Participatory budgeting and the arts

The findings of research undertaken for Arts Council England

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Executive summary

Participatory budgeting, a process whereby citizens are given the power to decide how a public budget should be allocated, is a growing phenomenon in the UK. So far it has been used mainly to allocate small, community-focused budgets separate from mainstream funding but it is now also beginning to be used on larger service budgets, which could have implications for many public services. As a radical approach to devolved power, participatory budgeting is at the heart of the government's agenda to give communities more say in decisions that affect them. Central government explicitly backs the approach and has announced that it wants to see all local authorities use it in some form by 2012.[1]

This study by Involve and the Participatory Budgeting Unit (PB Unit)[2] was commissioned by Arts Council England to explore the impacts of participatory budgeting on the arts. The Arts Council sees participatory budgeting as having potential implications for its work in involving the public and stakeholders in decision making and in its work with local authorities. Collectively, local authorities are the second largest funder of the arts in the UK and so any changes to how they allocate their its funding could have considerable implications for the arts sector.

This report provides an early exploration of the trends, views, concerns and predictions around the current and future impacts of participatory budgeting on the arts. It maps the scale and type of arts projects that have been funded by participatory budgeting to date and the factors that have contributed to their successes and failures, and builds on these findings to explore potential future developments in participatory budgeting and how they may come to impact on arts funding.

In summary, the study found that **arts projects fare well in the small-grant, community-focused form of participatory budgeting**. The projects most likely to succeed are those that are seen to benefit the community directly, provide value for money, are easy to understand and appeal to voters' emotional response.

The study also found that **participatory budgeting can bring a number of benefits for the local arts sector**, including

- new funding opportunities
- better informed decision making
- public support and ownership of publicly funded arts
- raising the public profile of the arts~~;~~
- educating people about the value of the arts
- helping art organisations get funding from elsewhere
- improving relationships between artists and communities.

It should be noted that the research on which these findings are based focused on small, local participatory budgets. The arts projects that have bid for funding through these processes have tended to be community arts projects with an explicit social or educational remit. Examples include drama groups targeting young people, cross-generational dancing events and music therapy in sheltered accommodation. It is difficult to predict how less community-focused artforms would fare in a public vote, or how the arts sector as a whole would be affected if mainstream local authority budgets were opened up to participatory budgeting. This report looks at these uncertainties by exploring four potential future scenarios in participatory budgeting, asking how they would affect the arts and what the Arts Council may do to promote a successful outcome for the arts in each of them.

[1] Communities and Local Government (2008) *Communities in Control: Real People, Real Power.* London: CLG

[2] The PB Unit works across the UK to promote and support the implementation of participatory budgeting. Its main funder is the government department Communities and Local Government. See www.participatorybudgeting.org.uk

In summary, the report argues that the arts sector should take note of participatory budgeting for two reasons: as **a source of learning for arts organisations seeking to carry out their own public involvement work**, and as **a new, important phenomenon, which may have a significant impact on how arts funding is distributed in the future**.

Although this phenomenon is still in its infancy, **this is a good time for the arts sector to start to take notice of and monitor developments in participatory budgeting**. By keeping on top of new developments the sector can ensure that, should participatory budgeting come to have a more direct influence on arts funding in the future, it will be able to deal proactively with any challenges and opportunities this presents.

In this context **the Arts Council could play an important role both by supporting the arts sector to make the most of the opportunities offered by these processes** and by raising awareness among public officials, citizens and service providers of the social value of the arts in order to promote successful outcomes for the sector in participatory budgeting.

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About Involve

Involve specialises in public participation; it brings institutions, communities and citizens together to accelerate innovation, understanding, discussion and change. Involve makes a practical difference by delivering high quality public participation processes as well as undertaking research and policy analysis into what works in public and stakeholder involvement. It is a not for profit organisation, which receives funding from the Joseph Rowntree Charitable Trust, the Big Lottery Fund and the Esmée Fairbairn Foundation, among others.

Involve has helped leading public bodies and companies engage with the public, including the OECD, the Ministry of Justice, the Department for Communities and Local Government, the European Commission, the States of Jersey, the Sustainable Development Commission, the BBC, the NHS Centre for Involvement, the Cabinet Office and numerous local authorities.

For more information please visit Involve's websites: www.involve.org.uk and www.peopleandparticipation.org.uk

About the Participatory Budgeting Unit

The Participatory Budgeting Unit (PB Unit) is a project of the charity Church Action on Poverty based in Manchester. The Unit works across the UK to promote and support the implementation of participatory budgeting processes. Its key aim for participatory budgeting is to give 'a voice to people in poverty'.

The PB Unit's main field of expertise is providing hands-on support and facilitation of participatory budgeting processes in local areas, which it is able to do through its extensive practical knowledge of participatory budgeting.

The organisation also work with Communities and Local Government in England, its primary funder, to develop policy around participatory budgeting and tools and guidance to help those involved in the process.

The PB Unit's role in this project has been as 'experts' of participatory budgeting – to provide comment on participatory budgeting, advise on developments in participatory budgeting and identify and liaise with the research participants.

For more information, please visit the PB Unit's website at www.participatorybudgeting.org.uk

1. Introduction

Participatory budgeting, a process whereby citizens are given the power to allocate a public budget, is a growing phenomenon in the UK, with over 60 projects having taken place so far.[3] Communities and Local Government explicitly backs the approach and has announced that it wants to see all local authorities use it in some form by 2012.[4] As a radical form of devolved power, participatory budgeting is at the heart of the government's agenda to give communities more say in decisions that affect them.

Poulton participatory budgeting event

The government's vocal support of participatory budgeting has made other institutions take notice. Although the approach has so far been used mainly to allocate small, community-focused budgets separate from mainstream funding structures, it is now beginning to be used also on larger service budgets, which could have implications for many public services. The growing impetus towards more inclusive decision making across the public sector means that a growing number of institutions are now looking to participatory budgeting as a potential source of inspiration for their own public involvement work.

Against this backdrop, this study was commissioned by Arts Council England to explore the impacts of participatory budgeting on the arts. The Arts Council sees participatory budgeting as having potentially important implications for two areas of its work: the project Wider Range of Voices, which is exploring approaches to involving the public and stakeholders in Arts Council decision making, and its work in partnership with local authorities. Collectively, local authorities are the second largest funder of the arts in the UK and so any changes to how they allocate their funding could have considerable implications for the arts sector.

This report, which was produced by Involve with assistance from the PB Unit[5], provides an early exploration of the trends, expectations, thoughts and predictions around the current and future impacts of participatory budgeting on the arts. It maps the scale and type of arts projects that have been funded by participatory budgeting to date, explores the factors that have contributed to their success and failures, and seeks to build on these findings in order to forecast how future developments in participatory budgeting may come to impact on arts funding structures.

