

This publication provides an overview of Participatory Budgeting informed by discussions about the introduction of Participatory Budgeting in Northern Ireland at Observatory seminars. There are presently no substantial examples of Participatory Budgeting in Northern Ireland. However, the Community Foundation for Northern Ireland's development of consensual grantmaking is referenced later in this document in order to highlight communities' potential role in budget decision-making.

Participatory Budgeting has developed as a process for shared decision-making between citizens and the state. As such it resonates with a number of policy drivers including the Coalition Government's Big Society and Localism agendas, and the Northern Ireland Executive's Concordat between the State and the community and voluntary sectors. The proposed Review of Public Administration for local government and the Personal and Public Involvement initiative may be participative spaces within which Participatory Budgeting could be piloted in Northern Ireland.

Further, Participatory Budgeting originated in countries emerging from conflict and an absence of democracy. This experience indicates that Northern Ireland could benefit from Participatory Budgeting as a way to:

*"Participatory Budgeting is a tool for educating, engaging and empowering citizens and strengthening demand for good governance. The enhanced transparency and accountability that participatory budgeting creates can help reduce government inefficiency and curb clientelism, patronage and corruption." World Bank*

grow participatory democracy, enhance relationships between the community and political sectors, and develop the role of local politicians as 'community champions'.

Involving communities gives them a greater understanding of the financial situation, how public spending works, and includes their voices in creating solutions. Participatory Budgeting developed in Britain over the last decade during a period of economic growth. In the current economic context of diminishing public spending and hard budgetary choices, Participatory Budgeting is being used to make best use of available resources and assets in order to address collectively agreed priorities (as well as leveraging existing assets to generate more resources).

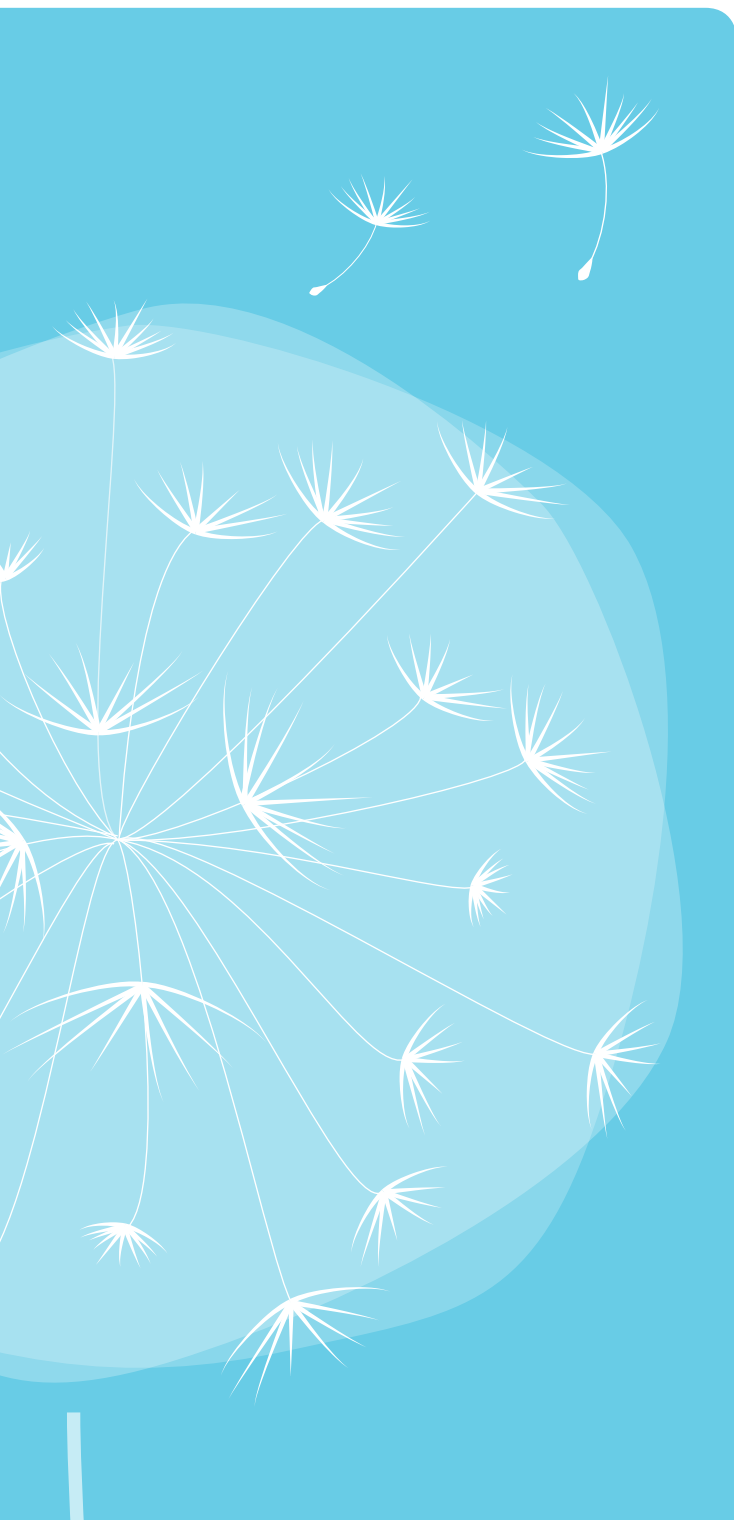
Over time, Participatory Budgeting in Britain has been applied to larger amounts of money and more significant budgets. This scaling up and expansion of the scope of Participatory Budgeting has been driven by the increased mobilisation and skilling of local communities, and successful distribution of funding. Whilst there is no one set way of implementing Participatory Budgeting because the process should be designed on the basis of local circumstances and objectives, some common models have evolved.

