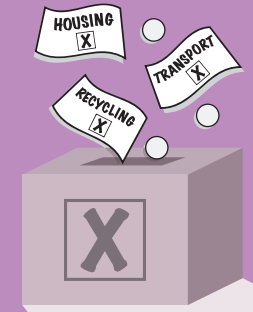


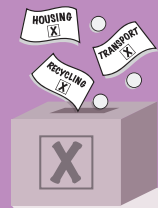
## What we mean by participatory budgeting:

Participatory budgeting directly involves local people in making decisions on the spending and priorities for a defined public budget. PB processes can be defined by geographical area (whether that's neighbourhood or larger) or by theme. This means engaging residents and community groups representative of all parts of the community to discuss and vote on spending priorities, make spending proposals, and vote on them, as well giving local people a role in the scrutiny and monitoring of the process and results to inform subsequent PB decisions on an annual or repeatable basis.



**PB Unit**  
making people count

## Defining Participatory Budgeting



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## Defining participatory budgeting

Participatory Budgeting (PB) began in Brazil where it has successfully empowered people in extremely deprived communities since the late 1980s. Its tools and principles are now used in many places across the world. Over 300 municipalities around the world have used PB, in countries such as Venezuela, Canada, Spain, France and Chile, as well as the UK<sup>2</sup>.

PB is relatively new to the UK context and is continually evolving. There isn't a fixed definition because innovative PB projects continually require definitions to be re-evaluated.

Essentially, the short definition of Participatory Budgeting is:

***“Local people decide how to allocate part of a public budget.”***

If citizens are directly making decisions on the allocation of public money then the process should be considered participatory budgeting. All the other aspects of participatory budgeting make PB as good as it can be and improves the benefits of the opportunities afforded by PB. They should be seen as good practice and implemented where possible. However, not having an annual cycle or scrutiny powers or should not prevent implementation of PB.

However, we have proposed the following definition as a means of providing clarity and understanding.

Currently, participatory budgeting projects have allocated spending on a number of services including crime and anti-social behaviour, the environment, road improvements, activities for children and young people, health and fitness activities, community centres and improving assets such as football facilities.

PB projects have been specific to certain neighbourhoods or areas, or they have been local authority-wide and themed, for example, children and young people, and health. PB has also been applied in the UK to a range of different public budgets including those of housing associations, schools, and primary care trusts – it isn't limited to local authority budgets.

As PB is quite new, innovative forms of PB are being developed all the time and new budgets, new themes, new partners, and different areas are demonstrating that PB is possible and beneficial for a wide range of services and areas.

The projects can take a number of forms:

- *for spending of parts of specific grant pots, for example, New Deal for Communities or Neighbourhood Management Pathfinders;*
- *mainstream council budgets devolved to local area committees, for example for road improvements;*
- *Setting local authority area wide priorities, agreeing projects and spend around an annual revenue budget-setting process*
- *agreeing wider local area agreement, local strategic partnership priorities and spending (ie, mainstreaming).*

The fourth level referred to above has yet to be trialled, but we hope to work with local authorities to explore how this can be done this year. Additionally, many local authorities

undertake consultation of residents' views across the borough on the council's draft budget – a wider level of engaging with people than participatory budgeting, but not as deep.

These different forms of PB are not mutually exclusive and indeed could be considered together as part of a PB process based upon a budget year.

Participatory budgeting is most effective when conducted in an inclusive way helping bring about real change in the relationship between citizens, communities, local council officials and elected councillors<sup>3</sup>.

In the process of engaging with citizens in this way, it can create a number of other benefits:

- *It helps bring diverse people together, supporting community cohesion;*
- *it helps to raise people's understanding of the complexities of public budget setting and deciding between competing priorities;*
- *it can lead to real improvements in the way local people and elected councillors and council officials work together;*
- *by empowering people, devolving more decisions on spending public budgets in this way, services can be better tailored to local circumstances, and improved resident satisfaction with them is likely to result.*

Ultimately, we are seeking to get more people to take part in their community and rejuvenate local democracy.

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<sup>2</sup> Information from [www.participatorybudgeting.org](http://www.participatorybudgeting.org)

<sup>3</sup> Paraphrased from *Participatory budgeting a draft national strategy: giving more people a say in local spending consultation*; Department for Communities & Local Government; March 2008