

**Report for:** Oversight and Scrutiny Committee, 12<sup>th</sup> October 2023.

**Title:** Participatory Budgeting in Haringey

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**Ward(s) affected:** N/A

## 1. Describe the issue under consideration

1.1 Haringey Council has committed to developing a pilot participatory budgeting approach by December 2023.

1.2 Participatory budgeting “involves local people in making decisions on the spending priorities for a defined public budget”.<sup>1</sup> The process can vary in format but in general focuses on engaging and empowering citizens in making decisions about local services.<sup>2</sup>

1.3 Currently, a proposal for how participatory budgeting would work in Haringey is being developed and is due to be completed by the end of 2023.

1.4 This report presents the background to participatory budgeting as well as examples of approaches from different councils in London.

## 2. Background information

2.1 Participatory budgeting began in 1989 in Porto Alegre, Brazil. Over the 1990s, participatory budgeting grew in popularity across South and Latin America, and then throughout Europe, Asia, and Africa. In the UK, most cases of participatory budgeting have been small scale community grant allocations. They have been credited with improving the self-confidence of individuals and organisations, improving intergenerational understanding, encouraging greater local involvement, increasing confidence in local service providers, and increasing control for residents over the allocation of resources.<sup>3</sup>

2.2 There are several models of how funding can be allocated in participatory budgeting. The most common models used in the UK include<sup>4,5</sup>:

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<sup>1</sup> [Department for Communities and Local Government \(2011\). Communities in the driving seat: a study of Participatory Budgeting in England, pg. 10.](#)

<sup>2</sup> [PB Network \(2014\). Values, Principles and Standards for Participatory Budgeting.](#)

<sup>3</sup> [Participatory Budgeting | Local Government Association](#)

<sup>4</sup> [Participatory Budgeting Works \(2018\). What is Participatory Budgeting.](#)

<sup>5</sup> [Glasgow Centre for Population Health \(2012\). The role of participatory budgeting in promoting localism and mobilising community assets.](#)

- **Small grant allocation** – funding for an area or theme is distributed using participatory budgeting. Local groups propose and present projects and residents vote for the projects which they would like to see funded.
- **Devolved funds to wards or neighbourhoods** – funding is devolved to where services are delivered on the frontline. Proposals can be presented and deliberated at a public meeting where residents vote on the allocation of funding.
- **Top-slicing** – an agreed proportion of public service investment budget is set aside so its allocation can be determined by residents.
- **Mainstream investment** – all citizens within an area can vote on how public money is allocated and are also involved in deciding what the priorities for the area should be.

2.3 Participatory budgeting allows residents to be involved in balancing spending priorities from a fund, giving them insight into the challenges faced when allocating public money. It can also create a deeper sense of ownership and connection with neighbourhoods. This leads to benefits like<sup>6,7,8,9</sup>:

- Allocation of budgets reflecting the needs of local communities.
- Residents having greater trust and confidence in council decisions.
- Increased community cohesion.
- Upskilling of participants.
- Inclusion of politically excluded voices.

2.4 Generally, participatory budgeting is considered to be a democratic method that aims to create transparency and accountability and empower communities by involving them meaningfully in budgetary decisions. Residents may be invited to discuss and prioritise different projects before voting on which projects receive funding.

2.5 We do not anticipate that the pilot for participatory budgeting will engage with the annual Budget/MTFS process for 2024/25 but will instead be a standalone process by which residents are given a choice over projects prioritised for funding in the pilot area.

### 3. Examples of different approaches to participatory budgeting in London

#### 3.1 Newham Council – People Powered Places

Newham Council has one of the most established participatory budgeting models in London.

Newham started participatory budgeting in 2018 and is now in its fifth cycle. The initial model worked over a one-year cycle; however, garnering bids, allocating

<sup>6</sup> [Local Government Association. Participatory Budgeting.](#)

<sup>7</sup> [Involve \(2018\). Participatory Budgeting.](#)

<sup>8</sup> [Organisation for Economic Co-operation and Development \(2022\). Dispelling Myths about Participatory Budgeting across Levels of Government. pg. 2.](#)

<sup>9</sup> [Department for Communities and Local Government \(2011\). Communities in the driving seat: a study of Participatory Budgeting in England. pg. 10.](#)

funding and delivering projects within a one-year cycle proved too challenging. Early cycles allocated £25,000 per area, which was then scaled to £100,000 per year (per area). The new model allocates £200,000 per area to reflect the two-year period.

