

PARTICIPATORY BUDGETING

Background paper for seminar

March 2006

Background

1. Participatory budgeting (PB) is a mechanism for involving citizens and local communities in decision-making processes around the municipal budget. The core purpose is to ensure that priorities for spending (a proportion of) the mainstream budget are identified through a dialogue between a local authority and its citizens. It links setting city-wide priorities to decision-making at neighbourhood level. It usually requires that an element of the budget be devolved to the neighbourhood level, so that service delivery and spending decisions are influenced and shaped by local needs, thus providing a degree of local flexibility within an overarching budget strategy.
(See **Annex A** for more information)
2. PB was originally developed in the 1980s in Porto Alegre, Brazil. Since then it has spread to over 300 cities around the world and has been praised by the World Bank, the United Nations, UNESCO and the European Union. A range of local authorities in Europe have piloted some form of PB, and other experiences have occurred in Canada and the USA. (See **Annex B** for more information).
3. In the UK, interest in PB has grown over the past five years. The idea and the methods for implementing PB are especially relevant to current policy thinking around local government reform, citizen and community empowerment and the debate about revitalising and deepening democracy. It could provide a more participatory approach to the development of Community Strategies and feed into Local Area Agreements. It could also help to embed neighbourhood management and enable it to be rolled out across a local authority area.
4. The NRU has been directly involved in exploring how PB might work in a UK setting since 2002. In 2004, ODPM funded The PB Unit through the ODPM Special Grants Programme to explore the PB approach through a number of pilot projects and in a range of settings.
 - **Neighbourhood level:** using a small grants budget, *Sunderland NDC* developed a process for residents to set the priorities and determine the allocation of grants to local projects that would deliver NDC strategic priorities. This has worked so well that the NDC is hoping to extend this approach to the whole NDC budget in the near future.
 - **LSP theme-based approach:** Bradford LSP set aside a budget for environmental improvements, invited proposals from neighbourhoods across the city and brought together about 200 community representatives to decide how the budget should be allocated. Again the experience was so positive, with important implications for community cohesion, that they hope to repeat and extend it in future.

- **City-wide neighbourhood management:** Salford City Council and its partners are building on their experience of having devolved budgets to eight 'neighbourhoods' across the city, and are committed to extending the scope (in terms of core services) and the scale (in terms of budget allocations) of neighbourhood spending that will be determined through a PB approach. They have put in place a framework for PB that involves local councillors, managers and residents.

And alongside the ODPM funded pilots:

- **Local authority budget setting:** Harrow borough council has taken aspects of the PB approach combined with innovative consultation techniques, to bring together 300 citizens to agree priorities in relation to key aspects of the Council budget for 2006/7. A citizen-based structure for scrutinising what happens as a result of this process has been established.

See **Annex C** for details of the ODPM pilots and **Annex D** for a summary of the Harrow Open Budget.

5. Because of the wider policy implications of PB, we established a **reference group** for the pilot programme. Membership includes representatives from NRU and Local Government divisions in ODPM, the Home Office Civil Renewal Unit, the Treasury, as well as the LGA and the Audit Commission, Oxfam UK, the Fawcett Society and the Power Inquiry. The group includes representatives from the pilot projects and the PB Unit staff who are responsible for managing the programme.

Key features of PB

6. The key features of PB seem to be:
 - a focus on **mainstream spending** - rather than just on short-term 'new money' – although this can help to kick-start the process (e.g. Sunderland and Bradford)
 - an emphasis on **local flexibility** within the overall city-wide strategy, so that priorities are shaped through a dialogue between local neighbourhoods and the centre (Salford)
 - the need for a **city-wide framework** for local community engagement in discussing thematic issues, setting priorities and local targets, monitoring activity and evaluating the impact over time (Salford)
 - an **annual cycle** of dialogue and decision-making linked to the Council's budget planning process (Harrow)
 - a network of **community outreach** workers to facilitate and support the process, including producing clear information
 - **budget workshops** for residents, councillors and VCS reps to develop the capacity and confidence needed to engage effectively in this process
 - **transparent systems** for identifying budget allocations and accounting for spending
 - control and responsibility for the budget remains with the **council and local councillors** play a key role in the PB process.
7. These features distinguish PB from other types of 'local budgets', such as the provision of a small grants pot to support community projects, or a more substantial one-off neighbourhood budget, or the housing management budgets devolved to TMOs. PB would normally apply across a city rather than in just one or two areas and would seek to influence decisions about mainstream services as well as the deployment of local funds.

