with public bodies to influence the budget decisions that affect their lives. This is beyond deciding on small grants and stretches to directly involve communities in service re-design and thus influencing a more significant amount of our spend. By pursuing a mainstream approach this means that we will seek to:
- Proactively involve and engage local people in making decisions on how resources are allocated and deployed in their community;
 - Engage people in the design of policy and strategy that eliminates participation gaps;
 - Pursue a process of deliberative dialogue that allocates resources in a way that delivers improved outcomes using direct community participation in the decision making process.
- 3.2 PB supports the principle of public service reform. Part of the growing change in the way public services are delivered is the expectation that people should have equal and equitable opportunity to participate in decisions and services that affect their lives and their communities. As a tool for community engagement, promoting innovative ways for commissioning public services and for building trust in democracy, it underpins the objectives of the Community Empowerment (Scotland) Act 2015. The approach also aligns with the Public Bodies (Joint Working)(Scotland) Act 2014 and the requirement to plan at a locality level. A key outcome of PB is to ensure that the services the public sector deliver are more effective as they are based on a clearer understanding of citizen's needs and priorities.
- 3.3 The engagement we have with communities must evolve over time. We cannot expect citizens, communities and indeed officers to change their relationship immediately but rather start to move towards a different norm. The move to empowered and participating communities will take time and evolve. However it will move the Council from being a paternalistic deliverer of services to an engaged public servant working with citizens and communities to deliver the things they value in a way that makes sense to them.
- 3.4 The Scottish Government and CoSLA have agreed that at least 1% of local authority budgets should be subject to a Community Choices PB approach by the end of 2021. This includes budgets discharged by the Council to the Integration Joint Board in relation to adult social care. The guidance defines the 1% as "total estimated expenditure for revenue, as per the local government finance circular, less assumed council tax intake". This should also incorporate 'mainstreaming' within the local authority. A recent CoSLA report suggests that approximately 6% of local authority budgets could be

subject to PB. If we use the 1% that would mean that circa £2.9m should be subject to some form of PB by the end of 2021.

- 3.5 However if the Councils intention is to fundamentally change the relationship we have with communities then the amount of budget almost becomes immaterial. With co-production and redesign of services being a fundamental part of our approach to transformation, our ambition must be to ensure citizens and communities have a much broader influence across all of our services.

4. Proposed Framework

- 4.1. In developing PB it is proposed that the Council's framework comprises three distinct elements, which will be outlined in more detail. The 3 elements include:

- A grant funded approach which is designed to support community based projects, but will be subject to community voting, to decide which projects will be funded.
- A place based approach where geographic budgets are established for a defined range of services and local community representatives have a say on how resources should be prioritised and deployed. This will be subject to identifying a suitable area of service supported by disaggregated geographic budgets.
- A mainstream approach where we seek to redesign services from the perspective of people who use them. This approach to co-production or service redesign becomes the way that citizens have a deeper influence on the services they receive and that our services have a much deeper understanding of the needs of people who use our services. In terms of taking this approach forward, we are seeking to adopt a redesign process – based on the Scottish Service Design Standards - to underpin our digital transformation and will use this to start this process of change.

- 4.1.2 Our approach to PB must be sustainable and be the result of continuous engagement with communities.

Grant Funded Approach

- 4.2 The most easily identifiable way of engaging people in PB is by having a small grants scheme for local people to bid into to do things in their local areas. There are a number of reasons that this is a useful approach:

- It directly engages the community in action to improve their local areas.
- It sustains interest in developing solutions.
- Builds interest in locality planning.

- 4.2.1 In 2016 the Falkirk Community Planning Partnership was awarded Scottish Government Community Choices funding to support participatory budgeting

events in Grangemouth, Bo'ness and Maddiston run in early 2017. This has provided experience of PB at this level. This experience highlighted that keeping the approach simple, and bureaucracy free are essential if community-focused PB is to be successful. This allowed monies to be allocated to community projects quickly and provided transparency on what money was spent on. A particular feature of this work was a requirement on funded projects to report back to their local community, on what had been achieved as a result of being funded. Voting events were well supported by local communities. The Council provided additional monies from its small grants community budget to support a wider number of local projects.