The research focused on seven participatory budgeting projects that were selected because they had funded arts-related projects. A total of 23 semi-structured interviews were carried out with local authority public involvement staff, arts professionals, local authority arts officers and elected members. In addition, seven interviews were carried out with people from outside the case study areas; this group included arts officers working in national institutions, academics and participatory budgeting experts. To test and reflect on the issues unveiled through the interviews, a research workshop was held with 15 attendees from national agencies, non-governmental organisations and private consultancies.[6]

It should be stressed that this study has been necessarily limited in scope as the subject area is still at the early stages of development. Participatory budgeting is still new to the UK and at the time of writing is undergoing a period of intense growth and experimentation. This means that the small-grant, community-focused processes looked at in this study may in a few years no longer be the

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[3] This figure includes the 34 pilot projects officially announced by Communities and Local Government.

[4] Communities and Local Government (2008) *Giving More People a Say in Local Spending: Participatory Budgeting – A National Strategy*. London: CLG.

[5] The PB Unit works across the UK to promote and support the implementation of participatory budgeting. Its main funder is the government department Communities and Local Government. See www.participatorybudgeting.org.uk

[6] For a more detailed methodology, see appendix 2.

most common approach to participatory budgeting. Moreover, with the exception of a few community arts projects funded at the very local level, there has been relatively little overlap between participatory budgeting and the arts to date. A drawback of this for the purpose of this study was that very few people had personal experience of both participatory budgeting and the arts; the majority of participants were familiar with either participatory budgeting or arts funding structures but could only speculate about the impacts of one on the other. Nevertheless, this study was able to identify some important trends, opportunities and concerns that will be of help to the Arts Council as it monitors and responds to the future development of participatory budgeting in the UK.

If, as some people predict, there will be a trend towards opening up larger service budgets to participatory budgeting, the impact on the arts could be significant, with a broader range of artists and organisations becoming affected. These possibilities are explored in the report, but the analysis is by necessity inconclusive at this stage. In order to build a more complete picture of the impacts of participatory budgeting on arts funding structures it would be necessary to repeat the study in more depth at a later stage.

The report begins in chapter 2 by giving a broad overview of participatory budgeting and its role in the UK today. Chapter 3 provides a background to the general debates and trends driving the public involvement in the arts agenda. Chapter 4 presents the main findings of the research, showing the impact that participatory budgeting has had on the arts to date, the factors that make arts projects successful in these processes and what the research participants considered to be the main barriers to participatory budgeting in arts funding. Chapter 5 builds on this information by presenting four future scenarios for participatory budgeting and exploring how they might affect the arts. Finally, chapter 6 sets out some practical lessons for other forms of public involvement.

Definition of the arts

The definition of the arts used for this study is very broad and includes art exhibitions, literature, street arts, carnivals, theatre, live music events, dance, crafts, bands, amateur drama and children's music groups among other activities.

2. What is participatory budgeting?

Participatory budgeting allows local people to decide how to allocate part of a public budget. The tradition began in Brazil where it has been used successfully since the late 1980s. It has since spread around the world and to date over 300 municipalities have used participatory budgeting in countries including Venezuela, Canada, Spain, France, Chile and the UK.[7]

The UK context is unique in that central government heavily promotes participatory budgeting and has announced that it wants every local authority in England to implement it in some form by 2012.[8] No other government in the world has provided this level of commitment to participatory budgeting. To support this work, the government published a national participatory budgeting strategy in September 2008[9] and has appointed the PB Unit,[10] an independent organisation, to help local authorities roll out the methodology across England.

Participatory budgeting remains relatively new to the UK and practice is continually evolving, which makes it difficult to agree a prescribed definition of what it should look like. The following official definition agreed by central government has been proposed as a means of providing clarity:

> *Participatory budgeting directly involves local people in making decisions on the priorities and spending for a defined public budget. This means engaging residents and community groups representative of all parts of the community to discuss and vote on spending priorities, make spending proposals and vote on them, as well as giving local people a role in the scrutiny and monitoring of the process.*

Participatory budgeting is not limited to local authority budgets. The term is used to describe any process whereby citizens are involved in making spending decisions on a public budget, including those taking place at the national level or by service providers such as housing associations or primary care trusts. Parish councils, too, are experimenting with participatory budgets: Herefordshire plans to use participatory budgeting in all its 133 parish councils. This is an interesting context for participatory budgeting given the non-statutory nature of parish councils where councillors, who are often unaffiliated to political parties, hold the power to levy unrestricted parish precepts. Parish councils also tend to be closer to the communities they serve, which can further contribute to ensuring they have stronger community buy-in to participatory budgeting than other councils.


Newcastle children and young people participatory budget

To date, however, participatory budgeting in the UK has tended to be local authority based and focused on either small pots of money distributed at neighbourhood level or local-authority-wide budgets based around a broader theme, such as health or children and young people. Projects can:

- focus on specific grant pots, such as the New Deal for Communities or Neighbourhood Management Pathfinders

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[7] Information from www.participatorybudgeting.org
[8] Communities and Local Government (2008) *Communities in Control: Real People, Real Power*, p5.
[9] Communities and Local Government (2008) *Giving More People a Say in Local Spending: Participatory Budgeting – A National Strategy.*
[10] Information from: www.participatorybudgeting.org

- use parts of mainstream council budgets devolved to local area committees for a specific purpose, such as road improvements
- set local authority area wide priorities, agreeing projects and spend around an annual revenue budget-setting process
- use pooled budgets from partners through the local strategic partnership to tackle particular cross-partner themes or local area agreement indicators
- use town and parish council precepts
- target local public services by focusing on wider local area agreements and local strategic partnership priorities and spending.

The final option, which is closer to the Brazilian model, is still new to the UK but there is significant interest in this method. The PB Unit is beginning to see a shift away from the community grants pot approaches towards more strategic participatory budgeting, which commissions mainstream services rather than provides funds to the local third sector. An example is the London borough of Tower Hamlets, where the Local Strategic Partnership is providing £2.4 million across all areas of the borough – approximately £250,000 for each area – for participatory budgeting. Budgets are focused on public services and based on Local Area Agreement targets and local priorities.

These larger and more service-oriented participatory budgeting processes are seen by some as more meaningful than the community grant approaches, which deal with smaller pots of money and have no influence on mainstream budgets, and so have been criticised for being tokenistic. However, although the small grants approach is less likely to have a transformative effect on local power structures, it is a good entry point to more advanced processes. It provides the opportunity to test the methodology on a small and manageable scale before opening up larger budgets and services to public scrutiny. Moreover, the small grant approach can provide many of the same benefits as a larger process, by:

- bringing diverse people together and supporting community cohesion
- helping to improve people's understanding of the complexities of public budget setting and deciding between competing priorities
- inspiring local people and elected councillors and council officials to work together in new ways
- empowering people, making them more interested in their local community and services, and more likely to take part in other aspects of civic life
- ensuring that local services are better tailored to local circumstances, which can lead to improved resident satisfaction with them as a result.