8. However, the pilots indicate that developing PB is an incremental process, often starting with a small ring-fenced budget, using neighbourhood renewal or similar 'new money' that can be allocated on an area basis. On the other hand the Harrow experience reflects a different approach, starting at city/borough level with no specific budget allocation, and working with a broad spectrum of citizens, but with the intention of working towards neighbourhood engagement on the back of this.

Benefits

9. There is a body of evidence from international research that indicates a range of potential benefits from PB including:
 - better targeted and effective public sector spending
 - increased investment in areas of social deprivation
 - improved relationships between citizens, political leaders and service providers
 - greater flexibility in responding to local needs and community priorities
 - reductions in perceived inequalities and competition between neighbourhoods
 - increased confidence and capacity within local community and VCS organisations
 - reduced consultation 'burden' because of the clear structure and timeframe.
10. The *Power Inquiry* recently examined over 50 international models for citizen engagement and concluded that PB was one of three approaches with particular relevance for the UK.¹ It could create new spaces for public dialogue and make decisions about public spending more open and transparent, thus helping to re-engage citizens with the political process. The feedback from Harrow is especially interesting in this regard – **Annex D**. It also makes budgets more comprehensible and increases the confidence and capacity of local communities to make decisions including where necessary difficult choices. It also seems to have a re-distributive effect and therefore could help meet neighbourhood renewal objectives to tackle exclusion and narrow the gap.

Issues for the seminar

11. However there are many issues that need to be explored further. The proposed seminar will aim to examine:
 - What we understand by PB and how it might apply in the UK context
 - The potential benefits, costs and also the risks of delegating budgets and decision-making to local communities
 - The practical lessons from the pilots – likely barriers and conditions for success
 - The implications for residents, councillors, service providers and the voluntary sector.We will also seek to identify in what ways PB might contribute to:
 - deepening democracy and strengthening citizen engagement in the political process
 - devolving power and responsibility beyond the Town Hall to neighbourhoods – double devolution
 - improving services and outcomes for local communities – freedoms and flexibilities
 - empowering citizens and communities to engage effectively with this agenda.

Tricia Zipfel

¹ 'Beyond the Ballot' Graham Smith, Southampton University

Additional information

1. Participatory budgeting (PB) began in the 1980s in Porto Alegre in Brazil and has now been adopted in over 300 cities around the world, including in the USA, Canada and many European countries.
2. PB links community participation and empowerment to improved services and better use of mainstream budgets. Typically the process would be applied initially to between 1% and 5% of the total budget. But over time, this has risen in many cities to 17% or more of the municipal budget.
3. PB is often associated with devolving small pots of money to a local community or neighbourhood. This can be a very effective starting point – building better understanding and capacity among residents, councillors and officers, developing structures for budget planning and management and building new relationships.
4. But the distinctive feature of PB is the link to mainstream budgets. Through a deliberative framework, PB brings a broad-based community perspective into the local authority decision-making process and increases transparency and accountability in relation to public sector spending. It also provides a clear mechanism for local flexibility within the wider budget, so that, wherever possible, spending can be tailored to local needs and priorities. It does not transfer resources outside the local authority or change the Council's legal and financial responsibilities. But it makes decision-making more transparent and therefore more open to scrutiny.
5. Although access to funding may be needed to kick-start PB, it is not dependent on an ever increasing budget. PB can also be an effective way to balance competing demands on limited budgets and to get citizen buy-in to help develop more creative ways to solve problems within existing resources.
6. The numbers of people involved in PB will vary. In Porto Alegre, it is estimated that over 40,000 citizens participate each year, out of a total population of 1.5 million, and the number has steadily increased as people see the impact and value of the process. It is also linked to a significant increase in voter turnout and participation in elections.
7. There is strong evidence that PB has resulted in a higher proportion of resources going to poorer neighbourhoods. This has happened in Porto Alegre and has led to huge improvements in access to clean water, provision of state schools and literacy rates. Longer term it has also led to greater investment in sustainable communities and social capital initiatives, with social care, health, inclusion, education and job creation increasingly higher priorities for ordinary citizens.
8. The key features of PB are outlined in the background paper – para 9. Developing the mechanisms for PB takes time, but as the pilots and Harrow demonstrate, the starting point and development process can vary. In all cases the role of the independent adviser and facilitator has been crucial, both for their expertise and also to ensure credibility and generate confidence among local citizens.

