
PARTICIPATORY BUDGETING

Report by Service Director, Customer & Communities

SCOTTISH BORDERS COUNCIL

19 MARCH 2021

1 PURPOSE AND SUMMARY

1.1 This report provides an update on the Council's Participatory Budgeting (PB) process, including the national position, and outlines the next steps in delivering a mainstreaming approach.

1.2 On 29 October 2017, the Convention of Scottish Local Authorities (CoSLA) announced that Council Leaders had agreed that at least 1% of local government budgets would be subject to Participatory Budgeting (PB) by the end of this financial year (2020/21) with the aim of giving communities more influence over decisions on how funding is spent in their local area.

1.3 Nationally, whilst some work on PB continued during 2020, the majority of local PB activity (planning or delivery) stopped whilst in response to the pandemic. As a result CoSLA and Scottish Government have recognised the exceptional circumstance brought about by the pandemic, and the impact this has had on councils ability to meet the 1% Framework Agreement by the end of March 2021.

1.4 CoSLA Leaders have renewed their support to meet the target of 1% and the Framework Agreement is currently being revised. In the meantime it is proposed that officers, working alongside colleagues in CoSLA, develop the Council's mainstreaming approach to Participatory Budgeting as detailed within section 6 of this report.

2 RECOMMENDATIONS

2.1 I recommend that Scottish Borders Council:-

(a) Notes the current status of the approach to delivering a mainstream approach to Participatory Budgeting; and

(b) Agrees to receive a further report from the Service Director Customer & Communities on the programme and timescales for meeting the 1% target.

3 BACKGROUND

- 3.1 On 29 October 2017, the Convention of Scottish Local Authorities (CoSLA) announced that Council Leaders had agreed that at least 1% of local government budgets would be subject to Participatory Budgeting (PB) by the end of this financial year (2020/21) with the aim of giving communities more influence over decisions on how funding is spent in their local area.
- 3.2 CoSLA and Scottish Government worked together to develop and agree a framework (The Community Choices Framework) which would be used to develop approaches to PB. It defines Community Choices as the term used in Scotland for Participatory Budgeting and sets PB as the enabler for active participation of citizens in local decision making. The current agreement can be found here
https://www.cosla.gov.uk/_data/assets/pdf_file/0015/18501/communitychoices-frameworkagreement.pdf
- 3.3 The 1% target is defined in the Framework Agreement as 'total estimated expenditure for revenue, as per the local government finance circular, less assumed council tax intake. It is considered reasonable to exclude council tax as it is a local tax and therefore already directly and locally accountable.' (CoSLA/Scottish Government 2017). PB requires to:
- enable active participation of citizens in local decision making;
 - establish a shared expectation that elected members, senior officers, civil society and local communities will use PB to go beyond the current arrangements for consultation and engagement;
 - support the longer term strategic aim of public sector reform that can be achieved by applying spend to the greatest areas of need, where social cohesion can be developed or maintained;
 - deliver a partnership approach to PB whereby mainstream funding is identified across a partnership for mainstream services with an aim to shaping how services are delivered in the area; and
 - actively involve local people with the intention of making them "less passive consumers of public services and more supportive of new models of delivery".
- 3.3 Following the Community Empowerment (Scotland) Act 2015, community empowerment, through participatory democracy, has become an established hallmark of Scotland's national and local policy landscape. Empowerment and participation are embedded as key CoSLA principles and reflected in the National Performance Framework. PB and other participatory processes, enhance local democracy by bringing together those who have traditionally held operational decision-making power with people living in communities impacted by those decisions.

4 NATIONAL POSITION IN A COVID-19 RECOVERY CONTEXT

- 4.1 Nationally, whilst some work on PB continued during 2020, the majority of local PB activity (planning or delivery) stopped in response to the pandemic. As a result CoSLA and Scottish Government have recognised the

exceptional circumstance brought about by the pandemic, and the impact this has had on the ability of councils to meet the 1% Framework Agreement by the end of March 2021.

- 4.2 Scottish Government and CoSLA Leaders have renewed their commitment to meeting the 1% target and the Framework Agreement is currently being revised. This will allow a degree of flexibility in meeting the deadline, alongside the importance of embedding social renewal within future mainstream PB activity.
- 4.3 The [Social Renewal Advisory Board's](#) (SRAB) report, published on 21 January 2021, makes several *Calls to Action* related to the importance of people and communities being in control over the decisions that affect their lives. Call to Action 16, 17, 18 and 20 are all specific in their ask of local influence, empowerment and decision making;

Call to Action 16: Further shift the balance of power so individuals and communities have more control over decisions that affect their lives.

Call to Action 17: Improve service delivery and design by empowering frontline teams and the people and communities they serve.

Call to Action 18: Build on new ways of working, based on what has worked well during the pandemic, and develop new arrangements for local governance.

Call to Action 20: Co-design how we assess progress towards renewal, incorporating deeper engagement with those people and communities who have first-hand experience of poverty, inequality and restricted life chances.

- 4.4 The SRAB's '*If not now, when?*' report recognises that the pandemic has widened the inequalities that were already harming people and communities across Scotland and embeds this as a fundamental challenge to address throughout the report. 'Call to Action 16' is specific in its ask of the public sector to go wider and deeper in its use of participatory budgeting.
- 4.5 Achieving the aspirations set out within these policy areas requires both broadening the scope of PB (beyond the traditional small grants model) and extending the range of partners engaged with the mainstream PB agenda. Work is currently underway through the newly established national PB Strategic Group to establish a shared vision for PB in Scotland which enhances the role of public and third sector partners in Scotland's PB journey.