Whatever the format, participatory budgeting is most effective when conducted in an inclusive way, helping bring about real change in the relationship between citizens, communities, local council officials and elected councillors.[11] The PB Unit has developed values, principles and standards to help council officials and other practitioners carry out participatory budgeting as effectively as possible.[12]

This report looks at the current impact of participatory budgeting on the arts in England. As the following chapters will show, arts projects have tended to be well represented in locally based, small-grants participatory budgets, but it is difficult to predict how the arts will be affected when participatory budgeting is applied in other contexts and on a larger scale. Hence, and given that participatory budgeting is still very new and evolving, it will be important to watch the emerging picture and monitor the impact it will have on funding for the arts.

[11] Communities and Local Government (2008) *Giving More People a Say in Local Spending: Participatory Budgeting – A National Strategy.*
[12] Available at www.participatorybudgeting.org

3. Public involvement in arts decision making – a summary of the debates

Any attempt to understand the potential impact of participatory budgeting on the arts must take into account wider debates around public involvement in the arts and the impetus towards greater citizen involvement in the public sector more generally. This section summarises the debates surrounding public involvement in arts decision making, drawing both on the wider literature on public engagement in public services and on the specific debates about public involvement in arts decision making.

First, it is necessary to clarify what is meant by these terms. When people in the arts talk about public participation or engagement, they are often referring to the public's role as *audience* or *consumers* of art. There is a significant ongoing debate about the role that public institutions should play in encouraging broader public participation in the arts.[13] A key driver of this debate is that class is a strong indicator of which art forms, if any, a person enjoys and participates in.[14] Gender, age, location, ethnicity and educational attainment are also factors which affect this.[15] Consequently, these debates tend to be concerned with how people who are normally excluded from or uninterested in the arts can be encouraged to become more involved, whether by educating them about the arts, bringing arts to deprived communities, raising the profile of public arts or funding projects with a broader public appeal.

These debates are separate from the issue of *public involvement in decision making*, which is the focus of this report. This topic has moved up the government's list of priorities in recent years and is fast becoming an important consideration for arts institutions.

From a public policy perspective, the arts hold a unique position. In contrast with other policy areas they exist not just to meet a public need but to challenge and inspire people. And although the arts sector relies heavily on public funding it is also moderated by a number of other mechanisms, such as the interests and whims of artists, private businesses and public audiences. The need for government to stay at arm's length from the business of the arts in order to protect its integrity has allowed for an environment in which some arts funding institutions have been operating without the same levels of accountability and transparency that is expected of other public bodies.[16] This is now changing, with government, the arts community, the media and the general public putting pressure on arts funding institutions to become more transparent.

The Arts Council has already taken steps towards this goal, most notably with the launch of the Arts Debate in 2006. The Arts Debate was a major programme of research and consultation with artists, arts professionals, members of the public, local government representatives and other stakeholders[17]. Among other things the findings of the Arts Debate formed the basis of the Arts Council's corporate plan for 2008-11 and led to the development of a new mission statement: great art for everyone. The challenge for the Arts Council now is to move from a 'big bang' approach to public involvement to a more ongoing dialogue with its stakeholders. A couple of recent publications have highlighted the importance of this challenge: the McMaster review's *Supporting excellence in the arts*,[18] which called for more involvement of artists, practitioners and other stakeholders in arts funding decisions, and the McIntosh *Review of Arts Council England's RFO Investment Strategy*

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[13] John Holden (2008) *Democratic Culture: Opening up the Arts to Everyone.* Demos: London

[14] Catherine Bunting et al (2008) *From Indifference to Enthusiasm: Patterns of Arts Attendance in England* Arts Council England: London

[15] Catherine Bunting et al (2008)

[16] John Holden (2008)

[17] www.artsdebate.co.uk

[18] Sir Brian McMaster (2008) *Supporting Excellence in the Arts: From Measurement to Judgement*. DCMS: London.

2007/08,[19] which criticised the Arts Council for not sufficiently taking account of its stakeholders' views and aspirations. The latter was accompanied by a separate communications review, which emphasised the need for the Arts Council to become more considerate of its stakeholders' needs not just in the development of strategy but also in how policy and strategy is communicated.[20] Another influential factor has been the new Lottery policy directives, which came into force in 2008, whereby the Arts Council is now required to involve the public and local communities in policies and decisions relating to the distribution of lottery money.[21]

These pressures form part of a wider trend towards more inclusive and transparent governance, which is changing the culture of decision making across the public sector. At all levels of government and across policy fields, it is now widely accepted that important decisions cannot be made without input from the people and organisations that will be affected by them. Recently, the trend to involve the public has become embedded in the legal framework, most notably in the passing of the Local Government and Public Involvement in Health Act 2007 (LGPIH) and the drafting of the Local Democracy, Economic Development and Construction Bill (LDEDC), which is currently going through parliament.

These developments are likely to have a significant impact on local arts funding structures over the coming years. The LGPIH introduced the 'Duty to Involve', which from April 2009 makes it a legal requirement for local authorities, currently the second largest funder of the arts in England, to inform, consult and in other ways involve 'representatives of local persons' in decisions that affect them.[22] The LDEDC Bill proposes an extension of this duty to a number of other partner authorities, including the Arts Council. The LGPIH also contains other measures to encourage more inclusive decision making in local government. One is the duty to co-operate, which requires local authorities to consult and co-operate with all partner authorities[23] in the development and implementation of Local Area Agreements (LAAs).[24] For the Arts Council, this is of particular relevance because of its collaboration with local authorities that are working towards targets under National Indicator (NI) 10: 'Visits to museums and galleries', NI 11: 'Engagement in the arts' and NI 110: 'Young people's participation in positive activities'.

Although the duties to involve and co-operate are not prescriptive and the extent to which institutions apply them is largely discretionary, they are still likely to bring about a change in how arts policy is made. Traditionally, citizens' main point of influence in arts policy has been through their role as consumers. The public audience has voted with its feet and the artists and projects that have not been commercially viable have relied on private sponsors or public funding to sustain their work.[25] Indeed, a key function of public funding for the arts is precisely to support those artists and organisations that cannot support themselves, in order to ensure that excellent art can thrive irrespective of audience numbers and economic climate. This function is now at the heart of the controversy surrounding public involvement in arts decision making. As the pressure on arts institutions to open up to public scrutiny and input is growing, sceptics are asking whether giving more powers to citizens will not threaten these institutions' roles as guardians of quality and variety in the arts. The Arts Council's Arts Debate found that the concept of public involvement evoked

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[19] Cited in Alan Davey (2008) *Review of Arts Council England's Regularly Funded Organisations Investment Strategy 2007-08 – Lessons Learned.* Arts Council England: London

[20] Jill Kirk (2008) Arts Council England's 'Regularly Funded Organisations' Investment Strategy 2007-2008: Communications Review Executive Summary & Summary of Recommendations' available in Alan Davey (2008) *Review of Arts Council England's Regularly Funded Organisations Investment Strategy 2007-08 – Lessons Learned.* Arts Council England: London

[21] Emily Keaney (2009) *A Wider range of Voices: Towards an Involvement Strategy* Paper to the Executive Board, Arts Council: London (Available by request from Arts Council England or the Department for Culture, Media and Sport.)