Summary of PB activity In Europe.

Ten years after its creation in Latin America, the Participatory Budget is now developing very quickly in Europe. While there were probably less than five European Participatory Budgets in 2000, by 2005 more than 50 European local governments have begun such an experiment.

During 2005 The PB Unit was involved in a major research study "**Participatory Budgets from a European Comparative Approach.**" YVES SINTOMER, CARSTEN HERZBERG, ANJA RÖCKE (EDS.) Marc Bloch Center, Berlin, and Institute Hans-Böckler Stiftung

Researchers from at least 5 European countries tracked and recording detailed information from 20 cities that have identified themselves as doing some form of Participatory Budgeting. Each case study included a national analysis, structured information on the Local Authority (including population, democratic systems, historical background, demographic data and types and levels of economic activity) and descriptions of specific participatory budgeting programs. As well as detailed studies there was an overview of 55 other PB models. The full report (690 Pages) is available from:

http://www.ar-drd.org/article.php3?id_article=32&lang=en

PB often begin within authorities with an autonomous local mayor as a way to reconnect with citizens. It can form a route to directly communicating with citizens, be a check to the power of executive officers or aim develop local authority autonomy. It can therefore be open to be manipulated as a populist tool, to demonstrate a commitment to 'listening'. Examples may be Bobigny, and some of the early Italian and Spanish models.

PB can also begin as a way of demonstrating a wish to modernise local authority services, or in response to charges the local authority has become remote or over-bureaucratic. Examples include some of the German cases and Salford.

PB often appeals in cities where the political mandate has been weak, as a way to achieve greater local connectivity. Examples might be the Italian models, and some from Spain. They are vulnerable to a change in political leadership. Longer turn commitment improves the scope and quality of the public deliberation.

Local Councillors can be suspicious of PB, as a form of 'shadow democracy' that undermines representative democracy. Over time this can change when they realise they can gain from participatory democracy.

There can be a connection at a political level with Porto Alegre and the Workers Party (PT) in Brazil. European examples commonly emerge from the political left, though this is less true in Northern Europe. There may have been an exchange of learning with Brazil or elsewhere (such as stimulated by the European Union URBAL program) and there are VCS and academic links (such as OXFAM and the Institute of Development Studies, in the UK).

Most European experiences are still too new to show direct impacts on democratic voting, on reducing inequalities or the modernisation of local government. Experience from international models where PB has become established do show very positive impacts. There is recognition that they can stimulate active citizenship and work well for marginalized communities, by engaging under-represented people, particularly women and young people.

Five basic conditions for successful PB taken from the European comparative study

- Discussion of financial and/or budgetary issues are at the centre of the process.
- Participatory budgeting is not limited to the neighbourhood level, but has to involve the city (or district) level. A neighbourhood-based community fund or a neighbourhood council does not constitute participatory budgeting as such.
- Participatory budgeting has to be a continuous process; a single meeting or referendum on finances is not sufficient to qualify as participatory budgeting.
- Participatory budgeting has to include a degree of public deliberation using a participatory approach. It is not enough for a city council or a municipal finance commission to be open to the public when discussing the municipal budget.
- Participatory budgeting also demands a feedback mechanism, explaining the output of the participatory process.

