

# The PB Unit

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Towards a Local Area Agreement  
Participatory Budget Process

**Report by Kezia Lavan  
The PB Unit, February 2007**

# **Towards a Local Area Agreement Participatory Budget Process**

## **Purpose of this report**

This report outlines some of the current problems experienced by areas developing and implementing Local Area Agreements (LAAs). It suggests how Participatory Budgeting (PB) could potentially address many of these issues. Beginning with an outline of what PB and LAAs are, the report explores the similarities and differences between the two, then explores how Participatory Budgeting (PB) could enable LAAs to fulfil both the government's requirements and local areas' own aspirations in regard to autonomy, local leadership, community engagement and meeting outcomes and local priorities. An outline of what a PB model of LAA might look like is given, together with appendices of how this could be developed over a 3 year annual cycle. The report ends with some concluding thoughts on the opportunities and constraints for LAAs.

## **1. What is Participatory Budgeting?**

Participatory Budgeting is a method of community engagement that, at its simplest definition, gives ordinary people an opportunity to influence the priorities of the local public budget. It brings together local public service delivery bodies, elected members and local people in a structured process to decide how best to spend a local budget to meet city and local priorities. By using a combination of local level capacity building and clearly defined processes in local geographical and thematic structures, local and city/regional priorities are combined to develop a budget which all stakeholders have had the opportunity to influence. PB was originally developed in the city of Porto Alegre, Brasil, and in the 20 years since it first began has delivered notable public benefits, in particular, redistribution of resources to areas where they are most needed, improved transparency, partnership working and community cohesion. PB has since spread to over 300 cities worldwide, including increasing examples in Europe.

Several examples of Participatory Budgeting are now becoming well known in the UK. Local authorities, LSPs and regeneration bodies in Bradford, Newcastle, Sunderland, Salford, Coedpoeth (North Wales) and West Dunbartonshire are the first areas to have piloted PB, and are soon to be followed by Manton in Nottinghamshire, Birmingham, the London Borough of Lewisham, and the Mersey Waterfront, a regeneration partnership between six local authorities. An evaluation of the first UK PB pilots is currently underway.

## **2. What are Local Area Agreements?**

Local Area Agreements (LAAs) set out the priorities for a local area agreed by Central Government, local authorities and major service delivery bodies for the next 3 years. The overall aim is to deliver better local services in an area through improved partnership working, clear targets, more efficient use of resources and a revived leadership role for local authorities. These aims are to be achieved through: devolved decision making, focus on agreed outcomes, simplifying the number of funding streams, allowing for greater local flexibility to match local circumstances, joining up public services and reducing bureaucracy.

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LAAs are now being rolled out nationwide following piloting in 21 areas in 2004 and 66 in 2005. Evidence from these first two rounds is therefore patchy in terms of the larger picture and represents an early stage in evaluating progress and anticipating how LAAs will develop in future. Nevertheless, a significant amount of learning has already taken place, reflected in the fact that the nature and shape of LAAs have already undergone some changes since the initiative began. Similarly, the central role which LAAs will have to play in the way local services are delivered from 2009 was confirmed by the recent White Paper which emphasised that the LAA is in itself short term delivery mechanism for the longer term Sustainable Community Strategy.

One of the main differences between LAAs and previous policies are that there is less ring fencing of funding, as money for separate initiatives is brought together with the aim of achieving shared outcomes. The number of targets is also vastly reduced. LAAs are only for upper tier authorities, although district authorities have an important role in contributing to the LAA of the county, and the accountable body for the LAA is the local authority. The LSP is responsible for delivery. General targets and outcomes are agreed with the government, but more freedom is granted for the local area to decide how to spend the money to achieve them. Reward grants (or 'stretching') are offered for improved performance. The agreements are made on a 3 year basis.

The first LAA was split into 3 blocks or theme pots: children and young people, healthier communities and older people, and safer and stronger communities. In the second round a fourth block of economic development was added, to which environment, and culture and leisure has recently been added. In the second round of pilots, 13 high performing areas were identified as 'single pots' in order to test the benefits of pooling funds across the four blocks. From 2009 all blocks will be single pot, and more relaxed rules will be in place to enable pooling of budgets across agencies.

### **3. The links between Local Area Agreements and Participatory Budgeting**

LAAs and Participatory Budgeting share many common principles. The table in the appendix outlines these in detail, but in brief they include: an emphasis on meeting local priorities, area based working, partnership, strong local accountability to communities, revitalising local democracy, community engagement, streamlining of funding systems and making the best use of resources.

The government is keen that LAAs operate as an 'on the ground' mechanisms to ensure that local services are improved and shaped to meet real needs within a framework of strong local partnership working, community ownership and reinvigorated local leadership. The White Paper specifically states that LSPs should annually report back to citizens on progress towards achieving the targets set out in the LAA, which implies a need to involve citizens in an ongoing and repeated process of feedback and review. However, until now, local areas have been struggling with developing the framework with which to achieve this vision, particularly with regards to pooling and aligning budgets; community engagement; gaining commitment of all partners; and balancing central and local priorities. Participatory Budgeting, as a proven way of delivering improvements to services,

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improving democratic accountability, building community capacity and balancing differing priorities within a context of tight fiscal restraint and complex social and economic challenges, and involving citizens in an ongoing and incremental process, is an opportunity and process to address some of these issues.<sup>1</sup>

Whilst LAAs are a relatively new initiative whose theory, but not practice, is well developed, PB is a method and tool that has been replicated in many different models around the world, addressing many similar aims to those of LAAs.