[21] Ibid.

[22] Communities and Local Government (2007) *Local Government and Public Involvement in Health Bill.* CLG: London

[23] Including the Art Council.

[24] Available at: http://www.communities.gov.uk/news/corporate/legalduty

[25] Catherine Bunting (2007) *Public Value and the Arts in England: Discussion and Conclusions of the Arts Debate.* Arts Council England: London

scepticism and ambivalence in many. The most common concerns raised were that public involvement in arts decision making would change the landscape of arts funding, leading to a triumph of populist and 'lowest common denominator' arts at the expense of quality, innovation and diversity.[26] These feelings were sometimes rooted in the belief that the general public lacks the skills and knowledge to make good decisions about the arts, concerns that were raised again by participants in this study.

However, it should be noted that during the Arts Debate these fears subsided when artists and members of the public were brought together to debate the issues. After discussing with the public some artists moved from antipathy towards public involvement to a belief that the public should have a role in decisions about which arts projects receive public funding[27]. Many public participants in the arts debate felt strongly that the public has an important role to play in the decision making process[28].

These findings reflect the fact that, in the arts as in other policy fields, the mood on this subject is changing. Increasingly, involving ordinary citizens in decisions about policy and funding priorities is considered an important aspect of making arts governance structures more transparent, accountable and in tune with the wider movement towards more open and inclusive government. Other arguments in favour of public involvement centre on its educational benefits: how it can help raise awareness about the arts and arts governance among the public, possibly leading to more participation in the arts as a result. Proponents of public involvement argue that the risks and concerns raised by the sceptics can be mitigated by learning from what has worked in other areas. There is a vast amount of knowledge available today about how to involve the public, much of which has been developed and applied successfully in highly complex policy areas such as science and technology.[29] Seen from this perspective, the notion that arts decision making is too intricate for the average citizen to engage with does not hold up and can come across as elitist, even slightly reactionary. In the words of one commentator:

> *What is at work here is the belief that only a small minority can appreciate art, and that art of quality needs to be defended from the mob. If the mob gets its hands on the art, the art will be destroyed. Therefore art must be kept as the preserve of the few, because only the few understand and value it.*[30]

Yet it would be wrong to present the debate as black and white; most commentators acknowledge that there are benefits and risks to public involvement and that its value depends largely on how it is applied. The Arts Debate's summary report states that most people felt that 'a degree of public involvement is desirable, but in specific contexts only or as a part of a broader process which incorporates a range of views, including those of experts'[31]. This concurs with most good practice advice on public involvement: the consensus is that doing it well requires considerable skill, planning and sensitivity to the people and issues at hand.[32]

The following chapters explore how participatory budgeting is affecting arts funding structures in England. As a form of public involvement participatory budgeting is comparatively radical: it does not just provide citizens with a channel to voice their opinions but gives them real power to make

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[26] Catherine Bunting (2007), John Holden (2008)
[27] Opinion Leader (2007) *Arts Council England: Public value deliberative research.* Arts Council England: London
[28] Creative Research (2007) *The Arts Debate: Findings of Research Among the General Public.* Arts Council England: London; Opinion Leader (2007)
[29] See for example: Karin Gavelin et al (2007) *Democratic Technologies?* Involve: London; James Wilsdon and Rebecca Willis (2004) *See Through Science.* Demos: London
[30] John Holden (2008)
[31] Emily Keaney et al (2007) *The Arts Debate: Summary and Analysis of Consultation Responses. Executive Summary.* Arts Council England: London.
[32] Involve and National Consumer Council (2008) *Deliberative Public Engagement: Nine Principles* NCC: London

decisions. Hence, although the direct impact of participatory budgeting on the arts has been limited to date, these processes can still provide useful lessons for the arts in showing how citizens behave in a decision-making exercise and how they weigh the importance of the arts against other public services.

Examples of art projects that have been funded through participatory budgeting

Flying Ducks Youth Theatre

Flying Ducks Youth Theatre is an independent organisation and registered charity based in York. It works with young people in the local area and funds itself mostly through membership, fundraising and performance revenue.

The theatre company has successfully applied for small participatory budgeting grants (between £500 and 1,500) for help with one-off costs such as set design and costume hire.

Pow-Wow

Pow-Wow is a not-for-profit social enterprise based in Manchester which works with vulnerable groups such as children, young offenders and adults with learning difficulties.

Pow-Wow specialises in 'lasting public art' such as mural paintings. They involve local people in their work with the aim of supporting community cohesion and increasing ownership of the art work, and they often partner up with other charities looking for a "creative injection".

The project bid for £950 through a local participatory budgeting exercise but were not successful. However, their involvement in the process gave them new contacts within the council and they were later supported by a council officer to raise the funds elsewhere.

Space 109

Space 109 is a community arts centre in Walmgate, York, which is based in converted old shop. The project aims to breathe life into a run-down area and to build bridges across generations through the medium of art.

The project survives on small grants and some local authority and lottery funding, and was successful in bidding for funds in the York Participatory Budgeting processes.

In York, much of the participatory budgeting takes place though postal votes, and the arts professional interviewed could not be sure how much money had been received through participatory budgeting, because from their perspective the funding process had not appeared that different from the norm, and they had not needed to present to a public audience.

Stonecrabs

Stonecrabs is a theatre company which won funding through a participatory budgeting event in Evelyn Ward in Lewisham, London. The project, called Time to Act, used workshop methods and fun-days in the Depford Estate of Lewisham to support inter-generational relationships and strengthen the local community.

The Time to Act project was awarded £3,000 through the participatory budget and was also supported through a partnership with the council and Timebank .

Stonecrabs raises its money from a variety of sources including the Arts Council, embassies, foundations and trusts.

Setting up a Drama Group

Two people with no previous artistic experience were keen to learn more about drama and how to set up a drama group in their local area. They used the participatory budgeting process in Newcastle as a chance to raise funds for an open day in which local people could work with a drama tutor and find out what would be involved in setting up a drama group.

They bid for £900 and were successful.

4. Participatory budgeting and the arts – what has happened so far?

This chapter explores the current impact of participatory budgeting on the arts in the UK. It looks at the types of arts projects that have received funding from participatory budgets, the factors that have contributed to their success, the benefits experienced by arts organisations going through this process, and the risks and disadvantages that participatory budgeting may pose for the arts.

It is important to note that the research on which these findings are based focused on a particular form of participatory budgeting at a time when the methodology was undergoing a period of growth and change in the UK. Most of the participatory budgeting activities that have occurred in the UK have been structured around small, one-off pots of money that are separate from local government core funding streams, often described as a 'community grants pot'[33] approach. This is now beginning to change, as more local authorities are experimenting with larger and more service-oriented participatory budgeting processes, using mainstream funds. The PB Unit is predicting that this latter approach will become more common over the coming years, something which could have a significant impact on the arts. It is difficult to predict how the arts sector as a whole would be affected if mainstream local authority budgets were opened up to participatory budgeting. The next chapter explores these questions in more detail by presenting future scenarios that depict different developments in participatory budgeting and their potential impacts on the arts.