Six Models of Participatory Budgeting in Europe, and some possible examples

- **The Porto Alegre model adapted for Europe:**
Examples: Cordoba, Seville;
- **Association-based participatory budgeting:**
Examples: Albacete; Puente Genil.
- **Consultation on public finances**
Examples: Hilden, Esslingen, Rheinstetten, Berlin Lichtenberg, Salford
- **The public/private negotiation table:**
Examples: Pock (Poland)
- **Proximity (deliberative) participation:**
Examples: Bobigny, Mons. Saint-Denis, Palmela and Venice, Harrow
- **Neighbourhood funds and city level dimension:**
Examples: Salford, Morsang, Paris XX, Saint-Denis, Palmela, Venice,

Other possible models of Participatory Budgeting?

- **Stakeholder PB in autonomous public institutions (e.g. NHS/LSP money)**
Examples: Social housing office in Bobigny and Poitiers
- **PB at a regional Level**
Example: Poitou-Charente: Based around secondary school governance

Participatory Procedures which are not PB, but could be used for it initiating PB or are helpful to better understand it

- **Neighbourhood funds** without participatory connection to city-level (e.g. Utrecht, Sunderland NDC)
- **Responsiveness of public management:** Feedback, quality management, information through internet, right to information (e.g. Hämeenlinna,)
- **Neighbourhood councils and assemblies:** consultative council at district level; communication between inhabitants and local government, no city-level link.
- **Citizens' Juries**
- **Referendum on financial questions** (e.g. Milton Keynes, Croyden and Bristol)
- **Consultative Commissions-** (e.g. NHS service reform.)
- **Petitioning**
- **Local Agenda 21**
- **Community Development and capacity building**
- **Participatory Strategic Planning** (city-wide) / **community development planning** (neighbourhood-level)- (Local design frameworks, Planning for real etc)

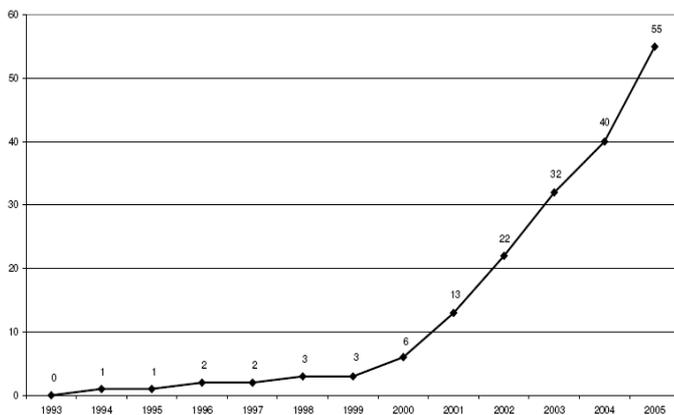
Jez Hall,
The PB Unit

Extracts from the comparative tables

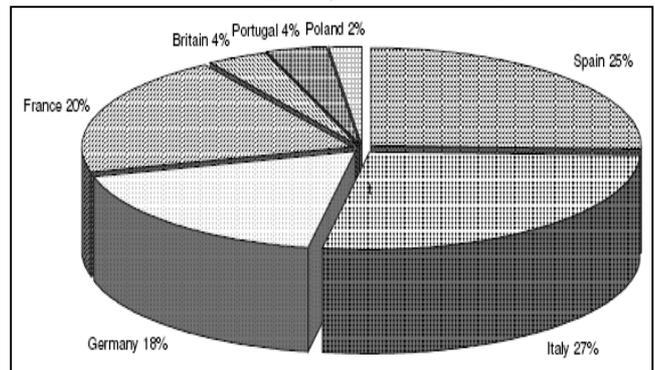
(showing the range and selected characteristics of the cities in the study).