## 4. The challenges for Local Area Agreements

Local Area Agreements present both a challenge and an opportunity to local areas. Introduced by the government as a way to improve the delivery of local services through enhanced local leadership, better partnership working, streamlining the use of resources and the focusing on clear targets to meet priorities, many local areas share this vision but hope that it will give them the much needed opportunity to develop innovation locally rather than struggle under the weight of yet another top-down initiative. Whilst the development of the first LAAs has already led to many positive developments in partnership working, evidence also shows that the first LAAs have experienced a range of difficulties, which are unlikely to disappear as the process is rolled out across the country.

### Evidence for the challenges of LAAs

The following section outlines evidence for the challenges experienced by LAAs that the official evaluation of round 1 and 2 of the pilots has identified.<sup>2</sup>

- Community Engagement

Community engagement is moving further up government agendas which intersect with LAAs. The recent White Paper outlines the need for LSPs to have a Comprehensive Engagement Strategy. Similarly, the Audit Commission are placing increasing emphasis on the extent and quality of community engagement which LSPs and councils utilise in their plans, considering these as key factors as part of their assessment of risk in the delivery of Sustainable Community Strategies and LAA outcomes in local areas. Put simply, partners with poor knowledge about local communities and their priorities will be seen as being at risk in the new Comprehensive Area Assessment (which replaces Comprehensive Performance Assessment in councils from 2009).

LAAs are now required to include a statement of community involvement in their submissions, which explains how the local community and Voluntary and Community Sector (VCS) have been involved in the design and delivery of the programme. Although there have been some positive examples of community engagement, few

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<sup>1</sup> **Centre Marc Bloch** (2005) *Participatory Budgets from a European Comparative Approach*. See also **Allegretti, G y Herzberg, C.** (2004) *Los presupuestos participativos de América Latina en el contexto europeo* en *TNI Briefing Series*.

<sup>2</sup> DCLG (2006) *Local Area Agreements Research: Round 2 negotiations and early progress in Round 1*

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areas had carried this out systematically. One reason cited for this is the lack of capacity and fragmentation of the sector. Areas have struggled to find ways to involve the VCS at a strategic level and there has been disgruntlement amongst the sector about their apparent exclusion from the Local Public Service Board. A report from the sector draws attention to the community strengthening role of VCS and suggests that there is a strong desire for the VCS to be involved in LAAs not just in governance or service delivery, but as participants at all levels of the process.<sup>3</sup> So clearly there is a strong will for local involvement in the LAA but a lack of clear direction, resources and process.

- Partnership working and balancing central and local priorities

Partnership working has in some areas, been one of the strengths of LAAs to date, enabling partners to focus on shared priorities. This has particularly been the case where there has been a strong LSP or other local partnerships. However, some areas have experienced more difficulties such as a fragility of commitment from partners, challenges in developing robust governance arrangements and visible tensions between central government and local priorities. In some areas, particularly rural ones partners have felt that centrally imposed targets are crowding out local priorities. Tensions have been felt between the accountable body, the local authority, and those charged with delivering the LAA. These tensions are clearest between the roles of elected members, who as local representatives have a remit to reflect local priorities, and the heads of service delivery bodies, who are tasked with delivering on implementing central government targets. The LAA was in part conceived as a way to reinvigorate the role of the councillor as a local leader, yet many outcomes, particularly in regeneration areas, are mandatory ones, there remains an ambiguity and redundancy in the role of the councillor. Perhaps, then the problem lies with a lack of mechanism or process to balance these respective roles and priorities.

- Identifying funds for pooling and alignment

There has been progress in some LAAs where partners have begun to think how budgets can be set jointly. However, even by the second round LAA most areas have been finding the requirement to pool, streamline and align budgets a challenge. A lack of trust between partners, difficulties in identifying suitable funds, the extra monitoring burden, fear of losing control over resources, and complexity of some forms of funding has made this key aspect of the LAA a difficult challenge for many. Additionally, some areas were already under tight fiscal constraints, which was an added psychological barrier to pooling. Without a framework in which to build trust between partners, make budget decisions in a transparent setting, manage knowledge of budgets and monitor the allocation and spending of funds against priorities, it is likely that this will remain a key block in developing LAAs from a bureaucratic structure into a body, which delivers on the ground.

### Other challenges for LAAs

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<sup>3</sup> Community Development Foundation et al (2005) *Making Local Area Agreements work: a VCS perspective*

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Other challenges which the PB Unit has identified for Local Area Agreements include a neighbourhood focussed policy context, how to deliver the outcomes, and the need for an agreed accountability mechanism with all stakeholders in the process.

- Neighbourhoods agenda

The policy context of double devolution, new localism and the neighbourhood agenda lends an extra challenge to areas, which some have taken up in exploring how 'mini' or local LAAs might operate. This neighbourhoods focus potentially represents a bureaucratic nightmare of monitoring and co-ordination and a 'small is beautiful' utopia of direct democracy where local people have close influence over priorities and spending. A mechanism which is able to streamline the monitoring burden and empower local communities is clearly needed.

- Delivery of LAAs

The delivery of LAAs is the next major challenge which areas face. Whilst much time and effort has gone into collecting evidence for priorities, refining targets, and providing baseline data, delivery plans are less well developed. In particular, a lack of agreement, buy-in and know-how from partners about pooling and aligning budgets, poses substantial risks and challenges to the LAA. Delivery on shared outcomes is not going to begin until it is clear what resources are available to meet each target. Under-developed thinking around targets too involve risks: as is well-known, identifying the indicator which is needed to show change on an outcome is not the same as understanding what needs to change in order to bring change about. Without in-depth identification and analysis of the causes of the problem reflected in the desired outcome LAAs will be no more than at best, a set of paper targets and at worst, a collection of perverse incentives. Whilst those negotiating the LAA have the technical knowledge and expertise to identify ways of measuring change, it is those who have the everyday knowledge and experience of the problem who are needed to ensure that the changes to services delivered are those needed. Methods of capturing and making intelligible this latent knowledge in communities are key to ensuring that an LAA, which is delivering change in the right places, is developed.