*“Participatory budgeting is not about hiding unpopular decisions behind a curtain of public participation...(However) in tighter economic times the need for shared ownership over decisions is even greater, the power of public support and a public mandate is even more important and the chance to identify innovative new models and new resources is substantial.” NESTA*

**Community grants pot:** a discreet pot of money for a particular area or theme is allocated using Participatory Budgeting. Community, voluntary and sometimes statutory groups propose projects for funding. They then present them at a day event where residents vote on which should receive funding.

**Devolved funds to wards or ward groupings:** this is usually council or partnership funding, which is devolved to neighbourhoods or wards. The funding is used for a mixture of public, community and voluntary sector projects. Sometimes residents are involved in setting the priorities for the funding. Again, bids are usually presented to a meeting for votes, which determines who receives funding.

**Mainstream funding for mainstream services:** this is a new process for the UK although it more closely follows the original Brazilian model. It involves voting on public sector funding for services although this is usually a ‘top up’ to basic services, usually involving 1 – 18% of the overall budget. All citizens within an area are able to vote on which services should receive the funding and are also involved in setting the priorities for the locality, which shape the direction of the funding.



*“Participatory Budgeting can be used by anyone, and isn’t solely a mechanism for poor people. However people living in poverty require greater access to public services than other groups of people. They have far greater need for their voices to be heard and for services to be responsive to their needs.”*

Participatory Budgeting Unit

## Background

Originating in Brazil in the 1980s, Participatory Budgeting spread rapidly across the world and has been operating in Britain for a decade within local authority areas, neighbourhoods, wards, and broader partnership or county wide areas. Participatory Budgeting can also be used with communities of interest such as children and young people.

As well as local authority budgets, Participatory Budgeting has been implemented with funding from Primary Care Trusts, Police Authorities, central government departments, New Deal for Communities, Local Strategic Partnerships, housing associations, town and parish councils and schools.

Where Participatory Budgeting has been operating for a number of years, independent evaluation has demonstrated that it can bring about: a redistribution of wealth, improves trust in local democracy, improves community cohesion, and leads to funding being spent on services which are most needed / wanted in local areas.