Country	Town/City	Urban population 2003	Town budget 2004 (Million Euro)
Germany	Emsdetten	35,655	55
	Esslingen	91,980	207.5
	Hilden	56,000	124
	Rheinstetten	20,529	37
	Berlin-Lichtenberg	260,994	433
Belgium	Mons	15,000 (91185 Mons)	259
Finland	Haemeenlinna	46,909	258
France	Bogigny	45,000	93.2
	Pont Claix	11,600	30
	St. Denis	86,871	198
	Morsang	20,000	40.2
	Paris 20 Arr.	183,083	8
GB	Bradford	467,668	
	Salford	220,000	420
Italy	Grottammare	14,732	20.058
	Pieve Emanuele	17,000	29
	Rom XI	140,207	46.6
	Venedig	57,930 (271.251 Venice)	921.9
Netherlands	Utrecht	270,243	
Portugal	Palmela	53,353	46
Spain	Albacete	151,000	136.66
	Cordoba	318953	212.67
	Puente Genil	29,405	21.866
	Sevilla	713,404	

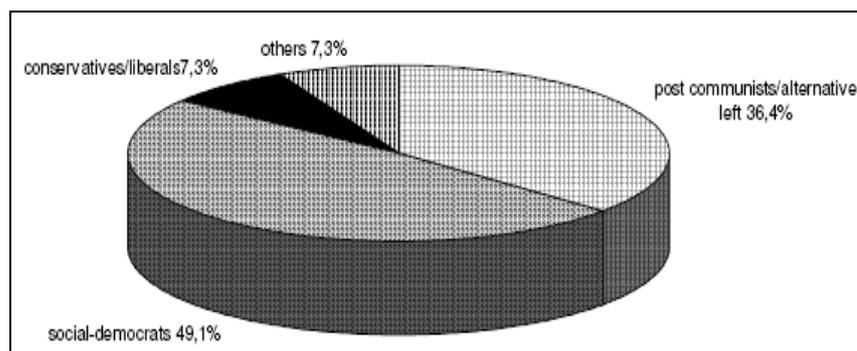
Number of participatory budgets in Europe.



Percentage of participatory budgets in Europe by countries (2005)



Political affiliation by party in cities/districts with participatory budget (2005)



Summary of pilot projects and PB activity supported by NRU.

Sunderland NDC:

Initially the NDC set aside a Community Chest of £15K to be allocated through a 'People's Fund' day, using PB methods. This was very successful and in November 2005 a second 'People's Fund' day was held to help to allocate another slice of grant funding worth £35K.

On the strength of this success the NDC Director (who had initially been sceptical about PB) has become a strong advocate and would like to adopt a PB process for the whole NDC budget - currently £24 million. The PB Unit are developing a 'budget matrix' for the NDC Partnership Board which will allocate the budget across themes and try to factor in a Performance Management Framework. PB will then be used by the Theme Teams to engage local people around what they see as key priorities. Organisations bidding for contracts will then present to public gatherings as part of the normal tendering/commissioning process.

Bradford LSP:

The Bradford model of PB differs from those in Sunderland and Salford as it was not developed with the aim of mainstreaming, but as a short-term initiative to encourage innovation in local environmental projects and better link local priorities to strategic LSP priorities.

In 2004, the LSP set aside a budget of £700K for environmental improvements using NRF. Communities from across the city were invited to submit proposals for their area and support was provided to help groups put their ideas together. Projects had to be linked to existing area plans and the scoring mechanism included a weighting for deprivation, similar to the Porto Alegre model. After short-listing 60 proposals were taken to an 'Open Budget day' at the Town Hall where over 100 people came to present their ideas and to vote on each other's schemes. Electronic voting facilitated instant feedback and at the end of the day 48 schemes had been approved – including 3 additional schemes made possible by some projects offering to slightly reduce their budgets which demonstrates the efficiency of this method of spending money.

The day was a huge success. Even those who were unsuccessful felt the process had been fair. The process also helped increase contact, understanding and mutual support between communities that rarely came into contact with each other, from different parts of the city, from different ethnic groups and between different age groups.