### **5. How Participatory Budgeting can address these challenges**

As discussed, there are already many similarities between the aims and processes of LAAs and Participatory Budgeting. This section outlines ways in which Participatory Budgeting can address some of the challenges for LAAs that we have identified.

#### **Community Engagement**

- PB involves the local community and VCS in the LAA through decision making about local priorities and targeting of resources. It provides a ready made way to monitor the amount, nature and level of community engagement in an LAA, overcoming some of the confusions of those both participating and carrying out what sometimes feels like a maze of community engagement, where consultation

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and meetings risk becoming repetitive or going nowhere.

- The most recent DCLG guidance requires LAAs to involve children and young people, and excluded groups in the design and delivery of services in the agreement. The thematic as well as geographical feature of PB could enable this in an efficient way, which gives these groups parity with neighbourhoods. In nature and principle PB is inclusive and allows everyone to have a say in an open and transparent process.

### Identifying funds for pooling and alignment

- Evidence suggests that there have been confusion and difficulties amongst partners attempting to pool and align budgets in the LAA. A PB budget cycle, with a clear timetable for decision-making, consultation, planning and spending could be adapted to help address these.
- Evidence from the LAA pilots suggests that there is a need for partners to develop their own capacity to understand and analyse their own budgets before attempting to pool or align. There are many well developed PB budget analysis tools to do this.

### Partnership working and balancing central and local priorities

- Partners in the LAA have shown themselves to be afraid of losing resources, if they pool or align budgets with new objectives. PB has well developed systems of transparency in place, which can monitor how priorities are linked to spending and project delivery. This should help alleviate some partners' concerns that their budgets and ability to deliver services will be threatened if they too closely link their budgets to those of other, more powerful partners.
- One of the aims of the LAA is to revive the role of the local councillor as a local leader. Using a PB model to identify local priorities and allocate funding would be complementary to this, because PB gives elected members an important role in both stimulating local interest in the process, ensuring accountability and partnership working with the community in designing the process.
- The PB budget matrix can provide the 'missing link' between local targets and priorities, spending and outcomes, providing a high level of accountability and transparency for both localities and all levels of government.

### Neighbourhood and district working

- Several areas are considering developing 'mini' LAAs in neighbourhoods or wards. As a streamlined and locally effective process PB could help deliver this vision. PB elicits locally meaningful information and can be repeated across different areas, giving comparable information, which can be monitored easily.

### Issues of process

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- The four-block theme approach allows for areas to pilot a LAA PB process with one block to begin with. The Stronger Safer Communities block covers issues of common concern to communities such as the crime and environment. As several PB processes have been developed already using pots of money allocated for these sorts of issues, there are already tried and tested processes to build upon.

### **6. LAA PB Budget Cycle**

#### **Year 1**

The following section outlines what an LAA PB process could look like. Flowcharts in appendix 3 show in detail how a PB process could gradually be introduced into the different stages of delivering, monitoring and reflecting an LAA.

The PB cycle for the first year reflects the realities for partners beginning to draw up and negotiate a Local Area Agreement. The content of the LAA initially will be constrained by the length of timetable to draw up a proposal and budgetary decisions for the coming year, which have already been made. The possibilities for community participation at this stage are likely to be limited to consultation and information workshops to inform local outcomes in a general sense and will be strongly influenced by existing capacity, networks and relationships, such as CENs and VCS umbrella bodies. The structures and processes for more meaningful and systematic community participation will gradually be built in as the process develops.

Realistically, funds will already have been committed in previous years' budget plans, so there will be little opportunity for either partners or the community to have a strong influence over bending, pooling and aligning budgets in the first year. However, in the first year the community could participate in proposing project ideas to inform outcome delivery plans. A process of PB project proposal and selection could then begin, whereby the community are invited to submit ideas for projects, which would help particular outcomes. As this will be a new initiative for all those involved, in the first year the project prioritisation could begin with outcomes already of interest to the community, such as ones from the SSC or Healthier Communities block. Proposed projects would then be checked and costed to see that they were affordable, legal and technically viable before being selected in a well-attended participatory and deliberative event by all the community. This selection would then inform the delivery plans for the relevant outcomes. The community would continue to be involved in the process through monitoring of the projects and wider scrutiny of the progress of the LAA to date.

Initially, there would need to be some investment in designing and capacitating to develop the process and maximise quality and quantity of participation. This cost would decrease with time and be met by improvements in quality and quantity of community engagement, as well as efficiency gains in service delivery as delivery plans became more shaped around needs identified by the community.

Before the annual refresh takes place the second element of the PB process will begin, with the community prioritising agreed outcomes within a block. Ideally this process would again begin small, with prioritisation taking place with part of one



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block or a whole block within a mini-LAA area. This prioritisation would then inform both the Annual Refresh and decision making about the budget for year 2, including pooling and aligning. The LSP would then feedback their budgetary decisions to the community, in an easy to understand and transparent way. This information would be key to ensuring that the community could see the impact of their participation and motivate them to get involved the following year.

### **Year 2**

Year two of the LAA would process in much the same way as the first year, with the exception that budgetary decisions, as well as delivery plans are now more closely informed by the community. After learning from reflection and evaluation of the first year, both the project proposal process and outcome prioritisation could now be extended to incorporate more outcomes, and possibly in different blocks.