## The Participatory Budgeting Project Cycle

- Project Design including stakeholder buy-in, pot of money and steering group
- Engaging community & building capacity
- Setting priorities & proposing projects
- Shortlisting projects
- Deliberation & voting
- Commissioning and scrutinising projects
- Evaluation & learning



## Values and Principles

The values	The principles
<b>Local ownership</b>	Residents should be involved in setting budget priorities and identifying projects for public spend in their area wherever possible.
<b>Direct involvement</b>	Participatory Budgeting should involve direct as well as representative engagement wherever possible.
<b>Support for representative democracy</b>	Politicians hold a unique position as community advocates and champions. Participatory Budgeting should be seen as supporting representative democracy. Participatory Budgeting can increase citizens' trust of politicians and boost the role of local politicians.
<b>Mainstream involvement</b>	Over time Participatory Budgeting processes should move towards residents being involved in decisions over mainstream budgets (as opposed to only small grant processes).
<b>Accessibility</b>	Participants must have good and clear access to Participatory Budgeting processes.
<b>Transparency</b>	Participatory Budgeting processes are designed to give citizens full and clear knowledge of public budgets in their areas, even those over which they do not have a direct say.
<b>Deliberation</b>	Participatory Budgeting processes should take citizens beyond personal choice and involve real deliberation around budget decisions.
<b>Empowerment</b>	Participatory Budgeting events are centrally concerned with empowering local citizens in decisions over local services and shaping their local area through allocating part of a public budget.
<b>Shared responsibility</b>	PB should build common purpose and a commitment from all stakeholders.

*[Source: A Toolkit for Participatory Budgeting in the UK]*

## Participatory Budgeting in Northern Ireland

The Observatory organised a series of seminars in Ballymena, Enniskillen and Newtownards delivered by the Director of the Participatory Budgeting Unit. Participants from community, voluntary and public sectors identified both benefits and challenges around Participatory Budgeting. There was interest in piloting Participatory Budgeting on a manageable scale and

timeline, using strong evaluation. All participants could recognise Participatory Budgeting's potential with regard to increasing: **participatory democracy** (meaningful engagement between communities and statutory organisations generating responsive, immediate and visible activity), **community empowerment, value for money, ownership** of decision making processes, **transparency** and **accountability, participation** (both by local communities and service users), **collaborative and partnership working** (including between smaller groups), and **integrated thinking and networking**. Participatory Budgeting could help all participants to focus strategically on the **bigger picture** of public spending: facilitating all involved in local communities to create a **common vision** for their area.



Participants identified challenges relating to: **representative democracy** (eroding the power of elected politicians to be the principle decision makers), **governance** (for example creating a secure voting system that cannot be manipulated), **innovation** (shifting from traditional and bureaucratic work practices), **capacity** (ensuring that participants from all sectors were informed and skilled to participate), **inclusion** (ensuring that marginalised and vulnerable community members are involved), and **expectations** (managing these). A number of questions were asked about the scope and operation of Participatory Budgeting.

*“Innovation demands participation. We need to build on the vibrant and growing movement of direct involvement of people and communities in their public services that complements the strategic leadership already provided by our elected leaders.”* NESTA

*“Tensions can arise around where to draw the line between representation- the collective public voice being heard through democratically elected individuals – and participation, when people represent themselves through their own voices.”* NESTA

*How much and what types of public money might be included for example funding for core services, or funding for ‘extras’?*

*How would Participatory Budgeting work with / transform existing finance control mechanisms exercised by local and central government and their agencies?*