4.3 There were a number of real benefits arising from the exercises run in 2017. These included

- A significant number of organisation participated in the event including organisations that had not engaged with the Council or wider community before
- A number of the organisations that participated in the event made greater connections to their local communities
- Some of the people who came along to the event to vote engaged with organisations they were not aware worked in their area
- There was cross generational discussions on project i.e. younger people voting for projects
- The interest generated in the local community was significant with over 700 people across the 3 areas participating in the voting event days

4.3.1 While this small grants approach can only be a vey small part of a PB scheme it will be an important component given the number of people in can involve. It also allows local people to be creative about how they can address issues that are important in their local area and take control of delivering sololutions.

4.3.2 We have also started developing our approach on locality planning in terms of mainstreaming community planning and our locality based integrated provision of health and social care. This provides an evidence based approach in helping to identify local issues and communities where priority for partnership support is required, while at the same time facilitating community solutions on local issues. The latter process of Community Action Planning typically focuses on addressing local inequalities, often in areas which experience multiple deprivation.

4.4 It is therefore proposed that grant funded PB is prioritised to support Community Action Planning areas as part of the Locality Planning process.

4.5 The advantages of building the community grants option within locality planning include:

- having a robust evidence base from which the Locality Planning Group makes recommendations for Community Action Planning;
- areas recommended for Community Action Planning typically include areas which experience multiple deprivation; and

- Under current arrangements within locality planning there is an established governance structure which could be further developed for this element of PB. This includes the Locality Planning Group and a Stakeholder's Group which steers Community Action Planning.

4.6 The Council currently has a number of funds that sit within a budget head called small grants fund. This totals £101,280 and consists of a number of budgets including

- Gala days
- Bo'ness Fair
- Community Grants scheme

4.7 Work is currently underway to determine how much of this money can be allocated in support of the community grant option. It is for Members to decide what should and can be included in such a scheme but that decision has to be informed by the impact such changes will have. Officers will therefore put forward options to Members in June for this fund, its amount and the process for allocation.

4.8 However this fund does not have to be limited to the amount in the current community grants budgets. There are other sources of funding such as common good funds, Health and Social Care small grants, digital inclusion small grants that could be subject to this type of decision making. In addition there are future opportunities to expand the sources of funding for this form of PB, i.e. funding from community lottery schemes, which the Council is actively pursuing.

4.9 It is anticipated that in developing the grant funded approach to PB the following would be considered:

- Allocation of monies to an area;
- That money being allocated to initiatives that give solutions to issues raised by the community and that are being addressed as part of the Community Action Planning process in a local area. These initiatives would be subject to community voting;
- Community PB is promoted across a Community Action Planning area with a view to highlighting solutions to the local issues/inequalities developed local;
- A local voting event is organised with local projects making their pitch for support, the conclusion which comprises local people voting for the projects they want to receive funding;
- Publication of the results;
- Allocation of monies to initiatives; and
- Reporting back to communities on what has been achieved as a result of funding awards.

Place Based Approach

- 4.10 The Place Based Approach is more focused on local people influencing the mainstream allocation of resources within their area. It allows services to collaborate directly with communities in order to come to a common understanding of the things that are important to that area and how we can utilise our resources to address those.
- 4.11 The Council has some experience of more mainstream PB approaches, including:
- The involvement of tenants in the design of Housing Services from taking decisions on small environmental works to spot checking services, tenants are involved in rent setting process and running their own newsletter;
 - The involvement of young people on the design of service within Children's Services and the influence of parent councils on the allocation of Pupil Equity Funding. This is in the spirit of PB but nevertheless is a good example of customer and community engagement;
 - The involvement of local people in influencing the design and layout of the paths network within the Helix, which Development Services supported.
 - The allocation of HSCP Partnership Funds via multi-agency scrutiny panel, which includes service users and carer representatives.
- 4.12 This approach requires the identification of suitable areas of service that the community can easily identify with and are interested in influencing. It is proposed that discussions take place with services to identify suitable areas of service for a place based approach. Discussions will also take place with the Local Governance Policy Development Panel on their expectations with recommendations on specific areas of spend coming back to a future Executive.
- 4.12.1 In line with the Public Bodies (Joint Working)(Scotland) Act 2014, Falkirk HSCP is currently establishing locality teams. These teams will eventually have devolved budgets and the Partnership is keen to ensure that PB is embedded into budget setting processes. The development of PB approaches is timely and provides an opportunity for alignment and added value.
- 4.13 Some Councils in Scotland have already taken this approach with the following examples:
- Grounds Maintenance, North Ayrshire Council;
 - Roads Maintenance , East Ayrshire Council;
 - Public Transport Subsidies, Western Isles Council;
 - Dundee Decides, a locality approach to distributing resources; and
 - The use of budget matrices used by Fife Council to translate community priorities and local need into a relative share of overall service budgets.