### **Year 3**

The final year of the LAA will continue the processes developed in the first two years, but with the addition that the community will be a key partner in negotiations for the next LAA, the proposal of which will be informed by participatory identification and analysis of local issues. By the third year participation in the different stages of the PB LAA outlined will have built community capacity enough for the community to become a significant partner in the negotiations with central government for the next round. Similarly, the improvements in community engagement felt during the process will have developed the capacity of partners to carry out the deep local analysis of issues with communities. The third year will end with a thorough reflection and review of the LAA PB processes developed during the three years.

## **7. Developing LAA PB Pilots**

The Local Area Agreement model of PB could be adapted to a number of different local contexts. Two possible models are outlined below:

PB could be used in a neighbourhood or district in a 'mini-LAA' area with one of the four blocks. Given that there is a wealth of past experience of running PB processes with pots of funding for environmental, sustainability and similar themes, it could be useful to start with either the Stronger, Safer Communities block or Healthier Communities and Older People block. Crime and disorder, environmental improvements and health issues are themes, which are often of most interest to local communities, so could be a productive place from which to begin a PB community engagement process around LAAs.

PB could be used for a whole LAA with parts of one block. Again, it might be useful to start the process with the Stronger, Safer Communities or Healthier Communities and Older People block. The process could start with a small number of outcomes, which don't yet have extensively developed delivery plans. One or two local outcomes, and one or two mandatory outcomes would be a good place to begin the process. It could be useful to begin with at least one outcome of general interest to the community, and one, which may be of more interest to a particular area or

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community of interest, such as young people. This will ensure that the process begins with a focus on both engaging specific groups and building community cohesion around tackling a specific issue. As the LAA guidance sets out the requirement to both engage the community generally, and those at risk of being excluded, this would support this approach.

### **9. Summary and conclusions**

The LAA PB cycle and models outlined above are the first steps in developing new processes which seek to address some of the difficulties which the first two rounds of LAAs have encountered in partnership working, community engagement, balancing local and central priorities, and bending budgets to meet local needs. The model is intended to provide a guide, rather than a rule book, of what such a process would look like. As experience of examples of PB from the UK and elsewhere has shown us, each model will develop to respond to the local circumstances and local innovation. However, LAA will need certain minimum requirements to be able to develop PB, including strong commitment to the principles of meaningful, participatory and inclusive community engagement, as well as the political and operational will of strong partnership.

Initially, it would be useful to pilot LAA PB in a few key pilot areas, in the way outlined above, enabling different processes to be tried out and other areas to learn. Given that two-tier authorities seem to have experienced more difficulties in piloting LAAs, and that the process is now about to be rolled out to all single tier authorities, perhaps it would be preferable to begin here.

The context in which these pilots would develop is one of uncertainty and dynamism in terms of policy and public finance. Local Area Agreements are developing within a culture of continual reform in which it often feels that central government initiatives reach the scrap heap long before those on the ground have fully processed what they are, never mind how they work. Given the many changes that have already taken place to the detail of LAAs, it is difficult not to wonder whether they are headed for a similar fate, which makes the development of any processes, and particularly ones with a community engagement focus, difficult. Additionally, there still exists uncertainty around the future of local government finance, and although the review is expected later this year is unlikely to depart from the reality of centralised and fiscal restriction to any great degree in the short-term.

Although the context is one of change and a sometimes tense relationship between the local and central, developing a PB LAA offers opportunities to negotiate the pitfalls as well as opportunities. Reviews of LAA have pointed to the disempowerment local partnerships have sometimes felt though the LAA negotiation processes. Empowering local communities through a structured and transparent process such as PB can only strengthen local voice and credibility with government partners. Deep and participatory analysis of the needs and problems of a locality rooted in both local experiences and expertise provides a strong platform for ensuring that LAAs become tools for the best local innovation and practice rather than a short, painfully lived and bureaucratic centralising directive.

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***Kezia Lavan  
PB Unit  
February 07  
kezia@participatorybudgeting.org.uk***

**Participatory Budgeting Unit,  
Central Buildings, Oldham St, Manchester, M1 1JQ  
mail@participatorybudgeting.org.uk participatorybudgeting.org.uk  
Tel: 0161 236 9321 Fax: 0161 236 5359**