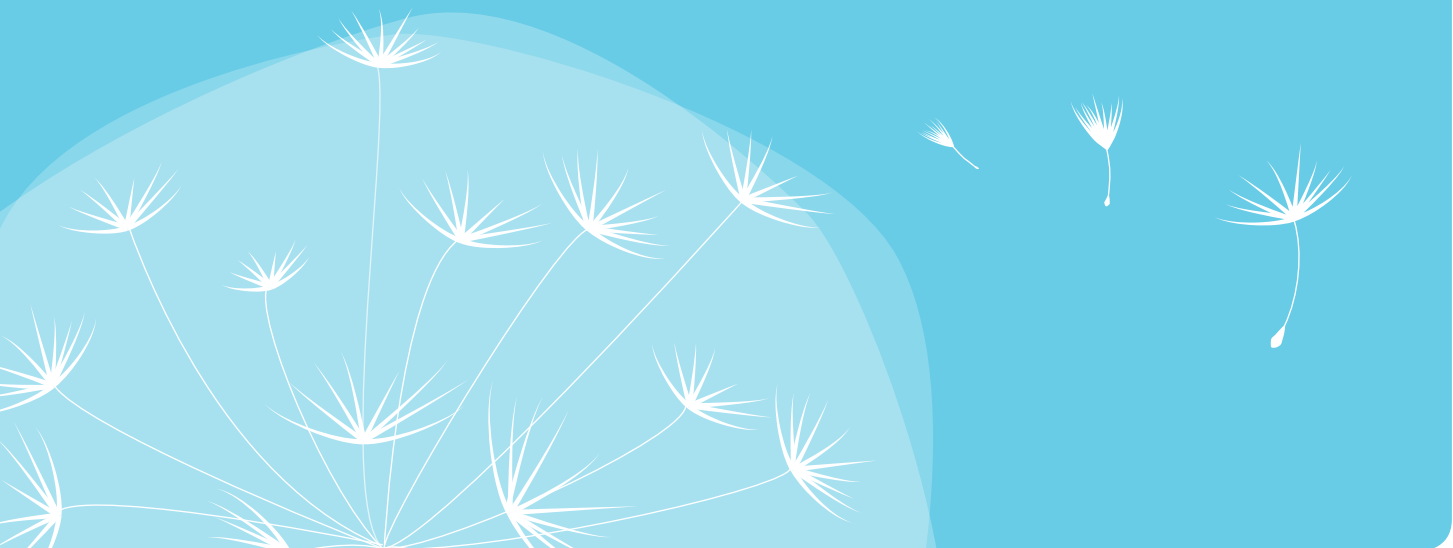
*In the context of community division in Northern Ireland, how would Participatory Budgeting operate fairly?*

*How would Participatory Budgeting get beyond gatekeepers who claim (but may not fully) represent the community?*

*How would Participatory Budgeting avoid organisations who have a lot of capacity from coming in and ‘hoovering’ up the funding?*

*Would Participatory Budgeting involve communities in genuine decision making or merely tokenistic ‘participation’?*

*Could Participatory Budgeting be risk active in order to trust communities’ innovative response to needs and issues?*



## Consensual Grantmaking: communities prioritising investment

CFNI developed consensual grantmaking to address the limitations of competitive grantmaking. Traditionally funding tends to be led by grantmakers' perceptions of problems, needs and solutions; it is usually reactive in nature and delivered to meet spending timetables. Very often, this either does not work or has limited impact for the most deprived communities. 'Consensual grantmaking' means:

- *involving local stakeholders, community organisations and statutory bodies in considering the needs of the area;*
- *inviting "expressions of interest" from local organisations for addressing the needs in a focussed way; and*
- *initiating a process of facilitated discussion and planning in order to bring forward a "joined up proposal" to address the local needs.*

The Lottery funded Fair Share Trust was launched in 2003 and runs for ten years. CFNI was the Fair Share local agent and delivered the programme in 49 areas covering 14 Council Districts throughout Northern Ireland. In addition to Fair Share monies, CFNI invested its own resources in community development workers to support community led organisations.

According to independent evaluation, Fair Share in Northern Ireland succeeded in: funding entirely new groups; establishing many new partnerships and networks; forging new links within communities; and developing a grant process that was seen as non-bureaucratic and empowering. Stakeholders' views of CFNI as an "honest broker" significantly influenced the effectiveness of the programme.