The LSP has produced a 7 minute video of the process. They have hosted visits from other cities, including Newcastle City Council, which is in the early stages of developing PB.

Although the Bradford PB event was conceived as a one-off, due to its success Bradford Vision is hoping to repeat the process in 2006 and is now considering how to integrate PB into the LSP commissioning plans linked to existing partnership and neighbourhood management work.

Bradford video - <http://www.bradfordvision.net/forum.php>

Salford City Council:

The local authority is leading the PB work in Salford with strong commitment from other partners including the police, the PCT, housing providers, the fire service and the voluntary sector and supported by the PB Unit. Although the development of PB in Salford has been slower than in other areas, it has been from the outset concerned with how to link mainstream budgets with community priorities at neighbourhood level.

Over the past few years work carried out by the PB Unit in partnership with Salford Council has identified that a central challenge for Salford is the question of how to link the neighbourhood initiatives with local priorities and mainstream service delivery. In response to this a Salford model of PB has been developed which includes an Annual Calendar to link city-wide budget consultation, Community Action Planning and an extended devolved budget. Specifically, this involves:

- Using PB processes to decide the priorities and allocation of the 'devolved budget' (mainstream resources devolved to community committee level).
- Enlarging the DB to make this more meaningful and strategic.
- Community Action Planning processes which links a budget consultation cycle to mainstream service planning cycles of the council and other service providers. This enhanced budget consultation represent more-coordinated consultation on services, rather than an extra consultation burden.
- Capacity building with grassroots groups to facilitate participation of the diverse communities of Salford.

Several on the ground changes can already been seen so far in Salford which builds on the council's experience of devolving small budgets to local neighbourhoods since 1999. In 2005/6, £500K was allocated to 8 'neighbourhoods' (roughly 3 wards per area) covering the city, providing 'local' budgets of between £43K and £77K per area. Each area develops a 'Community Action Plan'(CAP) in line with the Council's 7 thematic priorities. By April (each year), mainstream delivery partners will agree what can and cannot be done to meet CAP objectives. The local budget group can then make recommendations about how they want to use the devolved budget to help deliver the CAP. This might involve some grant funding for projects, but is also likely to result in commissioning services or enhancing existing provision. Thus the process combines spending a devolved pot of money and influencing wider mainstream provision.

A framework for local deliberation and decision-making has been established as well as arrangements for support and scrutiny from the centre. A neighbourhood manager plus staff nominated by the council and other key service providers has been set up in each area. Ward councillors sit on the area committees and represent local priorities within the City Council. They are responsible for the financial decisions made by area committees. And an executive group, including senior officers from all the partner agencies, local councillors and community representatives meets quarterly to ensure services and resources are delivered within local priorities.

The Council is looking to further devolve decision-making (though not more money) to area committees in the future, especially in relation to environmental maintenance.

Newcastle City Council:

A strong political will to experiment and try new approaches such as PB has emerged following a changing and challenging context in Newcastle. The city has recently had a

change of political administration and is one of the Home Office's Civic Pioneer areas. Newcastle Partnership has been looking for new ways to join up area level structures with more strategic priorities and after being linked up with Sunderland NDC, policy officers and elected members within Newcastle have recently agreed to pilot PB with two pots of NRF money for 'liveability' and 'children and young People' in a small grants budget. Following this, the Partnership are committed to exploring rolling out the PB pilot to the next stage in a £1million Small Grants Budget.

Newcastle Partnership have themselves identified many advantages of using PB for NRF, in terms of organisational and community development, social inclusion and cohesion, participation and NRF requirements and local priorities. In particular Newcastle feels that PB can assist in implementing Local neighbourhood Renewal Strategies and Ward Improvement Plan.

Sheffield City Council:

The PB Unit is currently discussing the possibility of a pilot project with the Council. But developments are at a very early stage.