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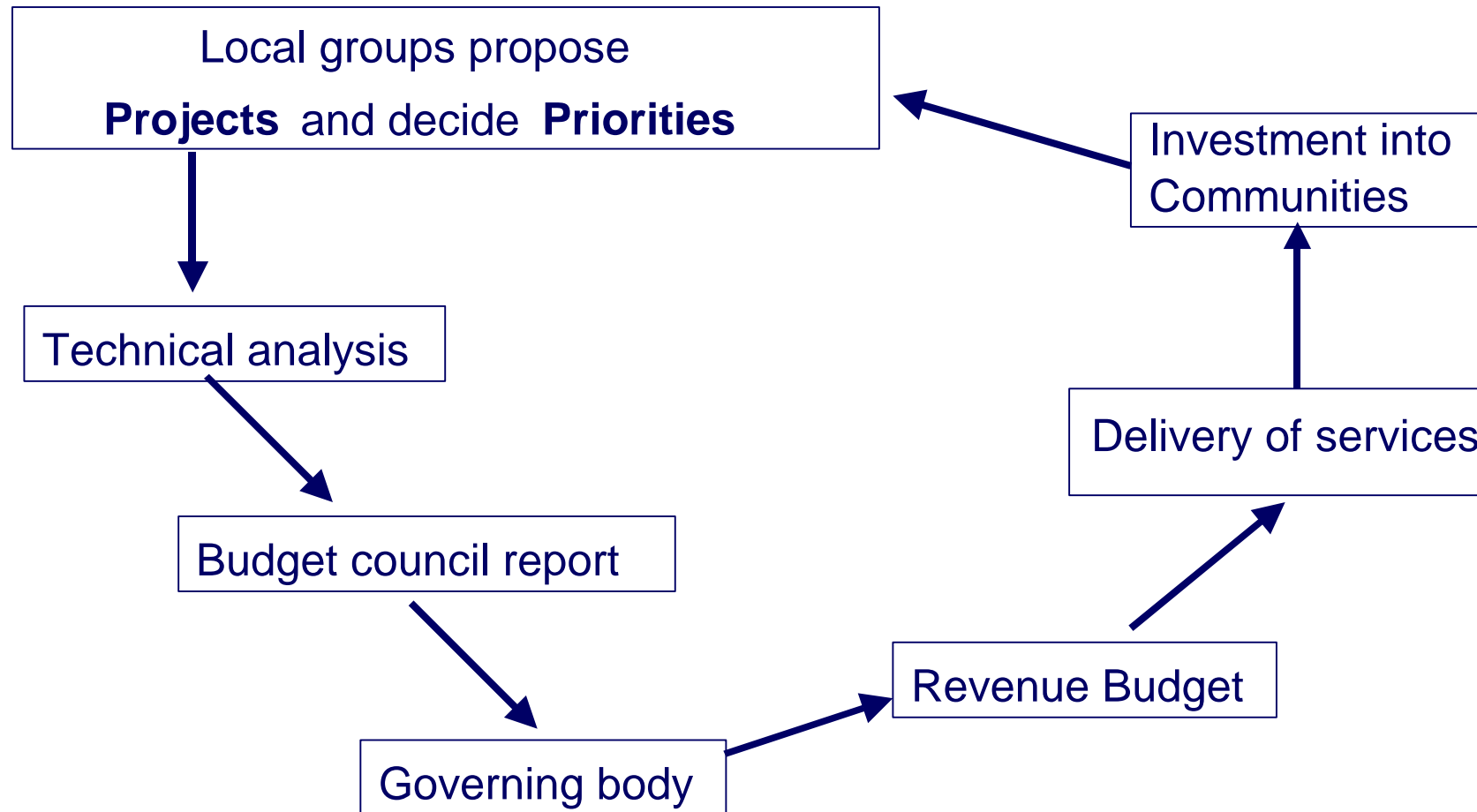
## Appendix 1: table to illustrate some of the similarities and differences between Local Area Agreements and Participatory Budgeting

Feature	Participatory Budgeting	Local Area Agreements
<b>Budgeting cycle</b>	<ul style="list-style-type: none"> <li>Annual cycle of planning, participation and budget setting is linked together</li> <li>Decisions about how and where to spend funds decided with community</li> <li>Community encouraged to understand timetable and process</li> <li>Prioritisation and project proposals processes precede decisions about how to spend money</li> </ul>	<ul style="list-style-type: none"> <li>Negotiation of LAA takes place on a 3 year cycle with annual refreshes</li> <li>Decisions about how and where to spend funds to meet outcomes negotiated with central government during LAA negotiation period.</li> <li>Delivery and project made after LAA signed off</li> <li>Timetable and process predominantly the concern of those leading negotiations</li> </ul>
<b>Community engagement</b>	<ul style="list-style-type: none"> <li>Consultation and deliberation on priorities for spending budget</li> <li>Mass participation in budget setting</li> </ul>	<ul style="list-style-type: none"> <li>Statement of community engagement required</li> <li>Requirement to involve young people and socially excluded groups</li> </ul>
<b>Identification of priorities</b>	<ul style="list-style-type: none"> <li>Community development and decentralised approach to identification of priorities</li> <li>Mixture of city/region and neighbourhood priorities</li> <li>Priorities agreed using 'budget matrix' of statistics, local community priorities and city/regional priorities.</li> <li>Community priorities identified in clear participatory processes</li> </ul>	<ul style="list-style-type: none"> <li>Technocratic and centralised approach to identification of priorities</li> <li>Priorities a mixture of central and local</li> <li>Priorities identified using mainly statistical and performance information.</li> <li>Community priorities fed in using ad-hoc processes.</li> </ul>
<b>Targets</b>	<ul style="list-style-type: none"> <li>Emphasis on monitoring delivery of projects selected for funding</li> <li>?</li> </ul>	<ul style="list-style-type: none"> <li>Strong requirement to meet targets</li> <li>Stretch targets rewarded for out-performing targets</li> </ul>
<b>Geographical working</b>	Neighbourhood level forums where community propose, deliberate and agree local priorities	<ul style="list-style-type: none"> <li>Priorities agreed at area level</li> <li>Mini-LAAs being explored for neighbourhoods and districts</li> </ul>
<b>Thematic structures</b>	Thematic structures where community to propose, deliberate and agree priorities	No thematic structures for deliberation but LAA pot split into 4 themes.
<b>Pooling of budgets</b>	<ul style="list-style-type: none"> <li>Budgets of different departments and services top-sliced and added to a single PB pot</li> <li>PB budget starts 1% of mainstream, increasing to 15-20% of investment budget as process develops</li> </ul>	<ul style="list-style-type: none"> <li>Pooling, streamlining and aligning a key tool to achieve shared priorities</li> <li>Unclear what proportion of budgets will be pooled/aligned as yet, but a key goal</li> </ul>
<b>Partnership working</b>	<ul style="list-style-type: none"> <li>Partnership working between statutory and voluntary sectors in PB process and delivery of projects</li> </ul>	<ul style="list-style-type: none"> <li>Strong emphasis on partnership working with statutory, voluntary, community and private sectors</li> <li>Emphasis on development of</li> </ul>

