

COMMUNITY CHOICES/PARTICIPATORY BUDGETING

1. EXECUTIVE SUMMARY

- 1.1 The Council considered a report on the Supporting Communities Fund pilot at their meeting on 27 September 2018. It was agreed that options for how the Council can meet the 1% requirement of budget distribution by Community Choices by 2020-21, including where the use of Participatory Budgeting (PB) may be appropriate, be brought to a future meeting of Council.
- 1.2 The 1% target for Councils is defined as the total estimated expenditure for revenue, as per the Local Government Finance Circular, less the assumed Council Tax intake. For Argyll and Bute the 1% target in 2019-20 would amount to £1.987m.
- 1.3 A paper to COSLA Community Wellbeing Board on 17 December 2018 set out a definition for PB that is much wider than the previous definition shared with Council when this first was promoted in 2015, and it brings into scope a range of engagement processes, many of which Councils in Scotland would already be involved in. The definition identifies the need for a clear demonstration/reflection of individual and community influence/need in final service delivery.
- 1.4 The Council has undertaken a range of activities in the past that would correspond with the new definition of Mainstream PB. It also carries out an extensive budget consultation exercise annually to ensure that communities have the opportunity to get involved in the process of setting the Council budget.
- 1.5 Five options have been identified in respect of an approach to meet the 1% requirement of budget distribution by Community Choices by 2020-21. It is recommended that Members approve option 3 which is an enhanced version of the Council's budget consultation exercise together with engagement on a number of initiatives each year.

COMMUNITY CHOICES/PARTICIPATORY BUDGETING

2. INTRODUCTION

- 2.1 The Council considered a report on the Supporting Communities Fund pilot at their meeting on 27 September 2018. It was agreed that options for how the Council can meet the 1% requirement of budget distribution by Community Choices by 2020-21, including where the use of Participatory Budgeting (PB) may be appropriate, be brought to a future meeting of Council.

3. RECOMMENDATIONS

- 3.1 It is recommended that Members approve option 3 as the approach to meet the 1% requirement of budget distribution by Community Choices by 2020-21. This option is an enhanced version of the Council's budget consultation exercise together with engagement on a number of initiatives each year.

4. DETAIL

- 4.1 In their 2016 Election Manifesto, the Scottish Government made a commitment to build on the recently implemented Community Empowerment Act to set "*Councils a target of having at least 1% of their budget subject to Community Choices budgeting by 2020-21.*" This was also a feature in the Scottish Government Programme for Government 2017-18.
- 4.2 Community Choices, better known globally as PB, is recognised as a way for local people to have a direct say in how public funds are used to address local needs. It is a method which when used alongside other models of community engagement and empowerment forms a wider strategic approach to advancing participatory democracy and strengthening local representative democracy.
- 4.3 An alternative, more flexible, definition of what mainstream PB is, was outlined in a COSLA paper on 17 December 2018. It is a much broader definition of PB than early thinking on the approach which focussed on public voting on resources distribution. The definition is:

"Mainstream PB is the proactive involvement of and engagement with communities in the design and formulation of policy/strategy that eliminates existing participation gaps. A process of deliberative dialogue that allocates resources in a manner that delivers shared and individual outcomes as a result of direct community participation during the decision making process.

The clear demonstration/reflection of individual and community influence/need in final service delivery.”

- 4.4 The 1% target for Councils is defined as the total estimated expenditure for revenue, as per the Local Government Finance Circular, less the assumed Council Tax intake. For Argyll and Bute the 1% target in 2019-20 would amount to £1.987m.
- 4.5 COSLA are working with local authorities in 2019-20 to pilot a national digital platform for engaging communities in both discussion and decision making. The Council's ICT Manager and Community Planning/ Development Service are engaged in the discussions. Argyll and Bute Council is not one of the Councils piloting the national digital platform and the learning from this has still to take place.