Other PB work currently developing in the UK:

There is a growing interest in PB as an idea and a process, throughout the UK, wider than the areas outlined above. These include:

1. The Torry Community PB Project, Aberdeen developed after the council was part of one of the now defunct Scottish Executive's Community Budgeting Pilot programme. This was a pilot which looked at how mapping spending locally could help inform resource use and decision making. This PB pilot is taking place in one neighbourhood with a youth theme.
2. The PB unit has recently held workshops in both Scotland and Wales. Following these events discussions are taking place with West Dunbartonshire Council in partnership with the Transformation Team, Glasgow and Wrexham Council in partnership with TCC, a broad based organisation.
3. There is significant interest in looking at how equalities issues can be mainstreamed in a PB pilot. Because PB devolves decision making and power down to local level, it has the potential to address issues of inequality, whether they be by gender, ethnicity, disability, age etc. The PB Unit is currently researching a gender sensitive model of PB.

Harrow Open Budget:

A Case Study of Innovative Public Engagement

Summary

Harrow Open Budget is an initiative that uses innovative public engagement techniques to bring large numbers of Harrow residents into the process of developing the 2006/07 Council budget. It has achieved extremely high satisfaction ratings from those who have taken part, improved the public view of the local authority and won over parts of the local community that have been hostile to Council consultations and previous budgets including the local press and local council tax campaign. The independent organisers of the Open Budget – the Rowntree-funded Power Inquiry - are now developing new ideas to improve and expand the process based on their experience in Harrow.

What is the Harrow Open Budget?

Origins

The Harrow Open Budget was motivated by senior councillors' wish to introduce greater transparency, deliberation and public trust into the process of consultation on their budgetary plans. It was widely accepted that public understanding of local authority budgeting was weak and that public trust in the Council had declined as a result of high-profile battles over council tax rises. To resolve this state of affairs the London Borough of Harrow worked closely with the Power Inquiry to design a consultation process based upon their understanding of new techniques of public engagement being employed across the world.

Key Principles

The Power Inquiry decided not to remain wedded to any one model but to combine different models which met the following principles drawn from research identifying successful public engagement:

- Influence – participants had to feel that their involvement in the process could give them some genuine influence over the 2006/07 budget even if they could not have the final say;
- Independence – the process should be run by an independent body to give the Open Budget legitimacy in the eyes of the local media and public who are deeply cynical about council consultation; the role of independent manager was fulfilled by the Power inquiry;
- Feedback – mechanisms enjoying public trust had to be built into the process to provide full feedback to participants about the impact their views were having on the budget;
- Deliberation – the process had to employ techniques which would encourage genuine deliberation rather than the usual conflict of previous public meetings on budgetary issues;
- Information – the process had to be supported by detailed but accessible information on the budget.

The Process

At the heart of the process is the Open Budget Assembly. This brought together 300 Harrow residents on 23rd October 2005 to discuss and vote on key priorities for the 06/07 budget. Prior to the Assembly there was a period of consultation with council officers, councillors and community groups to identify the types of choices about different sections of

the budget that should be put to the Assembly and to write the 'Assembly Discussion Guide' which would guide participants through those choices.

At the same time, a pro-active recruitment campaign was launched to encourage people to attend the Assembly. Any Harrow resident over the age of 16 was free to register for the Assembly. However, the recruitment campaign was designed to ensure that Assembly participants were as close to the ethnic, age, gender and social composition of Harrow as possible and that not only the 'usual suspects' took part. Councillors and officers were free to observe the Assembly but could not register to take part in the deliberation and voting.

As well as choosing budgetary priorities, the Assembly also elected an Open Budget Panel from amongst the participants. The Panel's main role is to produce a report for Assembly participants assessing how well the Council's final budget meets the priorities agreed by the Assembly. It will also keep participants informed on an ongoing basis prior to the budget setting in February, of how the budget is being developed and what efforts are being made to address the Assembly's priorities.

How did the Assembly work?

The Assembly was designed to allow a large number of people to discuss and decide on complex issues in a considered and deliberative manner. The 300 residents who attended were randomly divided onto tables of ten. Each table discussed the budgetary options in five sessions over six hours. Each table had its own trained facilitator who ensured equality in the discussion and fed back the table's views via a laptop computer to an analytical team. This team collated common views from all the tables and any particularly interesting ideas.

