

## Modernising Commissioning

The Participatory Budgeting Unit is a project of Church Action on Poverty, a registered charity. Its role is to promote and support the development of participatory budgeting (PB) in the UK. This submission is restricted to our area of expertise; specifically how PB provides a proven and practical way of involving citizens in commissioning decisions and ensuring that civil society organisations play a full part in the delivery of public services. It is deliberately brief and assumes a reasonable level of understanding of how PB works. However, we would be happy to share more detail and evidence with officials of the Cabinet Office if that would be deemed helpful.

First of all, we would make two contextual points. It has been a failing of the last few years that initiatives in the field of community engagement and involvement have been fragmented. There have been too many and they have often been implemented exclusively of each other. Consequently they have not been as productive, in terms of outcomes, as they might have been. There have been missed opportunities to develop a cohesive strategy, which recognises that the best of these initiatives can be integrated - and combined with new ideas - to maximum effect.

Secondly, there continues to be a lot of rhetoric about "involving communities" without any clear direction about *how* that can be done in a meaningful way. Much of that involvement has been tokenistic, focused on a small number of self-declared community representatives and has failed to engage with a large and genuinely representative section of the community (including the "unusual suspects"). Unless that changes, the planned reforms will not result in the real transfer of power that is being sought.

We are broadly supportive of the principles outlined in the paper; in particular, its contention that individuals and communities should play a stronger role in the commissioning process. PB can make a significant contribution in making that a meaningful reality rather than merely an aspiration:

- by delivering a large cadre of informed and budget literate citizens as participants in the process;
- through giving genuine ownership of decisions, and the commitment to ensuring those decisions work, to local people;
- by offering all sections of a community the opportunity to deliberate about how services are delivered *and by whom*;
- via the use of a budget matrix, which can be used as an effective tool for ensuring a level playing field for independent service providers and that all aspects of value are factored in to commissioning decisions (see below);
- from the provision of transparency and accountability, as testified by the World Bank in the following quote; *"It (PB) is a tool for educating, engaging and strengthening demand for good governance. The enhanced transparency and accountability that PB creates can help reduce government inefficiency and curb clientilism (sic), patronage and corruption"* Anwar Shah, World Bank 2007.

The majority of PB projects in the UK have involved the allocation of a fixed budget of varying size to projects identified and voted on by the residents of a defined geographical area (the "small grants" model). However, the process is much more

flexible than that and can be equally well applied to the prioritisation of mainstream budgets across services or within a particular service. Indeed this is a much more common application of PB in other parts of the world. Its underlying principles and practice can also be extended to commissioning itself.

There are already a handful of PB projects in the UK which have incorporated the commissioning of services, including those in Tower Hamlets, Newcastle (specifically carers services), Southampton (public health) and Manton in Nottinghamshire. Perhaps most notably, in Manton, a neighbourhood of about 6500 people, participatory practice has resulted in a dramatic change in the relationship between residents and service providers; one in which local people have a genuine say in the design and commissioning of services (and has had a huge and proven impact on their sense of community and wellbeing).

Here, residents first of all decide how they want the money available to be prioritised. Then those appropriate organisations - *from all sectors, including community groups* - with a presence in Manton are invited to bid for the money by submitting project ideas that address the chosen priorities. Local people subsequently vote on which bids they wish to commission. There is an underlying recognition that, collectively, they are best placed to determine what represents best value to their lives.

One of the integral tools used in a "classic" PB process, but not yet fully applied in this country, is the budget matrix - designed to co-ordinate knowledge held by councillors, officers, existing service providers and residents. It facilitates the collection of information from the various stakeholders, assigns values to them and provides the basis for setting budget priorities for the year ahead. The attached annexe provides an overview of how such a tool lends itself to the commissioning process and, in particular, the opening up of service delivery to community sector organisations, measuring "value" in a more meaningful way.

Budget matrices are very flexible and can be adapted to many situations. We would be happy to discuss further.

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