



## Participatory Budgeting: Consultation on the draft national strategy

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## Background to the response

Government agencies such as ICELE have been championing the benefits of digital community empowerment from its outset, such as the promotion of local ePetitioning and delivery of a national web community portal, VOICE.

Innovative budgeting is no exception. In 2005 the legacy Local eDemocracy National Project launched "Money Manger", a mobile phone and web budget simulation game as part of the Demgames suite ([www.demgames.org](http://www.demgames.org)).

This was not only the first budget simulation game but also the first game to utilise animation technology ('Flash') for mobile information devices.

A number of local authorities used this and its spin-off, called 'Budget Simulator', to educate citizens about the consequences of budget allocation and the difficult choices therein.

The national project also experimented with advanced online polling such as [www.picturepoll.org](http://www.picturepoll.org). This tool was developed to see if there were simple, personal rewards for providing and opinion which could be used to invoke more participation.

The results of a particular poll can be plotted against the other participants and that of a celebrity of figurehead in a graphical manner which relates back to the participant. In other words, the reward for participation is finding out something about yourself of your beliefs/allies.

At the end of 2007 ICELE submitted a paper to the DCLG which formed ideas around a future strategy. This suggested a piece of work with a Regional Improvement Partnerships to trial ways of achieving community involvement in participatory budgeting using new technologies.

The reason ICELE proposed this was based on its belief that the U.K. PB pilots' to-date had not explored technology opportunities in full.

For example, in the UK pilots turn-out by young people (under 30) was low yet we know technology use among this group is high.

Penetration of technology in the health sector is also on the increase in the U.K. with terminals such as Patientline installed in over 50% of UK trusts and a number of emerging online Local Involvement Networks.

I believe that the use of technology is important to address issues around fairness, inclusivity and *informed* decision making.

As such, I think the PB unit needs help in evaluating the impact and benefits that technology might bring. My recommendation is for a carefully designed, discrete round of technology centric pilots.

This need not be expensive; an indicative budget of £8000 for the activity plus £3000 for the evaluation should be sufficient.

ParticiTech sets out its full recommendations in this paper by looking at how technology might be used in the various stages of the PB mechanism.

# How technology can enhance PB

I believe that if government is to pursue Participatory Budgeting then it needs to consider how technology can be used to enhance the process and counteract some of the existing weaknesses. In particular, how technology can be used to achieve heightened levels of engagement and participation, wider dissemination and more efficient evaluation.

For example, 'in-person' mass collaboration mechanism can be:-

- Too homogeneous
  - The need for diversity within a crowd to ensure there is enough variance in approach, thought process and private information.
- Too divided
  - Crowds work best when they choose for themselves what to work on and what information they need.
- Too imitative
  - Where choices are visible and made in sequence, an 'information cascade' can form in which only the first few decision makers gain anything by contemplating the choices available: once past decisions have become sufficiently informative, it pays for later decision-makers to simply copy those around them. This can lead to fragile social outcomes.
- Too emotional
  - Emotional factors, such as a feeling of belonging, can lead to peer pressure and a 'herd instinct'.

With over two-thirds of Britons now online the most obvious opportunity for PB is the web. We know that the internet is not a fad and that it can facilitate convenient, inclusive and effective participation. This is particularly poignant as the consultation refers to the targeting of youth and health sectors.

The Municipality of Ipatinga (Brazil) demonstrated the benefits of the web when they began using it to extend, enhance, and diversify the process whereby citizens voted on priorities and budgetary allotments for local projects as far back as 2001.

Through the Internet component, accessible through the Municipality's website, citizens can register their priorities and track public project delivery. The results of this innovation showed annual increases of 44 to 125 percent in the numbers of citizens giving input on budgeting priorities. The impact also appears to reach well beyond the traditional numbers: younger participants appear to be drawn into the process, while citizens with low levels of education are also using the Internet as a tool for inclusion of demands.

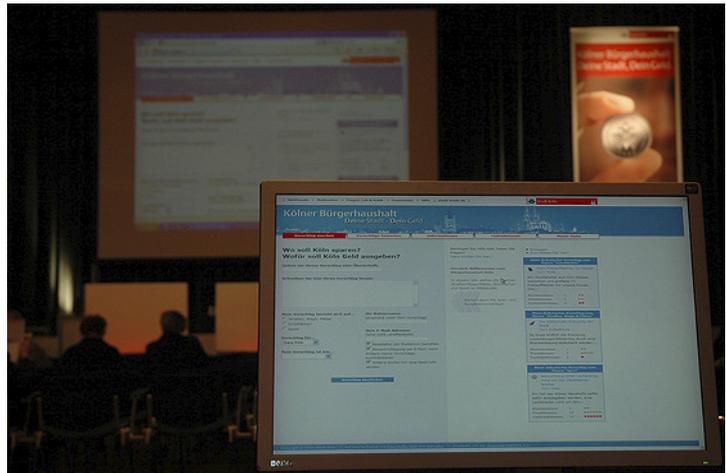
*"Learning shows that improving diversity and opportunities for participation throughout the process would improve decision making, the process itself and contribute to a community-owned process."*

-An evaluation from a practitioner perspective, PB Unit June 2007

The city of Cologne in Germany has been using PB through a dedicated website (<https://buengerhaushalt.stadt-koeln.de/>) since October 2007.

