

## **Participatory Budgeting Event**

**Monday 15 September**

**Midland Hotel, Manchester**

Length: You have about 12 minutes. This is 1120 words.

### **Introduction**

Thank you for that introduction, Tricia - and thank you to the Participatory Budgeting Unit both for organising the event, and all their hard work to date.

## Context

Participatory budgeting is one of a range of proposals in the White Paper “Communities in Control: Real People, Real Power,” which I published in July.

It was a tremendously exciting moment for me, because all my life I’ve believed that democracy works best when it really involves the whole community.

The evidence increasingly shows that involving people isn’t just the right thing to do, it’s the smart thing to do. Whether it’s Portsmouth’s experience of engaging local people and seeing their levels of satisfaction shoot up, or research showing how the direct payment of social care leads to better outcomes and more efficient use of money.

The White Paper sets out ambitious proposals for spreading power and influence: for making sure that involving people isn’t an optional extra, but embedded at the heart of what government and public services do.

- So we’re opening a new £70m fund for “community builders,” social enterprises that play a hugely important role in their neighbourhood.
- We’re giving more local authorities and community organisations access to expert advice on asset transfer - I’ll be saying more about this tomorrow.
- And we’re introducing a new duty on local councils to promote democracy, so that everyone understands how decisions are made and where they can influence them. That includes standing for office - something that I would encourage all of you here to consider!

But printing the White Paper was the easy part. The hard part is making it come to life.

So I'm delighted to see you all here today ready to learn more and get stuck in.

## **Participatory Budgeting**

Since its origins 20 years ago, participatory budgeting - or community kitties, or Pee Bee, call it what you will - has been practiced by 12 million people in 300 towns and cities around the world.

- It has proved its worth at bringing people of different backgrounds together in a conversation about what they want for their community.
- It has shown that, far from being naïve, the man and woman in the street are actually pretty shrewd when it comes to spending public money.
- And while not everyone gets what they want, they do get a greater appreciation of the tough choices that officials and councillors have to think about - and that reinforces confidence in local democracy.

It's because of that huge potential that we want to promote participatory budgeting.

The White Paper confirmed our ambition for it to be a reality in every local authority area by 2012 and today I'm publishing our strategy on how we get there.

It's not about a rigid national formula, but about helping local authorities find a solution that fits their local circumstances.

- The strategy makes clear that with the new duty to involve on the way, and the Comprehensive Area Assessment and Use of Resources judgement, we're making sure that there are the right incentives for local authorities to take up PB, and the right recognition for those that do.

- It makes clear that councillors should be at the heart of the process, defining and shaping the debate
- It confirms that the Participatory Budgeting Unit, with support from Government, will take their great work to the next stage, setting up an online tool kit, and starting learning sets in every region, so that practitioners can learn from each other.

And most importantly, it gives examples of what works - including from the pilots who blazed a trail here in England.

- In Newcastle, young people had a say in distributing over £2 million from the Children's Fund. Among the proposals they decided to fund were an outdoor play area for babies at a local children's centre, new samba drums for a special school and a play area at homeless families' project.
- In Keighley, Bradford, in 2005, 250 local residents gave their views on which projects should get a share of £130,000. What was impressive is how different parts of the community were represented and how participants didn't just vote for their own narrow interests.

We have people here from those places, and more besides, willing to share their stories. I want to thank them for helping others follow in their footsteps. Because the number of projects is on the up. And those projects are getting more ambitious, with PB increasingly becoming part of mainstream decision-making.

Salford is using PB to allocate core local authority spending in two of its area committees (on highway improvements). Cornwall and Wiltshire are working out how to do it as part of their plan to engage with communities in conversion to unitary status.

Today I'm also delighted to confirm pilots in the next set of local authorities. They include some great projects:

- Walsall's New Deal for Communities is working with 8 local primary schools to give kids a say over a budget worth £15,000. A fantastic way for 6 -11 year olds to learn about taking collective decisions, build confidence and awareness of their community.
- The Coast & Country Housing Association in Redcar, North Yorkshire, has asked residents what local improvements they want to focus on with a £60,000 budget.
- And Norfolk has agreed in principle to do Pee Bee across the council area with parts of core Local Area Agreement spending.

Good luck to them all. I hope their ideas will spur many more people to come up with their own imaginative ways of giving people a say.

For my part, I will continue to make the case for participatory budgeting more widely. In particular, my Department has been talking with colleagues in the Home Office and Department of Health: so I'm pleased to see police authorities and strategic health authorities here today, already keen to see what could be in it for them.

## **Conclusion**

I'm looking forward to your questions in a moment, but before that let me just say what I think today is all about.

Not the discussion of a pretty idea in the abstract, but getting ready to put it into practice, because it can make a real difference.

Services that truly matches local priorities.

A better connection between your organisation and the people it serves.

And a boost for local pride.

It's well worth the effort, so I wish you a busy, fun and inspiring day.