Southampton participatory budgeting event

4.1 Type and context of arts projects getting funding

The majority of the case studies in this research used the community grants pot approach to participatory budgeting. The arts projects that have bid for funding through these processes have tended to be community-based projects that contribute to a wider social goal, such as 'safer and stronger communities' or 'greener communities'. Examples include drama groups targeting young people in deprived housing estates, cross-generational singing and dancing events to improve relationships between teenagers and older people, music therapy in sheltered accommodation and a musical to promote composing.

Key message: *participatory budgeting inspires creative solutions to local issues.*

As these examples demonstrate, the community grants pot approach can inspire creative solutions to local issues. It encourages individuals and organisations to think creatively about their community's needs and develop imaginative projects to address them. Arts projects fared well in all of the case studies looked at in this research and there is nothing to indicate that they are less successful than other types of projects competing for funds. In fact, in one event in Lewisham, nine out of ten arts projects that applied for funding were successful, and in Newcastle Denton six out of seven arts projects received funds. When 29 participatory budgeting organisers were asked by SQW Consulting[34] to list the themes their budgets had been allocated to, 14 mentioned arts and culture as a theme that had been funded.

Key message: *arts projects fare well in local-level participatory budgeting.*

[33] Also referred to as community kitty or community chest.
[34] Information available at: www.sqw.co.uk

Although these figures look impressive, it is important to put them into context. Success rates in this form of participatory budgeting tend to be high overall and it is not unusual for a large proportion of bidders to receive some level of funding. The high success rates can be attributed to a number of factors: participatory budgeting may be new or unknown in the area and so a relatively small number of proposals are put forward; the quality and relevance of the proposals may be vetted by the organisers before a longlist is presented to the public; or it may simply be because the events are run in a spirit of solidarity and shared goals, with bidders and voters keen to distribute the money across as many beneficiaries as possible. An example of this is how some processes have included a session at the end where the winning projects are asked to donate part of their grant back into the pot in order to share the money between more projects.[35]

Newcastle children and young people participatory budget

4.2 What makes a project successful?

Although this study looked at a small number of case study areas and is not able to prove that arts projects do better than other initiatives in community grants pot approaches, there was a broad consensus among interviewees that arts projects tend to fare well in these events. This was seen to be partly because arts organisations were considered adept at putting forward innovative solutions to local issues, and partly because they were skilled at selling their ideas and presenting their projects in ways that captivate the audience's imagination. This section looks at some of the other reasons put forward by research participations for the success or failure of a project:

- the local link
- providing value for money
- the fluffy bunny factor
- being easy to understand.

Key message: *projects deemed most likely to succeed in participatory budgeting are those that are seen to benefit the community directly, are value for money, are easy to understand and appeal to voters' emotional response.*

The local link

One of the main factors seen to contribute to a project's success is being able to demonstrate a clear benefit to the local community. When asked why certain projects had failed to win votes, respondents often referred to a lack of understanding of the local area or a failure to connect with the voters and persuade them that the community would benefit from the project:

> *What it really boils down to is how well the organisations know their local communities [...] you can't be aloof, and I guess if you are seen in some way as being elitist and aloof then [...] they know your primary focus isn't the local community.*
>
> Council officer

Some interviewees expressed frustration at this strict focus on local benefit and claimed that it can be limiting in some cases. They argued that city-wide arts organisations may miss out on the opportunities provided by participatory budgets because they are not seen as being sufficiently locally focused, or that projects involving trips away from the local area, perhaps to attend an event

[35] For example in Bradford and Lewisham.

or view an exhibition, may not be seen as a worthy cause despite benefiting local residents. In the words of two interviewees:

> *We discussed 'what if a group want to go to the Sage or go to the BALTIC or go to Dance City to view an exhibition or view a performance and then bring that experience back with them' […] They were totally adamant that no, they wouldn't want people to do that. They wanted the likes of the BALTIC or the Sage or Dance City or whoever to come into [the ward] and work with people in [the ward]. So it was quite closed, and I found that quite frustrating at times.*
>
> Arts officer (local)

> *The risks are that the sort of projects that will get funded will be very locally based [...] if there was a city centre based project, I think it would be less likely to get funded even though it might have a benefit to lots of people because people will lobby for things in their local area.*
>
> Participatory budgeting organiser

Given the community-centric nature of the grants pot approach, arts organisations bidding for funds could increase their chances of success by researching the community and its needs, working with local organisations and focusing their efforts in areas where they have a strong local connection.

Key message: *Art organisations could increase their chances of success by getting to know the local community and working in partnership with local organisations.*

Value for money

Value for money was also raised as an important factor in determining which projects receive funding. Excessive cost was the most common reason given for a project not being successful, with interviewees emphasising that voters tended to be particularly reluctant to support high professional fees or high-cost projects that benefited smaller numbers of people. When asked why a particular project had been unsuccessful one interviewee explained:

> *I think it was because they were very extravagant. There was one for a banner [...] that was £5000 and I think it was the extravagance of that project that really led to its demise. A big chunk of the budget was the fees for a professional artist and I don't think it was the essence of the project. I think if it had been a banner for £500 it probably would have [...] I don't think it was the fact that it was about an artistic project, I think it was the budget.*
>
> Participatory budgeting organiser

It should be stressed, however, that the concerns about value for money were raised in the context of limited budgets and a desire to distribute the money fairly and across as many projects as possible. In some cases the pot of money available to be distributed was less than £10,000.[36] Consequently, projects that would be considered cost-effective in another arts funding context may appear expensive to voters in a participatory budgeting event, with only a small budget available and many worthy causes to choose between. At the moment, these small grants make an insubstantial impact on the community arts sector in general, but their role may become more significant should these types of exercises continue to grow.

[36] The budgets allocated in the case study areas ranged from £6,000 to £500,000.

The fluffy bunny factor

There was a general consensus among interviewees that bidders in a participatory budgeting exercise benefit from appealing to people's emotional vote – what one participant labelled 'the fluffy bunny factor'. One example given was that projects involving children, especially those that involve children in their presentations on the voting day, were considered more likely to receive funding:

> *One of the things that sticks in my mind was a dance group [...] and they'd got all these cute kids in sequins at the front of the meeting; well they couldn't fail really and somebody else didn't have so many kids, didn't have such, you know, didn't have such an easy ride.*
>
> Participatory budgeting organiser

It was also pointed out that projects that appeared unlikely to find funding elsewhere might benefit from sympathy votes and that, on the flip side, projects perceived to be already financially successful may be less likely to win support. One interviewee mentioned a project that had missed out on votes because it was seen as already successful in raising money from other sources:

> *It's interesting actually, in our evaluation meeting [...] the young people said that they weren't going to vote for an idea from this group because they felt that they were really quite good at accessing other pots of money.*
>
> Participatory budgeting organiser

Most research participants qualified these observations by making clear that they were generally confident in the abilities of the public participants to award the money to the most deserving. It was also felt that the 'fluffy bunny factor' and disproportionate influence of certain interest groups could be mitigated by careful planning, such as by building sufficient time into the process to enable participants to fully understand and consider each proposal on its own merits.

