

**Response by the Social Enterprise Coalition to the Department  
of Communities and Local Government Participatory  
Budgeting: a draft national strategy**

Contact: Ewan Kennedy

Telephone: 020 7793 2325

Email: [ewan.kennedy@socialenterprise.org.uk](mailto:ewan.kennedy@socialenterprise.org.uk)

**The Social Enterprise Coalition's Response to the Department for Communities and Local Government Participatory Budgeting: a draft national strategy**

1. The Social Enterprise Coalition (the 'Coalition') welcomes the opportunity to respond to the Department for Communities and Local Government Participatory Budgeting: a draft national strategy
2. The Coalition was established in 2002 as the national voice of social enterprise. Social enterprises are businesses with primarily social or environmental objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners. The Coalition represents a wide range of social enterprises, umbrella bodies and networks, with a combined membership reaching over 10,500 social enterprises. These include cooperatives and mutuals, housing associations, leisure and football supporter's trusts and Social Firms. Social enterprises in the UK generate more than £27billion in turnover, and contribute more than £8 billion to GDP per year. In preparing this response the Coalition consulted widely with its members.
3. The Participatory Budgeting: a draft national strategy is an opportunity for communities to have more power in how local services are delivered. As such it is essential that the full ranges of organisations across the public, private, and third sectors are involved in developing the strategy and in implementing the participatory budgeting mechanisms.
4. Participatory Budgeting is hoped to generate efficiency through suitable services identified by the local community. The recognition of these services could be restricted by the required 3% cashable saving in the 2007 Comprehensive Spending Review period. Often social enterprise efficiency in delivering services is through the achievement of multiple outcomes and that efficiency is not represented in a particular annual period but through a longer term quality improvement. Consideration must be given to exclude participatory budgets from this efficiency saving to ensure the widest possible option is available to local authorities and communities.

**Q1. Promoting Awareness**

5. The use of multiple media forms including local and national press coverage and web information is welcomed by the Coalition as a means of bringing the most people and groups into the participatory budgeting process. Equally the use of National and Regional Empowerment Consortia will allow a consistency of practice and recommendation to be applied across England
6. The Coalition is concerned that although there are many planned routes of information dissemination, the focus of the strategy is on local authorities and not the communities themselves. To ensure that the communities who engage in participatory budgeting are fully empowered to make full use of the mechanism there should be a highly developed education campaign on what participatory budgeting can involve and ensuring the full gamete of options of service delivery for communities is available.
7. The use of Regional Empowerment Consortia will give consistency to the spread of good practice. Local authorities and public service agencies have had inconsistent and woeful recognition of the benefits of social enterprise, or even knowledge of them in their area. To ensure that the Regional Empowerment Consortia can act as a driver of all good practice they must ensure that social enterprise is recognised within the 'good practice' criteria being used. The strategy has a key role in ensuring that this happens.
8. The strategy refers to 'community groups' on a regular basis. The coalition is concerned that this concept is not clarified. For many deprived communities in receipt of neighbourhood renewal funding, social enterprises such as development trusts act as community anchors. These are the focus of a community coming together and will often have the best idea of what a community needs and how services should be delivered. In identifying community groups and promoting participatory budgeting the strategy must recognise social enterprise alongside traditional voluntary community sector groups who act as community representatives while also delivering services.
9. Equally the use of networks to deliver the information and good practice must engage with social enterprises as much as through other networks. Making use of social enterprise regional networks and umbrella bodies such as the Development Trust Association will aid in spreading the information further, and in some cases engage

with the most relevant organisations for a community. It is essential the strategy establishes these as viable and useable mechanisms for promoting awareness.

## **Q2. Developing and deepening Participatory Budgeting pilots**

10. The Coalition welcomes the range of local authority types that have been involved in the pilot. It is essential, for the efficient and successful roll out and take up of participatory budgeting, that as many situations as possible are foreseen in the pilots and addressed in the guidance.

11. Considering the diversity of local authorities used in the pilots, the pilot project must also ensure that the most diverse of examples of participatory budgeting and groups involved is developed. As identified in the strategy, the programme has started out with small regeneration based grants or local authority area committees. Considering that a significant amount of regeneration work is performed by social enterprise this should be represented in the pilot. At present the strategy does not identify if that was the case. It is essential that if the pilot has involved social enterprise that this is specified, and similarly if that has not been the case that the pilot is developed to include these important delivery mechanisms of regeneration.

## **Q3. Producing guidance materials**

12. The use of Regional Empowerment Consortia is welcomed by the Coalition. It is recommended that as far as possible social enterprises are included in these mechanisms as both third sector and private business working in, for, and with communities, to develop a full range of guidance and options for communities

13. Similarly the implementation toolkit that is planned must be both representative and inclusive of the detail and the diversity of the pilot. Any commissioning of this toolkit must include a focus on the range and diversity of options for representing communities, as well as options for delivering services.

## **Q4. Working with government departments on applying participatory budgeting**

14. The Coalition welcomes, where appropriate, the expansion of participatory budgeting to community policing, health and youth services. There must be consideration of

ensuring fair and equitable access to the commissioning of services for all sectors in these diverse services.

#### **Q5. Evaluation and research: Increasing evidence of what works and good practice**

15. The development of a 'quality assured' framework of evaluation of participatory budgeting activities is welcomed by the Coalition. The development of *common standards* will encourage consistency of measurement across local authorities. This combined with a broadly developed implementation toolkit and consistency across empowerment consortia should ensure no community is excluded from this opportunity.
16. To ensure that the evaluation framework does not create a perversely target driven approach to participatory budgeting, it is essential that a qualitative aspect is included in the evaluation and common standards. This should look at long term aspects as identified in the strategy but also be engaged with the development of good practice dissemination through empowerment consortia and promotion through networks. Identifying qualitative benefits that can contribute to successful services should be recognised as efficiency development in evaluations.

#### **Recommendations**

17. Participatory budgets should be excluded from the Comprehensive Spending Review 2007 3% cashable efficiency saving to encourage take up; incentivise the widest possible options of spend for communities; and ensure long term and service quality efficiency's are recognised.
18. The strategy should clarify what is meant by 'community group'. This should be the widest possible definition as there are many organisations, such as community anchors, that can be businesses or voluntary and community sector organisations which act as community representatives and have the best access to communities. This is particularly relevant for deprived communities in receipt of regeneration budgets
19. That regional social enterprise networks and umbrella bodies such as the Development Trust Association should be involved in the dissemination of news,

information and promotion of participatory budgeting to ensure that all relevant groups are made aware.

20. The strategy should ensure that the pilot areas, and the implementation and evaluation frameworks developed from them, should be based on the diversity of project spends and types of organisations involved, not simply the variety of local authority types. This would ensure that implementation and evaluation was based on the widest range of opportunities and options of spend

Social Enterprise Coalition

Policy Team

June 2008