4.13.1 To take forward this place based approach key preparatory work is needed before recommending to Members which specific budgets are included. This includes:

- Identifying the fixed and discretionary elements of each budget in scope.
- Reallocating the discretionary elements of budgets to specific geographies which will align to the areas identified for place based PB. A common methodology will need to be developed to ensure a consistent and transparent approach is taken;
- Information on local services will have to be prepared so that local people have sufficient context to be able to make informed judgements. This will need to be prepared in advance by the service concerned;
- Determining the way that decisions will be taken on this spend e.g. a local area committee where Elected Members and local people engage in discussions and prioritisations etc.

Transformation by Redesign

4.14 The services we deliver need to be designed around the citizen - their needs and expectations – in line with the Christie Commission principles. To do this we must radically rethink what we deliver and the way we deliver those services. Currently the majority of our services are delivered on a traditional model that is based on face-to-face engagement focussed on buildings. This neither meets the changing demands of many of our citizens, nor is it affordable. Where we do seek to improve what we deliver, we often approach this improvement from the perspective of the organisation, rather than the needs and expectations of the people who want to use our services. In addition, service redesign is not undertaken across the organisation in accordance with a set of consistent principles, leading to a fragmented and confusing experience for our service users.

4.15 Our Corporate Plan sets out clearly the expectation that we will change and reform what we deliver to be customer-focussed, efficient and effective and importantly that we will work in partnership with citizens to achieve better outcomes. This means looking at services from the perspective of the customer – across organisational boundaries and historical structures – clearly defining what the problems are and simplifying our customer journeys.

4.15.1 We want to provide a consistent experience for the customer, whether they are interacting with us online, via the contact centre or in person at one of the Hubs. This means we must challenge existing practices if we are to truly transform our delivery.

4.16 We must:

- Start from the perspective of our customers and communities.

- Set and define standards of good service design and apply them to a whole service approach i.e. look at services from the customers perspective – not by span of management.
- Help services build a new norm that will make services easier to join up – a new shared digital infrastructure
- Make sure we develop the people and skills to make this happen

4.17 In a report to the Executive in May, officers will present a draft digital strategy for consideration by members. One of the core principles that underpin this is about service redesign. We will therefore outline our approach to service redesign – which puts citizens and customers at the heart of transformation – in that strategy. However it is important that we make the connection between the participatory budgeting and service redesign.

5. A Community Deal – The Wigan Model

5.1 Interest has been expressed in developing a community deal similar to that implemented by Wigan Council. Further information [The Wigan Deal](#)

The Deal is an informal agreement between the council and everyone who lives or works in the area to work together to create a better place. This comprises the Council and community making a number of pledges. Examples of pledges include:

Wigan Council Pledges	Community Pledges
<ul style="list-style-type: none"> • Keeping the Council Tax Low • Cutting red tape and providing value for money • Building services around you and your family 	<ul style="list-style-type: none"> • Recycle more, recycle right • Get online • Be healthy and active

5.2 The Council has underpinned this with a community investment fund to help support local communities implementing their own solutions to the challenges they face. This partnership has helped to save Wigan Council an estimated £115m in recent years. Some examples of achievement which the Deal has supported include:

- The second lowest Council Tax rates in the whole of Greater Manchester. The Council believes that the Deal can continue to help balance its books by local communities doing things like recycling more, volunteering in communities and using online services.

5.3 Thinking about a deal for Falkirk is at an early stage but needs to include:

- Options for both Council and community pledges. It would be expected that the community would have to participate in the design of such a

deal if it was to be taken forward. Mechanisms for achieving this have to be developed.

- Identifying the support resources necessary to develop community participation and contribution within such an endeavour.

