

Annex

PARTICIPATORY BUDGETING AND COMMISSIONING: AN OVERVIEW

1. A budget matrix is normally used as a tool for involving residents in deciding how large, mainstream budgets should be prioritised. It can be applied to a proportion of a council's entire budget (i.e. across services) or of a particular service budget. It allows for the views of local participants, expressed in an open and deliberative process, to be weighted and factored into the final decision making process. Key to the success of this approach is to provide the participants with clear and accessible information. It is often utilised to allocate authority-wide investment funding to each constituent ward or neighbourhood. It can, however, be applied to local spending within a particular defined area and extended to incorporate the commissioning process itself.
2. For instance, let's assume that a budget of £x is available to spend on care services in a particular neighbourhood. The budget holder - either the council or, ideally, a partnership - identifies from its own knowledge or previous consultation those services in which it might be invested; for instance the choices could be health and wellbeing, alcohol and drug misuse, end-of-life care, children's centres, adoption and fostering or child protection. Local people are asked to vote on their chosen priorities and the relative scores for each service are entered into the matrix.
3. The views of other stakeholders, such as elected members or expert focus groups, can also be scored and fed into the matrix together with any weightings that might be deemed appropriate. The total scores are then used to determine how much of the available budget is allocated to each service eg. if the score for child protection is y% of the total score, then y% of £X is spent on that.
4. The next stage would be to invite providers **from all sectors** to submit tenders for delivery of some or all of those services. Following - if appropriate - an initial compliance check, the commissioning decisions are made in a way which gives at least a meaningful role to residents. Ideally, that would be through an open voting process, but it might be considered more appropriate to have a genuinely representative group of local people as members of a wider panel.
5. Further use of a matrix would help structure the decision making process to allow for a number of factors to be systematically taken into account and ensure transparency. The social, environmental and economic impact would provide some

of the critical criteria against which each bid would be scored. It might be appropriate, in certain circumstances, to weight some of the scores in such a way as to enhance the viability of bids from local community sector organisations. However, it is probably the case that local people will be naturally more inclined to support bids from that sector and their involvement alone will at least deliver a level playing field for those organisations.

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This is a guide only – flexible.