Easy to understand

Finally, a number of interviewees and workshop participants voiced a belief that conceptual arts and arts which could not demonstrate any direct community benefit would be less likely to be successful in participatory budgeting exercises. They stressed that proposals need to be presented in a way that is easy to understand and that demonstrates clear benefit for the community, and argued that conceptual artforms would be less likely to tick these boxes:

> *it really is quite variable, but I don't think the arts are any more or less disadvantaged in any way. As long as you know what you're doing and people don't think it's too 'arty farty' [...] I don't know [...] where we sit down and meditate around in a circle.*
>
> Participatory budgeting organiser

Again, it should be stressed that these comments were largely speculations; in reality, the vast majority of arts projects competing for funding in participatory budgeting processes have had a social or educational remit and so it is not possible at this stage to predict how less community-focused artforms would fare in a public vote. Previous research by the Arts Council has demonstrated that the majority of people place high importance on the arts and see it as a powerful medium for self-expression and for individuals to gain a better understanding of the world around them.[37] The research also found that supposed divides between arts with an instrumental benefit and what was considered 'art for art's sake' were too simplistic, and that most people recognised the arts as having complex and inter-twined benefits. This concurs with research into attitudes to

[37] Catherine Bunting et al (2007)

public involvement in other policy areas, which have found that decision makers and other professional groups often underestimate the ability of lay citizens to think strategically and to grasp the full spectrum of needs and considerations that go into making decisions about public funding[38]. In fact, evidence suggests that provided the public participants are given sufficient time to engage with a range of perspectives and information sources, they tend to be able to make sound and insightful contributions even to the most complex policy discussions.[39]

Southampton participatory budgeting event

4.3 Benefits of participatory budgeting for the arts

New funding

As participatory budgeting provides grants to projects that do not fit easily into other policy agendas or funding structures, it is feasible that a growth in the community grants pot approach could provide a boost for the community arts sector. This research suggests that this would not just benefit established arts practitioners; some of these projects would be led by people who had no previous experience of the arts, who have simply spotted a need in their community and an opportunity to do something different and creative to address it. In other words, participatory budgeting can bring more people into the arts and open up opportunities for arts projects that would not otherwise have received funding, or even been invented. Yet that is not the end of the story. Beyond simply providing funding for new projects, the research identified a number of other ways in which participatory budgeting can benefit artists and arts organisations.

Key message: *participatory budgeting can bring a number of benefits for the arts, including:*

- *new funding opportunities*
- *better decision making*
- *public support and ownership of publicly funded arts*
- *raising the public profile of the arts*
- *educating people about the value of the arts*
- *helping art organisations get funding from elsewhere*
- *improving relationships between artists and communities.*

Better decisions

Some interviewees felt that participatory budgeting could generate better informed decisions, leading to outcomes that match the community's needs and interests as opposed to what funding officers and artists believe the community needs and wants. This has the potential to provide artists with a renewed focus on the beneficiaries of their work and could lead to arts projects and facilities which are held in higher esteem by the community, thus increasing the popularity of the artists and their ability to receive future support. In the words of one interviewee:

> *it means that you're choosing projects which are relevant to the area that you're wishing to work in so you're sort of increasing your local knowledge of what people want, what people are interested in, what excites them. By just involving more people in that decision-making process, you're getting more of an idea about the sorts of projects that are relevant.*
>
> Participatory budgeting organiser

[38] See for example Karin Gavelin et al (2007) and Stella Creasy et al *Engage for Change: the role of public engagement in climate change policy.* Involve: London
[39] Ibid.

Public support and ownership

Related to this, several interviewees argued that the participatory budgeting process can help generate public support and ownership of the projects that are funded. Some suggested that this has particular appeal in the context of publicly funded art, which is often vulnerable to public scrutiny and criticism.[40] Involving members of the local community in deciding which projects should be funded, perhaps even involving them in producing public works of arts as happened in some of the examples looked at in this study, can therefore be a way of building a sense of public ownership of the projects or artwork in question, thus pre-empting such criticisms:

> *Because the residents have been instrumental in its development and worked with the artist themselves, there's been less opposition to getting the thing through in the first place.*
>
> Participatory budgeting organiser

> *I think if it was seen as something that had been chosen by your local community and people had had a chance to be part of that decision, I think that would probably lead to a lot more support for the arts that were funded. And that's the benefit, I suppose, people feeling that they own what's produced. It's not just [something that has] turned up from the arts establishments or the council.*
>
> Participatory budgeting organiser

Raised public profile

Another benefit mentioned by interviewees was that participatory budgeting can help raise the public profile of local artists and arts organisations, bringing their work to the attention of the media, local council, funding organisations and local residents. In the words of two interviewees:

> *One of the main benefits is actually promotion of the activity itself. One of the things that have come out of a lot of the more localised small scale PB exercises is that people weren't aware of the range of activities that are out there and the organisations that are involved in creative industries [...] I think there's a lot of opportunity for picking up potential audiences or participants.*
>
> Participatory budgeting expert

> *Obviously if you get awarded, it's put in the press [...] your name is highlighted, your name is up there.*
>
> Arts professional

Help getting funding from elsewhere

Related to this, winning an award can also give artists and arts organisations a positive reference with which to demonstrate community support for their work. For some, participatory budgeting can turn out to be an invaluable help in securing grants from other funders, as these two quotes illustrate:

> *Community support is very important. We use it in funding applications – [to show] that the community has always supported it, they back it.*
>
> Local politician

> *Some of the arts projects that have been coming through, they wouldn't necessarily have got funding [...] but because it's come through the ward committee and they know they've got the residents' support it's been easier to get that money through.*
>
> Participatory budgeting organiser

It was also argued that going through a participatory budgeting process can help improve the fundraising capacity of small or new arts organisations. Many participatory budgeting organisers help bidders to develop their proposals and some interviewees suggested that even if projects were not successful on the day, by then their ideas were sufficiently developed to have an improved chance of receiving funds elsewhere.

Educating people about the arts

Some research participants felt that participatory budgeting can perform an educational function by opening people's eyes to the value of the arts, in terms of personal enjoyment and the social and educational benefits of the arts. This has potential implications beyond the individuals and projects involved in the exercise as it can contribute to raising wider public awareness of the role that the arts can play in strengthening communities. One interviewee said:

> *I think that some of the time the arts might be seen as quite a sort of soft issue and therefore not a priority for funding. You know, it's much more important to get the park bench fixed or make sure that the roads haven't got holes, but actually I think that [participatory budgeting] can sort of enlighten people as to the wider role really that the arts can play in society.*
>
> Local politician

As explored in the previous chapter, engagement with the arts is still deeply stratified, particularly by social class, and significant efforts are being devoted to encourage a broader range of people to enjoy the arts. Any attempt to raise public awareness of the arts through the medium of participatory budgeting is therefore likely to be a well-received contribution to this agenda.