Hamburg and Lichtenstein also use web technology to assist in the process of:-

- Developing budget models
- Interactive generation of (balanced) budget draft with a web-based budget calculator
- Annual participation of citizens in Berlin-Lichtenberg in the preparation of the actual district budget
- Live Voting and integration of live events



I believe that there are three key ingredients for successful PB and that each of these can be enhanced by technology:-

- Inclusivity and equal opportunity
  - Making sure that any vote is representative (not for 'self-interest')
  - Providing equal opportunities for engaging in the process, incorporating awareness
- Fairness or perception thereof
  - Making sure that the process does not introduce bias, such as the quality of a presentation detracting from the real intentions of a beneficiary
- Informed decision making
  - Keeping citizens engaged at the outset and during the life of the process, not only at the decision making stage
  - Ensuring that decision making is unbiased and informed

The benefits are a given – for example the logistics of organising and hosting stakeholders in a live decision process are expensive compared to online.

Possible technology applications are listed here against the various stages in PB:-

The application process

Digital Process	Addresses
Online forms	Improved efficiency
Checking validity (e.g. of participant identity)	Fairness
Checking for duplicates	Representativeness

### Awareness and promotion

Digital Process	Addresses
SMS /Text alerts	Awareness
Links with relevant eConsultation and ePetitions	Democratic Deficit
A national online database of PB opportunities or a 'PB finder tool' which has similar functionality to existing online 'consultation finder' tools	Awareness
Webcasting	Inclusivity & equal opportunity

### Information and Communication

Digital Process	Addresses
Online videos and presentations of 'the choices'	Inclusivity & equal opportunity + fairness
Interactive, online budget simulation or forecasting	Informed decision making
Email lists for informing participants of progress	Awareness / Informed decision making
Online forums to discuss ideas / outcomes	Informed decision making

### Running events

Digital Process	Addresses
Online collection of votes	Inclusivity & equal opportunity
DigiTV vote casting	Inclusivity & equal opportunity
Online polls	Inclusivity & equal opportunity
Electronic voting handsets	Improved efficiency
Use of barcodes (e.g. on forms)	Improved efficiency
Built in evaluation (e.g. using RFID to determine who is in the room at any time and where people clustered)	Improved efficiency
Translation and language assistance (e.g. subtitling via displays)	Inclusivity & equal opportunity
Capturing satisfaction (e.g. ROL GovMetric touch panel displays)	Process improvement

# Response to specific recommendations

## The workstreams

The consultation implies that PB is a zero cost activity and the lack of impact analysis reflect this train of thought. However, I think that there is a significant investment – particularly of time – from local authorities which needs some sort of accountability. For example, there is a scrutiny role for the council in ensuring that PB is fair and up to 10% of budgets could be spent on evaluating outcomes.

Details in the first workstream lacks depth – for example the promoting awareness stream recognises the importance of selling the benefits and concept to citizens and community groups but has no actions against it. I would suggest collaboration with the ICT Hubs, NVCO, Change-Up programme and Office of the Third Sector in the first instance. Adding PB as a technique on the PeopleandParticipation website is welcomed.

Workstreams two and five should be linked in some way. For example, working with government agencies, the private sector and leading academics on solutions to address challenges and complexities as they are identified.

I suggest that the workstreams are broken down further into work packages so that the discrete objectives and actions are better identified.

## What would incentivise LA's?

Local Authorities will be incentivised if PB reduces the burden of accountability in decision making but also if PB exercises lead to increased citizen participation at all levels of council decision making. Technology can help to incorporate efficiency, track decisions and motivate participants of PB to get involved with the council in other capacities.

## Helping community groups engage with the process

Community groups need to know about the opportunities, have good understanding of the mechanism and the skills to influence it but most importantly felt that it is not a drain on their resources. Over 320 community groups exist within the ICELE operated VOICE platform and I suggest it could be used in these scenarios.