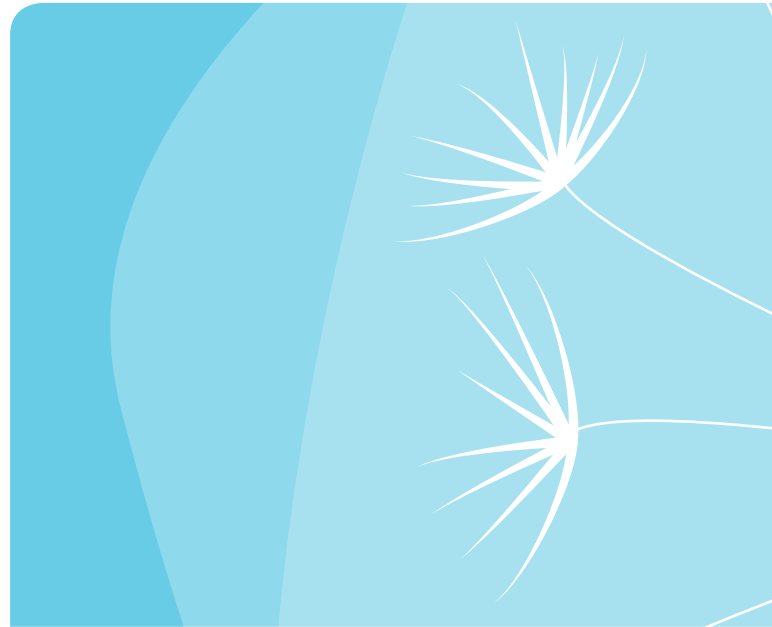
Furthermore, as an Intermediate Funding Body for the Peace One and Two programmes, CFNI developed a model for grant decision-making that extended to the participation of a range of community and voluntary sector representatives who took a shared responsibility for decisions made. While the grant applications were competitive, the local knowledge and expertise of those around the table enhanced the quality of decisions taken.

## Future Directions: Outcomes Driven Participatory Budgeting

To date, Participatory Budgeting has started from the perspective of existing services and organisations; funding options are usually bound up with public sector bodies' existing structures and processes. There is rarely a chance to go 'off list' and to question whether the presented options are even the right ones. Focussing on outcomes means that the Participatory Budgeting process begins with what people want in their own lives. Also, it opens up the scope of Participatory Budgeting beyond public monies to consider all of the resources available in / to communities including assets, capabilities and expertise. The Your Local Budget initiative is exploring this approach – see reference below.

### References

- Participatory Budgeting Unit (January 2010) Participatory Budgeting in the UK – A toolkit. Second Edition  
This publication is a comprehensive Participatory Budgeting resource. It includes a good practice guide to engaging communities and building capacity.
- NESTA (November 2010) Your Local Budget: unlocking the potential of participatory budgeting  
This publication proposes ways forward for the development of Participatory Budgeting in the current economic climate.
- Gregson, R. and Court, L. (2010) Building Healthy Communities: A community empowerment approach London: Community Development Foundation  
This publication includes a case study of a Community Health Group allocating £50 000 of grant funding through Participatory Budgeting: 'Thornhill Plus You'.
- Commission for the Compact (July 2010) How the Compact applies to Participatory Budgeting: an analysis This publication systematically examines how the national Compact agreement between public bodies and the community and voluntary sectors in England can be applied to Participatory Budgeting situations.



### Web Sites

- Participatory Budgeting Unit  
[www.participatorybudgeting.org.uk](http://www.participatorybudgeting.org.uk)  
The PBU has led Participatory Budgeting in Britain for over a decade.
- Your Local Budget  
<http://www.yourlocalbudget.org>  
YLB is an initiative launched in November 2010 by the Big Society Network, NESTA and Participatory Budgeting Unit.
- National Endowment for Science, Technology and the Arts  
<http://www.nesta.org.uk/>  
NESTA is an independent body focussed on catalysing innovation in the UK including delivering practical programmes such as the Neighbourhood Challenge, which is developing community led innovation plans.



## Observatory

The Community Foundation for Northern Ireland has resourced and advocated for social justice and sustainable peace in Northern Ireland by promoting community-based action and influencing policy development over three decades. Building on this tradition, the Observatory aims to promote economic justice and combat poverty. Economic justice must touch the individual, communities and wider society. It is concerned with:

- *respecting the rights of all people to an equal participation in, share of and benefit from the economic resources of a society;*
- *protecting members of society who receive an inequitable share of these resources; and*
- *promoting the equitable, progressive redistribution of economic resources within society so that all may realise their fullest potential.*

The Observatory asserts that the community sector is an equal partner within Northern Irish society during the current recessionary and change period. It aims to contribute to the strategic transformation of the community sector by:

- *connecting community groups with local and regional policy agendas, and*
- *producing relevant, accessible, authoritative and influential policy intelligence that articulates voices from the community sector.*

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