

EXPLORING PARTICIPATORY BUDGETING IN SALFORD

Background and key findings

The concept of a ‘democratic deficit’ with falling voting levels and a loss of faith in the political process is a growing reality for both national and local government. If local authorities are to maintain their legitimacy it is critical that they find ways of re-invigorating local democracy. One way of addressing the challenge is to develop clearer links between community priorities and the way resources are allocated by the local authority. Salford began to open up its budgetary decision-making in 1996 when it embarked on a process of consultation with the public on its budget proposals.

‘Participatory budgeting’ (PB) is a process pioneered in Brazil and used by local authorities throughout the world. It is a set of processes for involving residents in the budget-setting, departmental planning and service delivery processes of a local authority. Key features include:

- Clearly defined geographical areas which facilitate decision-making and service delivery.
- The development of popular city-wide discussion fora to involve local people in developing strategic priorities as well as monitoring and evaluating on-going activity in a way which complements existing democratic structures.
- A widely understood annual cycle for consultation to provide a framework for both local authority and community activity.

There has been discussion between Community Pride and Salford City Council about the potential of PB in Salford since 2001, leading to a feasibility study. Significant interest in the idea of PB has developed across a wide range of agencies in the UK so the findings are of interest to a wide audience.

During the study senior representatives from all the directorates were interviewed. This elicited a mixed response. The following are some examples of their ideas on the PB approach:

“This could be a useful planning tool, helpful in developing partnerships between departments”.

“It would give a logical, cohesive framework for making sensible investment decisions. Now is as good as time as any to begin implementing it.”

“It could be a useful way to check whether the assumptions we make about what people want are accurate, or not”.

“It seems like a sound idea, but where will the money come from?”

“It needs to fit into existing structures and not reinvent the wheel.”

A budget matrix is a table that converts locally generated priorities into financial allocations which delivery agencies can use to develop strategies. The matrix focuses on an identifiable pot of money for investment. One of the main aims of this study was to develop a budget matrix to direct spend on a hypothetical £1 million in Salford. The matrix is driven by the generation of local priorities and project ideas. Local community groups would be asked to rank different themes against each other in order of their perceived importance in their local area. The matrix for Salford demonstrates how the Local Authority could develop a clear process for translating local priorities directly into service planning. At present there is no transparent and systematic process from consultation to identifiable local action.

In a climate of cuts, a number of factors must be taken into consideration when trying to identify a pot for investment. Salford is similar to many local authorities in the UK in having few areas of flexibility in its budgets.

One option for taking PB forward in Salford is to extend the current system of devolved budgets and to implement a PB process for processing priorities into action. Devolved budgets are a good example of autonomous resources, which can be spent according to local needs. Community Actions Plans provide a loose mechanism for linking funds to local needs, although more clarity is needed.

Despite much progress, consultation in Salford is largely seen as a way of informing members about the views of local people to enable them to act on their behalf. Like many local authorities, Salford has focussed its efforts on carrying out consultation and given less thought to developing a clear and transparent process for translating the findings into service plans. Consultation needs to move from a one-off, one-way process towards an on-going process where communities are able to choose priorities with a clear understanding of the cost implications.

PB sets out a cycle of consultations to be held at the same time each year. People rank their priorities for action and make recommendations for projects according to a number of themes such as a safe city vs. a healthy city. These results are fed into a budget matrix and financial allocations are created. A number of delegates are voted onto a PB council or committee which meets to match projects with resources according to the funds available.

Community Action Plans (Action Plans) are a useful community planning mechanism and they set out a range of proposals to be implemented at the Community Committee level. The Action Plans could play an important role in a PB process for a number of reasons. Firstly, Community Committees cover nine clear geographical areas. Secondly, they could be a vehicle for translating local ideas into service delivery. Finally, the

Council are experienced in working up ideas generated from Community Committee structures - like Action Plans - so this area of technical expertise already exists in Salford.

Local authority budget development is often viewed as a very technical process, which is only of interest to bureaucrats in the Town Hall. PB has shown that linking people's ideas to real resources can be a real incentive for them to have a say in which services are delivered in their local area. Salford has taken a number of important steps to inform local people about its spending plans. However, the current system of consulting about proposals for the entire budget has elicited a limited response and only a handful of written responses are received each year. PB could strengthen the Council's budgetary development process by providing an opportunity for residents to understand the budgetary process and to debate the main implications for their area. Consultations could be held at the Community Committee level prior to a city-wide public event.

Proposals for action

A number of proposals have been developed that the City Council can take forward. Both the Budget Matrix and Community Action Plans can be used to inform the extended devolved budget and the mainstream city-wide budget. Consultation around both these budgets would benefit from being linked to a clear annual cycle.

1. Community Action Planning:

- CAP's should be more clearly linked to financial resources and service planning
- Neighbourhood meetings held as a mechanism for selecting priorities
- Project ideas should be prioritised
- Community Investment Plan to be produced

2. Extended Devolved Budget:

- Fund extended to £1million
- A budget matrix and devolved budget steering group links local priorities to resources
- Mainstream funding better linked to the Community Action Planning process
- Element of small grants programme retained

3. City-wide Budget Consultation:

- Production of clear briefing notes to improve public awareness of budget processes throughout the year
- Better links to Community Action Plans
- Improved links between consultation and Scrutiny Committees

In July 2003 Salford established a project planning group which is taking these proposals forward. The full text of this report can be found at www.participatorybudgeting.org.uk or by emailing mail@communitypride.org.uk.