Better relationships

Some research participants suggested that participatory budgeting can help artists and arts organisations connect with and better understand their audiences and the wider public. It was argued that one reason why some people feel that the arts are 'not for people like them' is that art is ultimately founded in personal and reflective activity, which can seem alienating for outsiders. Seen from this perspective, the face-to-face element of participatory budgeting, where artists present their ideas to local people in the hope of securing their support, can be a way of building links between local communities and artists and at best providing a mutual learning experience for both.

It should be acknowledged, however, that just as participatory budgeting could improve relationships between artists and local residents, so too could it lead to a deterioration of such relationships. This applies in any situation where one group is asked to pass judgement on another, in particular when that judgement has a financial value, which makes the situation susceptible to tension and feelings of injustice among those who lose out. Good support structures are therefore needed to ensure that the process runs smoothly and without conflict, and that those who are not successful are directed to other funding streams.

4.4 The arguments against

As these comments illustrate, many research participants were enthusiastic and intrigued by the benefits that involvement in participatory budgeting can bring arts practitioners. However, when the same people were asked what they thought of introducing participatory budgeting to mainstream arts funding structures, their responses became more cautious. One quote sums up the ambivalence felt by many:

I think it has a potential to be a positive thing, but I think it needs to be very well thought out and carried out because I think that voter has to be well informed [...] they can't just be: 'Oh, that sounds nice' [...] Sometimes that's what people do: 'Oh, this is cute, okay' [...] Rather than it actually being a well informed decision [...] So I think it could be positive but there is that danger of it just being wishy washy.

Arts professional

The following pages outline the main risks and disadvantages of introducing participatory budgeting to arts funding structures, based on the experiences and concerns expressed by the research participants. Many of these concerns were based on anecdotal evidence, guesswork and second-hand accounts where interviewees relayed what they believed other people would think or do, as illustrated by this quote:

I think, certainly not me, but there are professionals who have a huge amount of professional jealousy about their taste and, certainly in terms of art, their knowledge, experience and expertise where they feel that they're more qualified to make those decisions than the public [...] obviously a position not much shared by myself.

Participatory budgeting organiser

Hence it should be stressed that what follows are subjective beliefs based partly on interviewees' preconceptions about other people and they should not be read as conclusive research findings. However, these comments highlight the barriers to participatory budgeting seen through the eyes of the people who are most likely to be affected by it, and who therefore would most need to be convinced of its value should an attempt to introduce participatory budgeting to an arts funding context be made.

***Key risks and concerns**:*

- *the public lacks the skills and knowledge to make sound decisions about art funding*
- *participatory budgeting is undemocratic and susceptible to biased voting*
- *participatory budgeting is incompatible with innovation and risk taking in the arts*
- *the benefits of participatory budgeting do not justify cost and effort*
- *participatory budgeting tend to benefit only short-term projects and have no strategic impact.*

Some research participants felt that the general public, and particularly young people, would lack the skills, knowledge and experience to grasp the complex considerations that go into arts funding decisions. In the words of one interviewee:

I can quite understand that there is an argument that deciding where support should best go is not a beauty contest on that level and therefore you may need technical knowledge or professional experience or maybe it's best left to the experts.

Participatory budgeting expert

It was felt that inviting ordinary citizens to make decisions about arts funding could skew the outcomes in favour of more populist arts projects at the expense of quality, diversity and risk taking in the arts. There were also concerns that participatory budgeting could encourage a more prescriptive and instrumental approach to public art, where only projects with a broad public appeal or clear social or educational purpose would be commissioned:

I'm a very keen supporter of the arts, hugely. It's my passion but I'm also a bit of an elitist. I love very high quality art, by and large, and what always worries me about too much participatory funding on those sorts of things is do you drive out the new or do you make it even more difficult for the new than the slightly old?

Local politician

Some participants felt that participatory budgeting is a very prescriptive decision-making tool and believed that this makes it incompatible with the creative and highly self-reflective nature of practicing art. One interviewee illustrated this point with a story:

I was talking to an artist the other day and I said to them 'do you think you should take account the view of the audience?' and he went 'no, if I did that I wouldn't be being an artist' [...] I think that is probably true, I don't think that Shakespeare had focus groups, he had a vision and he kind of put it on and they liked it.

Arts officer (national)

Some interviewees were also concerned that participants in a participatory budgeting exercise are most likely to vote for eye-catching, one-off projects that will yield immediate results. It was felt that community grants pot events in particular are unlikely to have any strategic impact on the local arts sector, or provide the kind of long-term infrastructure support that would make a real difference for arts organisations:

People love to give things for a specific bit; they'll cough up money to provide disabled access or to do a specific job like art materials for the young people, but when you say 'what we want is the money to pay a part-time manager' they don't want to know. It's actually the long-term infrastructure needs that are difficult, finding the money for the rent, finding the money to pay somebody to manage a project [...] I think it's not sexy, infrastructure.

Arts professional

Another issue raised was that the public already plays a powerful role as audience members and consumers of art, which prompted some interviewees to feel that granting more power to citizens is not justified. It was argued that the main purpose of public funding for the arts should be to support excellence in the arts irrespective of its public appeal or commercial viability. To invite the general public to make decisions about how funds are allocated was seen as an infringement of this principle and a potential threat to the integrity of publicly funded art. In the words of one interviewee:

the market will always provide Mamma Mia and, you know, panto and that kind of thing, there's no need for public subsidy for that. There is need for public subsidy to put on difficult and challenging [work] and contemporary dance and new writing in the theatre on difficult and political subjects.

Now, the people that go, clearly their views are taken account of in a very absolute way every day at the box office [...] I am not convinced why involving them would make anything better.

Arts officer (national)

As this last quote illustrates, some participants felt strongly that participatory budgeting is essentially no more democratic or in other ways more valuable than the existing mode of decision making. Many participatory budgeting events are open to anybody who would like to take part and some interviewees felt that those who turn up to these events are not representative of the wider population, and so have no more right to be making these decisions than the elected members and public officers they are effectively replacing:

> *You get if you're lucky 350 replies. You get, if you're lucky, 35 people turn up to a budget meeting […] I'm very cynical about it, quite honestly […] very few people come along and have their say about this sum of money, and quite frankly, I don't know how representative they are, I really don't.*
>
> Local politician

It should be noted here that these issues can generally be mitigated by devoting time and resources to raising awareness about participatory budgeting within the community and supporting a wide range of people to take part.