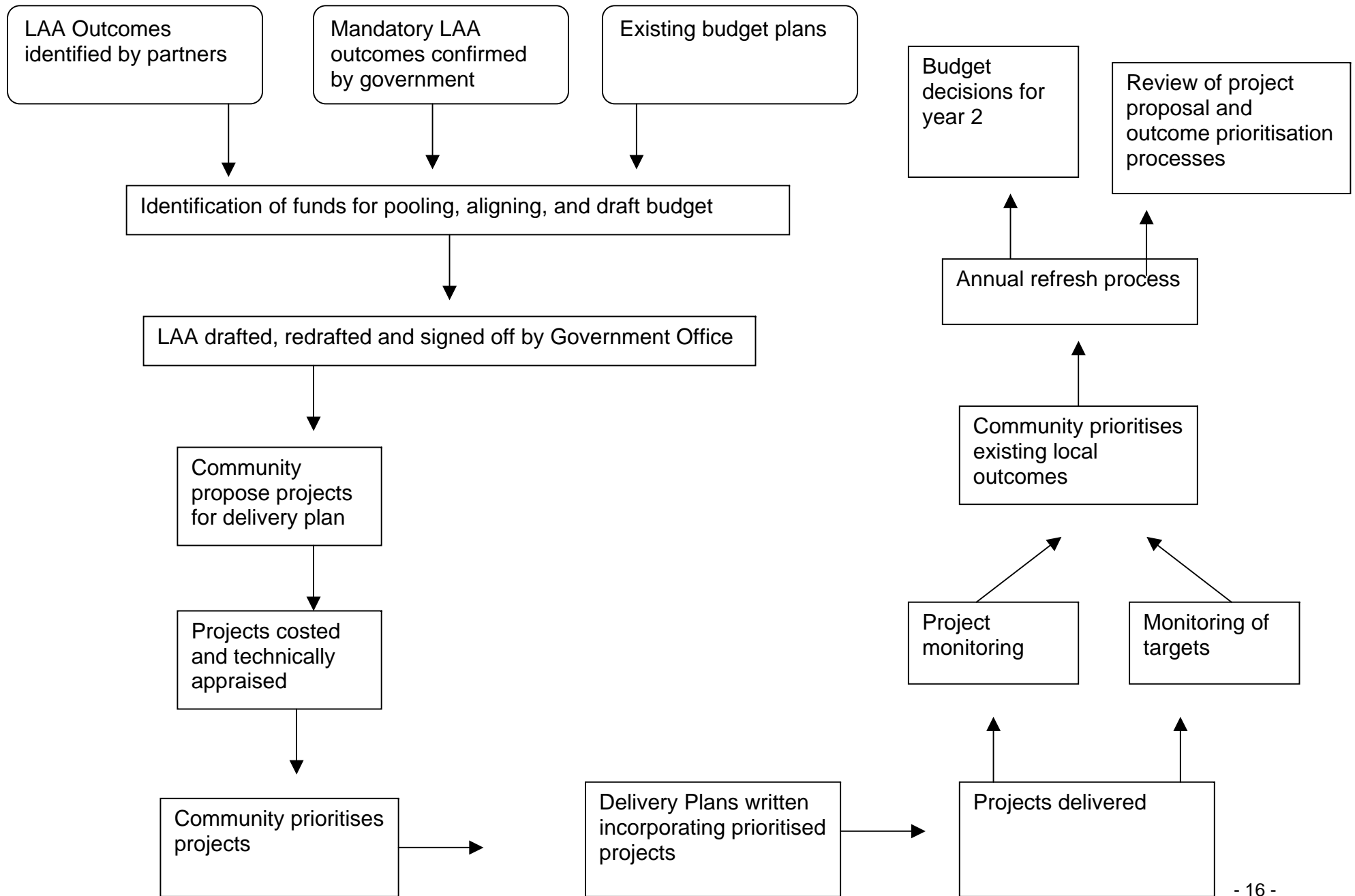
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		third sector as public service delivery body
<b>Local councillors</b>	<ul style="list-style-type: none"> <li>• Make final decision over Participatory Budget</li> <li>• Clear role for all councillors at local level to stimulate community to propose priorities and project ideas</li> </ul>	<ul style="list-style-type: none"> <li>• Leader and cabinet have important roles in partnership and thematic groups</li> <li>• Back bench councillors have less clear roles</li> </ul>
<b>Community capacity, building, inclusivity and communication</b>	<ul style="list-style-type: none"> <li>• Investment in community capacity building, budget literacy and communication with deprived and excluded groups.</li> <li>• Inclusion is one of the key principles of PB process</li> </ul>	<ul style="list-style-type: none"> <li>• Requirement to engage community in negotiation and delivery of LAA</li> </ul>
<b>Relationship to central / regional government</b>	<ul style="list-style-type: none"> <li>• Strong link to regional government, but weaker link to central</li> </ul>	<ul style="list-style-type: none"> <li>• Government Office have strong role in monitoring and supporting development of LAA</li> <li>• Central government have strong influence over process</li> <li>• Confusion over role of different central government departments</li> </ul>
<b>Money</b>	<ul style="list-style-type: none"> <li>• PB tends to use mainstream resources</li> <li>• Money usually raised and allocated regionally</li> </ul>	<ul style="list-style-type: none"> <li>• LAA involves predominantly 'funny' money</li> <li>• Money allocated from central government</li> </ul>
<b>Political will</b>	<ul style="list-style-type: none"> <li>• PB models tend to have strong political will and leadership locally, political will from central government less important</li> </ul>	<ul style="list-style-type: none"> <li>• LAA process led by strong political will from central government</li> <li>• Strong political will locally to make LAAs work</li> </ul>
<b>Timescale</b>	<ul style="list-style-type: none"> <li>• PB processes given time to develop – often 3-4 years before PB begins to mature</li> <li>• Original model developed over 20 years</li> </ul>	<ul style="list-style-type: none"> <li>• LAA is target driven – government wants to see results early on</li> <li>• LAA part of culture of continual reform</li> <li>• 6 month review into process</li> </ul>
<b>Accountability</b>	<ul style="list-style-type: none"> <li>• Strong accountability back to community by participation in project delivery groups</li> <li>• Strong accountability to local councillors and community via submission on PB project delivery reports</li> </ul>	<ul style="list-style-type: none"> <li>• Strong accountability mechanisms back to central government via monitoring from Government Office</li> <li>• Targets reported on to local councillors and community</li> </ul>
<b>Fiscal context</b>	<ul style="list-style-type: none"> <li>• PB models often developed in context of tight or indebted fiscal context</li> </ul>	<ul style="list-style-type: none"> <li>• LAAs aiming to develop efficiency gains through pooling of resources and identification of savings</li> </ul>