Current examples of Community Choices in Argyll and Bute

- 4.6 The Council has undertaken a range of activities in the past that would correspond with the new definition of Mainstream PB. These range from public engagement on capital expenditure to the Supporting Communities Fund grant distribution.
- 4.7 In 2017 and 2018 the Council undertook PB pilot projects, using mainly bespoke websites to host voting for projects, the latter pilot project was with the Supporting Communities Fund (SCF). On completion of this pilot an evaluation was carried out and it concluded that whilst it was very successful, the costs associated with running a PB project for small grants up to £100,000 were not commensurate with the benefits. (It was estimated to cost around £50,000). It was agreed that PB may be a feasible option for decisions involving larger funds and it may be that the work COSLA is doing on the national digital platform would allow feasibility of considering the grants allocation via this method in the future.
- 4.8 The following list, although not exhaustive, demonstrates areas of the Council budget where there has been public consultation/involvement and therefore compliance with the definition of Community Choices:
- Community Planning Partnership – engagement in shaping local community planning action plans
 - IJB Strategic Plan – engagement on priorities for Health and Social Care Partnership
 - Capital projects – e.g. CHORD, CARS, Helensburgh Waterfront Development and Lochgilphead and Tarbert Regeneration
 - Flood Risk Prevention Schemes
 - Early Years - Annual consultation and specific consultation on change to funded hours
 - Piers and Harbours – for example infrastructure improvements and fees and charges increases
 - Schools – catchment areas, provision of education and pupil equity funds

- Review of Advice Services.

4.9 The Council also carries out an extensive budget consultation exercise annually to ensure that communities have the opportunity to get involved in the process of setting the council budget.

4.10 There are also upcoming opportunities for engagement with communities on the Rural Growth Deal and Regional Transport.

Options to meet the 1% requirement of budget distribution by Community Choices by 2020-21

4.11 Five options have been identified for consideration in respect of an approach to meet the 1% requirement of budget distribution by Community Choices by 2020-21. These are outlined in the paragraphs that follow.

4.12 Option 1

An enhanced version of the Council's budget consultation exercise increasing opportunity for decision making. For example, prioritisation of spend and proportion of spend options. This could be delivered using an online tool and also through ongoing community conversations about the future use of Council resources and its priorities. This would have a resource implication that Services will need to meet from within existing budget.

4.13 Option 2

Engagement on a number of initiatives each year. A current example is the Lochgilphead and Tarbert Regeneration Fund which aims to improve economic opportunities within the Mid Argyll area. The projects supported by this Fund will be determined following engagement activities with the community where projects will be prioritised after being assessed against a number of criteria. It should be noted, that final decision making will rest with the democratically Elected Members and therefore a change to the process may need to be implemented.

4.14 Option 3

A combination of option 1 and 2 noted above. Note that there will be a resource implication for option 1, and potentially option 2 if changes to process are required.

4.15 Option 4

Allocation of a sum of money to be used specifically for PB as part of the budget setting process. This should include an amount to both resource the process and to be distributed. There would be significant costs in relation to resourcing this. Given the necessary scale of this, it would require savings and cuts to be made to core service budgets in order to create the Fund for distribution. There are two fundamental questions in relation to this option. Would the new Fund's purpose have a higher priority than the core services cut to create the Fund and would there be support for cutting core services to fund the administration of the process?

- 4.16 **Option 5**
Maintain status quo. This option is here for consideration mainly due to insufficient resources to develop this further and also the fact that it could be argued that the existing processes in place, as outlined within paragraph 4.8 to 4.10, already achieve sufficient community engagement and exceed the 1% target.

5. CONCLUSION

- 5.1 Five options have been identified in respect of an approach to meet the 1% requirement of budget distribution by Community Choices by 2020-21. It is recommended that Members approve option 3 which is an enhanced version of the Council's budget consultation exercise together with engagement on a number of initiatives each year.

6. IMPLICATIONS

- | | | |
|-----|------------------------|---|
| 6.1 | Policy – | COSLA framework on PB. Scottish Government target in Programme for Government. |
| 6.2 | Financial - | The costs of digital PB engagement and subsequent resource implications need to be proportionate to the funding being distributed. There are resource implications with Options 1-4 that Services will be required to meet from within existing budget. |
| 6.3 | Legal - | None. |
| 6.4 | HR - | None. |
| 6.5 | Fairer Scotland Duty - | Potential inequality in accessing digital voting sites. Evidence suggests that disadvantaged persons and communities are least likely/able to participate in PB activities. |
| 6.6 | Risk - | Reputation of Council should no action be taken regarding PB. |
| 6.7 | Customer Service - | Customer engagement with the Council may improve. |

Kirsty Flanagan
Head of Financial Services
17 September 2019