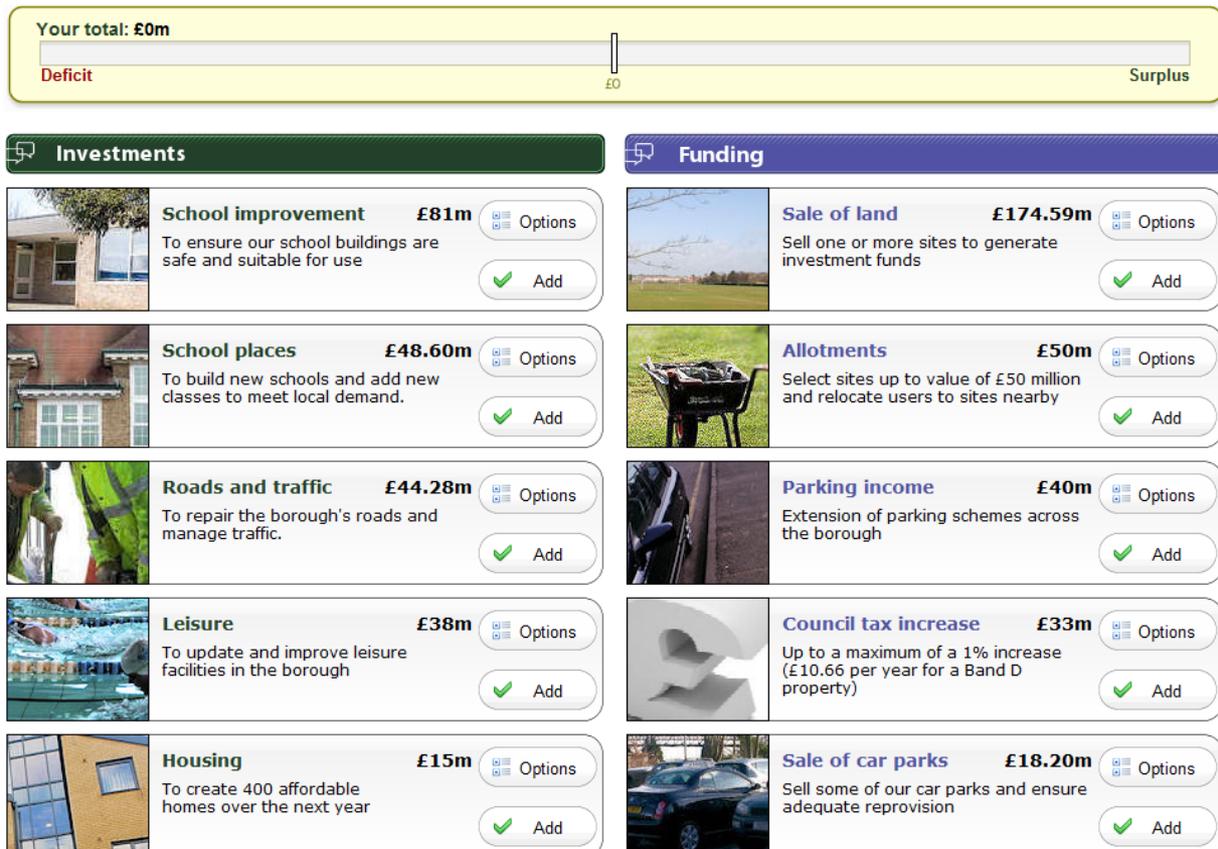
As well as time spent helping design PB exercises the process of PB is drawn-out in comparison. Pitching via webcast or remotely might alleviate some effort. I would like to see a PB exercise done entirely in the virtual space using pre-recorded video pitches and surrounding web 2.0 tools.

Some groups might benefit from training courses on the mechanism of PB (such as eLearning) or a monetary refund to offset participation expenses.

## How can councillors have a role?

I share the view that councillors must have a prominent role and interaction with PB as representative democratic actors. However, I think that that participatory budgeting could be seen as a way to 'by-pass' local councillors in the decision making process – particularly as the Government is not practicing PB at national level.

In the interim, councillors should be encouraged to push for more general budget consultation and use the internet (e.g. simulation, message and discussion boards) to enable the public to comment on current proposals. I endorse the efforts of Redbridge who have recently launched a highly interactive approach to budget simulation, as seen below.



In the long-term, democratic tools such as petitions could be used to lobby support for a particular outcome. Signatures collected in this way could be submitted in the PB mechanism.

## Summary of recommendations

- a. The department expand the pilots to encompass a discrete series of PB technology trials
- b. That cost is re-assessed against any duty to implement PB, particularly around the evaluation and scrutiny requirements
- c. The workstreams are broken down into work packages and that the first strand has more depth regarding awareness raising of particular actors
- d. That a study is held to look at how PB affects participation in council decision making as a whole and the factors that lead to the perception that traditional committee-style decision making is archaic or undemocratic
- e. That in the interim councils are encouraged to do more budget consultation – in particular are encouraged to use online tools such as budget simulators to this end