Appendix 2: Classic (Porto Alegre) PB cycle

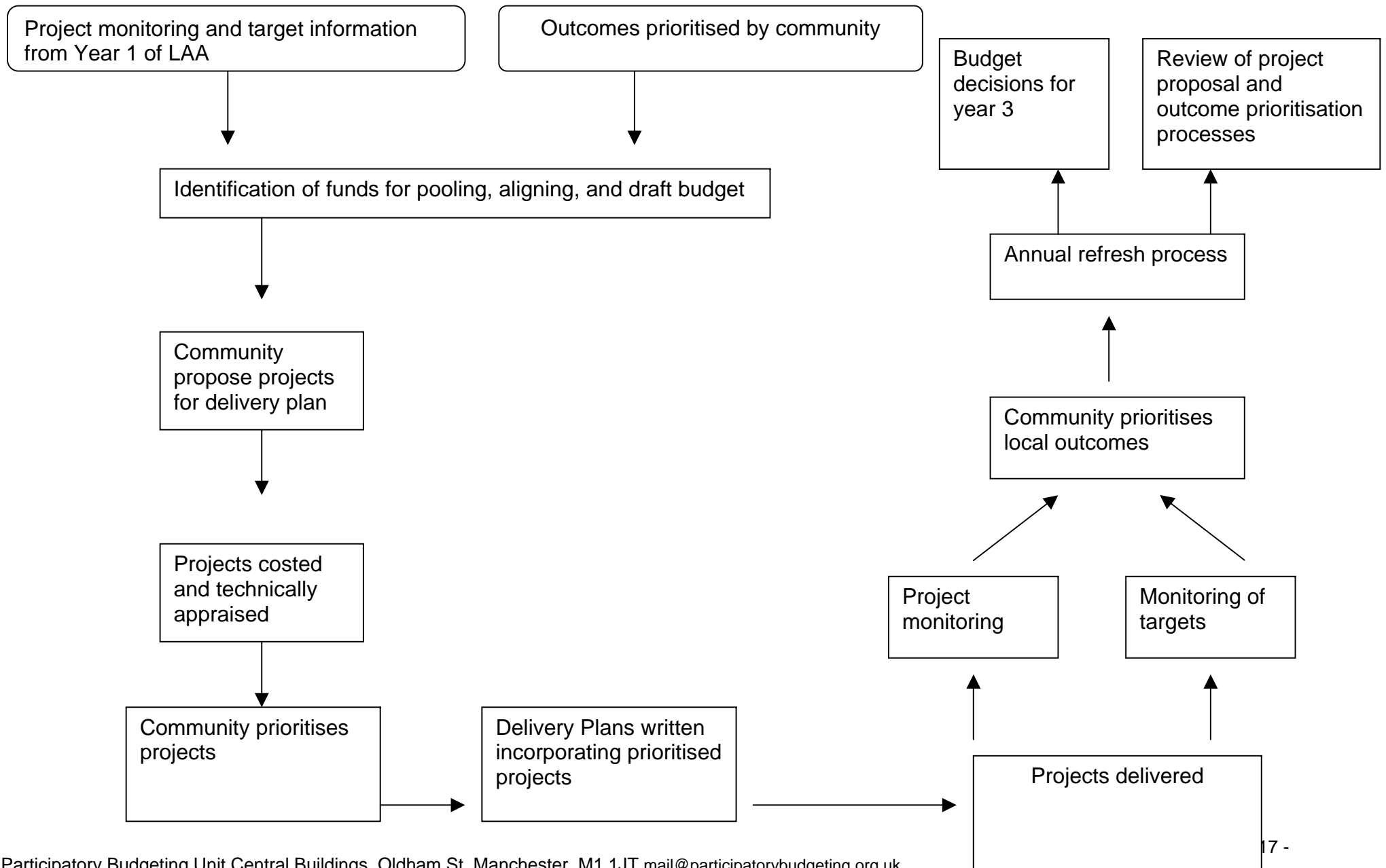


# Appendix 3: Local Area Agreement Participatory Budgeting Model – Year 1

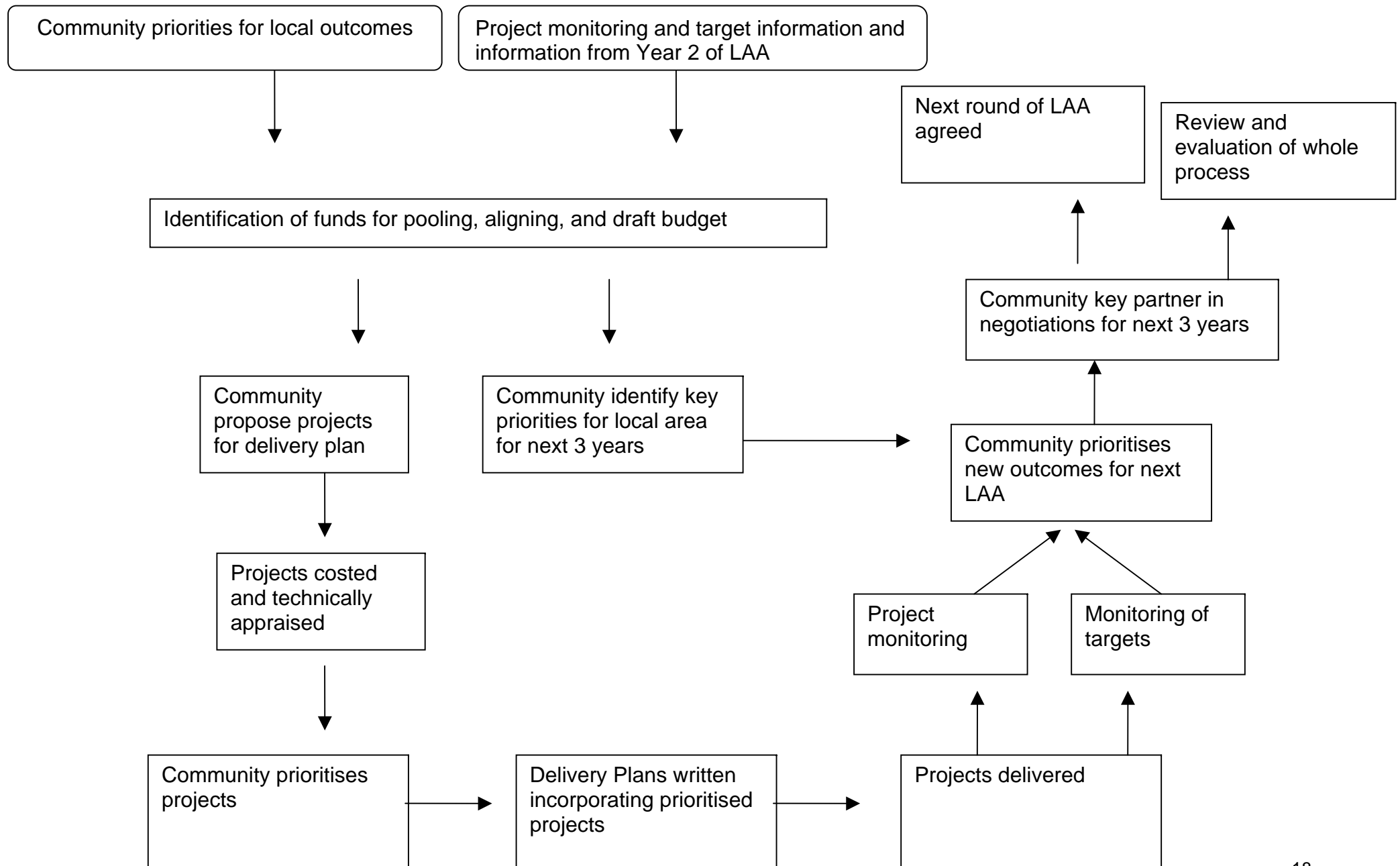




# Local Area Agreement Participatory Budgeting Model – Year 2



# Local Area Agreement Participatory Budgeting Model – Year 3



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## Appendix 4: Participatory Budgeting related links of further interest

### PB Websites

Website of the PB Unit [www.participatorybudgeting.org.uk](http://www.participatorybudgeting.org.uk)

International resource and forum on PB [www.participatorybudgeting.org](http://www.participatorybudgeting.org)

International Budget Project <http://www.internationalbudget.org/index.htm>

### PB articles on-line

IBP article about the spread of PB around the world  
<http://www.internationalbudget.org/resources/newsletter30.htm>

'Participatory Budgeting in Canada: Democratic Innovations in Strategic Spaces' looks at how PB is being used in neighbourhood groups, a municipality, and a school in Canada <http://www.tni.org/newpol-docs/pbcanada.htm>

World Bank guide to PB (World Bank pages under the theme of Participation and Civic Engagement)  
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALDEVELOPMENT/EXTPCENG/0,,contentMDK:20509380~pagePK:148956~piPK:216618~theSitePK:410306,00.html>