Plenaries were held between table discussions which allowed a lead facilitator to feed back the views collated by the analytical team to the whole room. The plenaries also gave participants the chance to vote as individuals on each option they had just been discussing by using voting keypads. The results of the vote were fed back to the whole room immediately on large screens.

How is the Open Budget Panel working?

To date, the Panel elected by the Assembly has met once to discuss its working practices. Twenty-eight of the thirty-four Panel members attended and the discussion was lively but respectful. The Panel was clear that it sees its role to ensure that the Assembly's views are taken on board by the Council but not to follow the Assembly's decisions slavishly if there are good reasons why priorities cannot be followed. There was a strong sense that the Panel should ask the Council tough questions but should also be willing to "work alongside" senior councillors and officers.

What are the key outcomes so far?

Participant satisfaction: The participant evaluation forms revealed very high levels of satisfaction with the Assembly and a positive impact on views of the Council:

- 90% regarded the event as 'good' or 'very good';
- 74% felt the process should 'definitely' be repeated next year;
- 43% stated they now had an improved view of the Council; 55% reported no change in their view;
- 80% stated they would now be more interested in Council decisions;
- 64% felt a similar process should 'definitely' be used for other areas of Council work; 33% felt the process should 'possibly' be used for other areas.

A calmer, better informed public debate: The local press was uniquely supportive of the Open Budget playing an active role in encouraging people to take part. The Harrow Council

Tax Campaign – which has had a very poor relationship with the Labour administration in Harrow – also gave their active support with the Campaign’s leader appearing on Open Budget publicity with an endorsement. Since the Assembly, the local press has maintained a close, supportive interest and the Council Tax Campaign has made clear its wish to work in a more conciliatory way with the administration.

Diversity: Efforts were made to ensure the Assembly represented the complex demography of Harrow. The Assembly was a very accurate reflection of Harrow’s ethnic diversity. Geographic spread from across the borough was also good. All age groups were over-represented (including 16-19 year olds) at the expense of the 20-44 age group which was under-represented. There was also a small gender imbalance with forty more men than women attending. However, these imbalances have been rectified in the Panel which has the 20-44 age group over-represented and only four more men than women. It is also notable that there are eight 16-19 year olds on the Panel of thirty-four.

Quality of decisions: There were strong fears that the Assembly’s decisions would emphasise the need to cut council tax and spending at the expense of crucial services. However, this proved not to be the case with the Assembly opting for some significant growth areas. Interestingly, when the Assembly was asked what should be the key priorities for the Council when choosing between policy options, “what will it cost” scored lower than “how well does it work”, “does it take care of the environment” and “how will it impact on people in twenty years time”.

What next?

Harrow will set its budget on 23rd February and the Open Budget Panel will make its assessments soon after that.

There are some aspects of the process which the Power Inquiry is keen to develop further and, if possible, pilot in Harrow and elsewhere.

- Neighbourhoods: Expand the pre-Assembly consultation to allow much deeper involvement for neighbourhoods. It would be particularly useful to understand how the Open Budget process – which deals with authority-wide strategic decisions – could be used to galvanise and strengthen resident involvement in decision-making over neighbourhoods and devolved budgets. Bringing the process down to the neighbourhood level may also prove a rich source of data for area profiling.
- Other areas of council work: To use the principles and techniques behind the Open Budget for community engagement in other areas of a local authority’s work – for example, setting priorities for Local Area Agreements and Development Control and Planning Strategies.
- Other types of authority: To understand whether and how Open Budgets and similar processes can be used in different types of areas: rural, inner city, City authorities as well as suburban areas such as Harrow.
- Wider involvement: To understand how far greater numbers can be involved in an Open Budget and similar processes by holding larger assemblies, holding smaller assemblies in different parts of an authority’s area, and making innovative use of new technologies such as the internet and digital television.

Adam Lent
Research Director
The Power Inquiry