6. Considerations

- 6.1 Participatory budgeting naturally flows from the drive within the Community Empowerment (Scotland) Act 2015 to deepen the involvement, role and influence of local communities within the way in which public sector makes decisions and designs and deploys services. It is important that our PB approach is seamless with related provisions within the Act, e.g. locality planning, and participation requests
- 6.2 The development and implementation of a PB framework will require to be supported by a number of different contributors both from within and outwith the Council. It will become a mainstream way of doing business and part of the drive to increase community influence and participation in the way in which our services are designed and delivered. As such services should plan to include provision for PB within the medium term financial plan as well as business plans.
- 6.3 A new knowledge hub on mainstreaming PB was established on 4 March 2019. This is maintained by the Improvement Service with a view to sharing learning and developing future practice. A pilot digital PB platform is also being developed which is hosted by CoSLA. West Dunbartonshire Council is the lead off project for this.
- 6.4 CLD is an essential support to locality planning, having a sound understanding of local communities and community organisations. They are a vital cog in involving local communities and their traditional capacity building role fits well with PB. CLD officers also support local groups within Community Action Planning, and have experience in organising and running PB events. CLD will play a key role in building community capacity in support of PB, and in organising the community grants approach at a local level in support of Community Action Planning. This however needs to be set against the level of savings which Members have agreed for this service in the coming years that will limit CLD's ability to support PB.
- 6.5 Community representation is clearly integral to this process and discussion on local decision making arrangements need to be taken forward as part of the Local Governance Review, e.g. Area Committees.
- 6.6 Citizens will be involved in co-producing our approach to PB – the very principles that PB is based on. To start this process we will conduct an advance survey with Falkirk Council area residents to gauge interest in PB and their levels of interest in different areas of service. This would help to identify a pool of interested community representatives from which representation to co design a PB process can be drawn.

- 6.7 Sitting alongside this is the need to support and build the capacity of community participants and services, involved in PB. There are resources within Community Learning and Development and CVS Falkirk and District, and externally from the Scottish Community Development Centre which can be utilised for this purpose. By facilitating community influence in this manner it also provides an opportunity to satisfy the requirements for consultation as part of the EPIA process.
- 6.8 Another aspect of PB which needs to be progressed prior to implementation is the development of participating services and officers, so that they are able to effectively facilitate the process. CoSLA officers have been developing materials in support of this. It is proposed to use these locally.
- 6.9 As the 1% requirement needs to be met by the end of 2021 it is proposed that work starts now to prepare a participatory budgeting scheme to sit alongside the 2020/21 budget planning process.
- 6.10 PB sits alongside a commitment to engaging differently with our citizens and communities. It is a fundamental change in the way we will transform services over the coming years. To support this change, we have refreshed the Council's participation strategy and the principles that guide our engagement with citizens and communities. This strategy is in its final stages of development and has informed the approach set out in this report. It will be presented to Members at the May Executive for approval alongside our digital strategy.
- 6.11 The Local Governance Review policy development panel has been established to develop and progress the Council's approach on local governance and to consider local decision making. It is proposed that the content of this report be considered by this group and that those discussions inform final proposals for the following:
- The approach to a small grants PB scheme including
 - How much should be allocated in the context of locality planning
 - Potential for other sources of funding to be included
 - The mechanism for decision making
 - The criteria for decision making
 - Recommendations for applying PB to various council budgets including recommendations on
 - What budgets will be subject to PB
 - How decisions will be taken and by whom
 - Accountability and responsibility
 - Proposals for taking forward a Wigan type deal if this is deemed appropriate in Falkirk. This will include assessing the feasibility of re-purposing a number of existing community focused funds, and the

potential of crowdfunding to generate additional monies for this purpose.

7. Consultation

- 7.1. This report outlines proposals for a Council PB framework. Council services and external stakeholders including community representatives will be engaged in its detailed development and subsequent implementation. Finance has however had input towards the report's content.

8. Implications

Financial

- 8.1 PB will impact on a minimum of 1% or £2.9m of the Council's revenue budget by the end of 2021.

Resources

- 8.2 This is a new requirement on the Council and will be required to be supported by all Council services as well as the Health and Social Care Partnership. An assessment of resources required to support PB will be provided in the next report for the Executive, where it is possible to do so.

Legal

- 8.3 This report progresses the Council towards complying with the Scottish Government agreement with CoSLA to subject 1% of our revenue budget to PB by the end of 2021.

Risk

- 8.4 Failure to consider the reports and its recommendations will delay progress towards meeting the Council's 1% PB obligations. There is also a risk posed by savings within the Council's medium term financial plan regarding CLD which the service feels will limit its ability to support PB.

Equalities

- 8.5 Proposals made within this report suggest targeting monies on Community Action Planning areas as part of locality planning. Community Action Planning areas are largely identified as having the greatest level of inequalities within a locality. This approach would therefore complement the Council's Poverty Strategy – Towards a Fairer Falkirk.

Sustainability/Environmental Impact

- 8.6 None

9. Conclusions

- 9.1 This report sets out the first steps towards developing the Council's PB framework. As an aspiration we should seek to exceed the 1% national requirement and utilise the style of working in partnership with local communities as a model for the way in which the Council conducts its business.

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Appendices

None

List of Background Papers:

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- None