### Multi-media resources

World bank video about PB in Porto Alegre, Brazil in English (requires RealPlayer)  
<http://web.worldbank.org/WBSITE/EXTERNAL/WBI/WBIPROGRAMS/CESILPROGRAM/0,,contentMDK:20291807%7EpagePK:64156158%7EpiPK:64152884%7EtheSitePK:459661,00.html>

Bradford Vision video about a Participatory grant-making event in Bradford, UK  
<http://www.bradfordvision.net/video1.php>

PB Unit video about a Participatory grant-making event in Sunderland, UK  
<http://www.participatorybudgeting.org.uk/Video.htm>

### Downloads

Breathing Life into democracy; the power of participatory budgeting  
<http://www.participatorybudgeting.org.uk/Downloads/Breathing%20life%20into%20democracy.pdf>

Bringing budgets alive: participatory budgeting in practice.  
<http://www.participatorybudgeting.org.uk/Downloads/Bringing%20budgets%20alive.pdf>

"72 Frequently Asked Questions about Participatory budgeting."  
Urban governance toolkit series. July 2004. UN –Habitat:  
<http://staging.unchs.org/campaigns/governance/documents/FAQPP.pdf>

Newcastle Community Empowerment Network report on Udecide programme and voluntary sector seminar

[http://www.ncen.org.uk/media/download\\_gallery/Issue%2024%20-%20Winter%202006.pdf](http://www.ncen.org.uk/media/download_gallery/Issue%2024%20-%20Winter%202006.pdf)