5 CURRENT STATUS WITHIN SCOTISH BORDERS COUNCIL

- 5.1 Taking into account the Council's challenging current financial position, the PB target is not about identifying a separate and/or additional resource. It is principally about involving communities in decisions regarding existing resources. The 1% is the minimum target set and can be made up of

revenue and capital expenditure. It is for local authorities to decide how to take forward PB budgeting at a local level to reach the target.

- 5.2 The 1% minimum target in the context of the Council's budget for 2021/22 is £2.332m and it is estimated that £0.672m of this budget, via the Community Fund and Small Schemes is already specifically identified for community determined priorities.
- 5.3. On 27 August 2020 Council received a report on the review of Localities Bid Funds 1 & 2, which piloted PB, as well as the Community Fund. A number of challenges were identified from the pilots and these mirror those identified across Scotland, both in the Scottish Government's 'Evaluation of participatory budgeting activity in Scotland 2016-2018/' report, and in discussions within CoSLA. Since then further consultation has taken place with Area Partnerships and key stakeholders on how communities can best be involved in the decisions relating to budget and spending priorities.
- 5.4 The approach going forward should not be about only seeking out additional activities or projects to spend on to validate PB which is what was piloted via Localities Bid Funds 1 and 2. PB should be deployed utilising existing budgets, reflecting strategic priorities, to engage with our communities in the decision making process. This will allow services to prioritise what the public really want delivered, allowing overall operational efficiencies.
- 5.5 As Scottish Borders Council moves forward with its Place Making approach there is an opportunity to utilise PB as part of the suite of tools to enhance community engagement, participation and empowerment and develop the investment strategies linked to place.
- 5.6 The Council approved its Digital Strategy at its meeting on 25 February 2021 to become the UK's first smart connected rural region. Through the extension to the strategic IT partnership with CGI, there are a number of digital opportunities which will be progressed to support the approach to PB.

6 MAINSTREAM PARTICIPATORY BUDGETING APPROACHES

- 6.1 A variety of approaches can be considered in order for the council to achieve the 1% target outlined above. A strategic group, chaired by the Service Director Customer & Communities, with appropriate Service Directors, Service Managers and the Financial Services Manager has been established to drive forward the PB planning and delivery on a corporate basis. This group will consider and identify in scope budget allocations and authorise the allocation of staffing resources across services, as required, to support the delivery process. Whilst the Communities & Partnership team will be the corporate lead for PB delivery, it is envisaged that individual services will engage with communities, and manage and develop the delivery of PB in respect of their budgets, following direction from the task group.
- 6.2 To enable and sustain this approach, the group will examine best practice across Scotland, produce guidance documents, progress the use of relevant digital technology and arrange training for all services and Elected Members

to support the delivery of PB. A small expert delivery team will be established to support services and communities through the process.

- 6.3 The group will also consult on this approach with Scottish Borders Community Planning Partnership and specifically third sector partners, who may be able to provide additional support in order to build capacity within local communities.
- 6.4 The group's aim, with the support of CoSLA, is to develop a suite of options to establish and progress mainstream PB. For each of these options, it will be vitally important to be clear and transparent on what communities can and cannot influence. Where budgets and/or work streams are fixed with little flexibility, these should not be considered as appropriate for inclusion within the PB programme.

7 IMPLICATIONS

7.1 Financial

The 1% target defined in the Framework Agreement is 'total estimated expenditure for revenue, as per the local government finance circular, less assumed council tax intake. For Scottish Borders Council this equates to £2.332m in 2021/22 with an estimated £0.672m already specifically identified for community determined priorities via the Community Fund and Small Schemes. The PB approach will be deployed utilising existing budgets.

7.2 Risk and Mitigations

There is a reputational risk to the Council if there is not an agreed approach or timetable to enable the 1% target to be achieved.

7.3 Integrated Impact Assessment

An Integrated Impact Assessment will be carried out on the future proposals for mainstreaming Participatory Budgeting however the premise of the approach is to ensure that everyone within a particular community has the opportunity to participate. Every effort will be made to support disadvantaged individuals within the protected characteristic groups. As a result it is anticipated that there will be no negative impacts under either the Equality Duty or the Fairer Scotland Duty.

7.4 Acting Sustainably

It is anticipated that through Participatory Budgeting there will be a positive effect on the following community and participation outcomes:

- a) involve the community in developing and implementing the project;
- b) take into account under-represented or excluded groups;
- c) take into account equal opportunities;
- d) improve community quality of life;
- e) improve community capacity;
- f) encourage local action and decision making.

7.5 Carbon Management

There are no anticipated effects on carbon emissions as a result of the recommendations made in this report.

7.6 Rural Proofing

This report contains no implications that will compromise the Council's rural proofing policy. Mainstreaming Participatory Budgeting will apply across the Borders.

7.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes required to either the Scheme of Administration or the Scheme of Delegation as a result of the proposals in this report.

8 CONSULTATION

- 8.1 The Executive Director (Finance & Regulatory), the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR & Communications, the Clerk to the Council and Corporate Communications have been consulted and any comments received have been incorporated into this report.

Approved by

Jenni Craig

Service Director, Customer & Communities

Signed

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Background Papers:

Evaluation of participatory budgeting activity in Scotland 2016-2018: research findings
<https://www.gov.scot/publications/evaluation-participatory-budgeting-activity-scotland-2016-2018/>

Previous Minute Reference: Scottish Borders Council, 27 August 2020

Note – You can get this document on audio CD, in Braille, large print and various computer formats by contacting the address below. Shona Smith can also give information on other language translations as well as providing additional copies.

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