#### **Current Format**

- Eight neighbourhood areas are allocated £200,000, over a two-year project cycle. The first year is for engagement and deciding successful proposals, the second is for delivery.
- The priorities in Newham's corporate plan are divided into six themes. Residents then vote on the three themes they would like to prioritise in their neighbourhood.
- Organisations and individuals bid for funding according to the themes. Individuals can apply for up to £5,000 and VCS organisations can apply for up to £20,000.
- Newham provides online video clinics and in-person Q&As to support the production of bids.
- Working groups in each neighbourhood area shortlist the projects.
- All residents can vote for shortlisted projects. Voting is conducted via an online platform, with offline options available.
- Residents and VCS organisations deliver the projects, with support from the council.
- Funding is allocated in three installments.
- One full year is dedicated to project delivery.

#### **Source of funding**

- £1.6 million, through the neighbourhood community infrastructure levy (NCIL). Therefore, projects must demonstrate how they meet the requirements under NCIL upon application.

#### **Voting system**

- Online voting via the Citizen Lab platform.
- Paper votes collected at libraries. Newham also plans to organise community events for voting.

### **3.2 Brent Council – YOU Decide.**

Initially, Brent Council trialled a smaller version of the initiative with a funding pot of £500,000.

#### **Current format**

#### **Source of funding**

- £2 million through the neighbourhood community infrastructure levy (NCIL), collected from developers in the borough.
- Each area has £400,000.
- £250,000 through the Brent Health Matters Health and Wellbeing Grant.

#### **Voting system**

- Voting takes place at a Dragon's Den-style event where each group or individual has three minutes to pitch for up to £50,000.

- There is also a series of public consultations where local residents can vote for projects through a system that ranks the projects on a scale of one to five. The process overseen by an independent company.

### **3.3 Westminster Council – Community Priorities Programme**

Westminster is in the process of expanding their participatory budgeting programme. Their current cycle closed in March 2023.

#### **Format**

- The outcomes of a series of research and engagement exercises set the criteria for funding.
- Priorities and initiatives had to be delivered in one of the eleven key wards.
- Residents and organisations could apply for funding between £2,000 to £30,000.
- Westminster provided in-person information sessions.
- Officers screened projects to decide eligibility.
- A resident panel was recruited to decide which projects should be delivered, in line with the criteria.
- The projects were further shortlisted by council officers, to ensure an equitable distribution of funds.
- Projects are set to be delivered over one year.

#### **Source of funding**

- £1.2 million from public health funding, to be allocated over two years.
- The council are considering how to introduce a model where all community-related funding is decided by residents.

#### **Voting system**

- Westminster has contracted Common Place to conduct online voting, to expand their programme in the future.

## **4. Key factors to consider in developing participatory budgeting**

- Sources of funds
- Total resources, including design, delivery, communications and support for the scheme
- Communications
- Inclusive approaches
- Voting and deliberation methodologies
- Geographical coverage
- Eligibility and feasibility of funded projects

## **5. Emerging principles for participatory budgeting in Haringey**

1. **Sharing power** – this project is underpinned by the Haringey Deal principle of 'sharing power' with residents.

2. **From engagement to decision making** – Participatory Budgeting in Haringey is about moving from engagement on local priorities to decisions on specific projects that get funded and delivered, with residents involved in balancing the trade-offs between different local priorities through a voting process.
3. **Equitable approach to participation** – an equitable approach to involving local people from harder to reach communities is built-in to the process.
4. **Ongoing collaboration** – participation is an ongoing process. Projects that are chosen for funding and delivery will, wherever possible, involve residents and communities in shaping them.
5. **Learning and evolution** – the process is focused on developing a more participatory democracy in Haringey by piloting an approach, learning from its implementation, and iterating a model for potential scale.
6. **Sustainability** – projects should be financially sustainable insofar as they do not incur unaffordable ongoing maintenance costs and deliver Value for Money; and environmentally sustainable.

## 6. **Contribution to the Corporate Delivery Plan 2022-2024**

6.1 The council is committed to ensuring more inclusive public participation, for example, by providing opportunities to influence how funding is spent.

6.2 In the Corporate Delivery Plan 2023/2024, the council has committed to:

- “Develop a Haringey approach to local participatory budgeting which is consistent with the Haringey Deal by December 2023.

## 7. **Next steps**

7.1 The council will continue to develop its approach to participatory budgeting by the end of 2023 by working through the factors set out in section 4 of this report, including geographical coverage for the pilot, voting methodologies and communications.