Several interviewees also mentioned that participatory budgeting can be susceptible to biased voting because of local prejudice, community conflict or the dominance of particular interest groups at the voting event. Again, some saw this as a factor that undermines the notion that participatory budgeting offers a more democratic and inclusive way of allocating funding:

> *I think there was a clash of personalities with this person. The ideas that that person put in on behalf of his group [...] there were no issues there for them not to go through, but the group didn't vote them through [...] which was very difficult to explain to that person.*
>
> Arts officer (local)

Although those with experience of running participatory budgeting exercises were keen to point out that these risks can be mitigated with careful planning and organisation, some interviewees objected to the significant amounts of time and effort required to do the job well. They questioned whether the benefits of participatory budgeting justify the costs and were unconvinced about its advantages over other systems of allocating funds:

> *It's important to remember that participatory budgeting is about opening up the whole budget and upsetting, if you like, the framework that already exists.*
>
> Participatory budgeting expert

> *I would have to be convinced that it was better than what happens now.*
>
> Arts officer (national)

Again, it must be recognised that many other interviewees were highly enthusiastic about the value of participatory budgeting and did feel that the benefits outweighs the costs. It was also pointed out that the costs tend to reduce over time as the organisers and community members become more used to the process.

Given these concerns, however, many research participants felt that applying participatory budgeting to the arts would constitute a radical step that the arts funding sector may not yet be ready for. This included several participants who were supportive of public involvement in arts decision making in general but drew the line at participatory budgeting:

> *If the public make the decision about what outcomes they want for the arts and then there is a sort of certain level of officer involvement or expertise brought in about how that could be delivered, then that would be slightly different. So maybe it's again going back to a kind of participatory decision making as opposed to participatory budgeting.*
>
> Council officer

However, although the concerns listed above are all valid, it would be rash to cite them as reasons for not contemplating the use of participatory budgeting to allocate arts funding. Experiences from other policy fields show that most of the risks associated with public involvement can be shielded against by carefully planning the processes and including sufficient time for citizens and other stakeholders to engage with each other's perspectives before coming to an informed and considered view. Participatory budgeting is a flexible approach and there is no reason why it could not be successfully adapted to an arts funding context, provided that the barriers listed above are carefully considered and addressed.

Practical information on how arts organisations can use participatory budgeting as inspiration for running effective public involvement can be found in chapter 6.

5. The future

I think there are whole rafts of mainline budgets that the public can be trusted to allocate. I think it's really challenging and I think it's really frightening for paid professionals to contemplate that as an eventual sort of outcome but I also think that it's absolutely right.

Council officer

As explored in the previous chapters, participatory budgeting is on the national agenda and there is support across government for increased involvement of the community in public spending decisions. It is expected that the use of participatory budgets in local authorities will increase and that there will be a move away from small grants approaches toward more strategic and service-oriented budgets.[41] Given that local authorities are the second largest funder of the arts in England,[42] it is useful to start to consider what these developments might mean for the arts.

Local authority arts funding is discretionary: it is up to each local authority to decide how much money they invest in the arts and how that money is allocated.[43] Consequently, spending patterns and processes vary widely between authorities. Local authorities support the arts not just though direct funding of projects and facilities but also through the provision and maintenance of local arts infrastructures in the form of venues, events and support services. A significant proportion of local authority arts funding serves crosscutting agendas; for example 68% of arts services in England and Wales contribute to the development of community wellbeing, exclusion and promoting equality, and 70% support children and young people's services and education.[44]

This flexibility means that there is a lot of scope for innovation and change in local arts funding structures. In theory, at least, it could make them particularly suited to experimentation with different forms of public involvement, including participatory budgeting. However, the non-statutory nature of arts funding could also make the arts sector particularly vulnerable, both in economic terms (in the sense that arts budgets may be more affected by a recession[45]) and in terms of the long-term objectives and stability of the sector. The discretionary nature of local authority arts funding makes it difficult to build a clear picture of how much money local authorities spend on different artforms and, importantly, how funding decisions are made.

Some commentators see this as a rationale for encouraging more involvement of the public and other stakeholders in arts funding decisions.[46] Yet sceptics might argue that involving the public in decision making may not, in fact, improve transparency, but could instead further confuse this picture. As we have seen in the previous chapter, this research unveiled concern among some arts professionals that giving citizens the power to decide how money is spent could skew the objectives of publicly funded arts, giving more populist or community-focused arts projects an unfair advantage over others. Given the significant role that local authorities play in supporting arts infrastructures at the local and regional level, there were questions raised about how this infrastructure function and other, less 'sexy' endeavours would fare if subjected to a public vote. What, for instance, would be the impact on the Arts Council's portfolio of regularly funded organisations, which currently derives

[41] Anja Röcke (2008) *Participatory Budgeting in the UK: From the "Grassroots" to the National Agenda* PB Unit: Manchester

[42] The National Organisation of Local Authority Arts Officers (Nalgao) estimates that the total local authority arts service spend across England and Wales is £214,500,000 or just under £2.22 per head population. See Nalgao (2009) *Local Authority Budget Settlement Assessment Report 2008/9.* Nalgao: Ammanford. Available at: http://www.nalgao.org

[43] DCMS (2007) *A Guide to Arts Funding in England* DCMS: UK Government

[44] Nalgao (2009)

[45] According to Nalgao, 71% has seen a decline in arts spend over the past two years - although this is down from 75.9% in 2007/8. See Nalgao (2009).

[46] John Holden (2008)

over 10% of its funding from local authorities? Would facilities based in city centres be at a disadvantage if more and more decisions were made at the ward level? And how would more controversial, debate-provoking arts projects fare if their fate was decided on by popular vote?

These are valid questions. Certainly, no attempt to allocate local authority arts funds by participatory budgeting should take place without them being considered. However, it is important to look at these issues in context and remember that participatory budgeting in the UK is still very much a developing field. Its impact on the arts has been negligible to date and, depending on which direction it takes over the next few years, this may continue to be the case for some time. This is therefore a good time for the arts sector to start to become aware of participatory budgeting: to monitor developments, identify risk factors and, potentially, devote more efforts to building a profile for the arts within local strategic partnerships and other bodies involved in delivering on local area agreement targets.

On the following pages we set out four scenarios that illustrate possible future developments in participatory budgeting and how they may affect the arts. It should be noted that each of these hypothetical developments assume that participatory budgeting continues to thrive and grow in use in the UK. In reality, of course, there is no guarantee that this will happen. While it is the stated intention of the current government that all local authorities should be using participatory budgeting by 2012,[47] this may fall down the list of priorities as the economic and political climate changes. Equally, it is possible that the economic downturn makes participatory budgeting more relevant; as a tool for prioritising budgets when resources are scarce. It should also be noted that the four scenarios are not mutually exclusive – all four could happen in parallel.

We cannot forecast what will happen in the future but we can measure the attitudes towards participatory budgeting among stakeholders in arts funding and experts in the participatory budgeting field. Participants in this research were asked for their opinions, hopes and fears should the nature of participatory budgeting change and come to influence arts funding structures. What follows is our analysis of their responses, and it is important to acknowledge that these scenarios are based on the subjective thoughts and opinions of a select group of people. This reflects the scarcity of experience in the field. Many of these individuals only had experience of *either* participatory budgeting *or* arts funding; at this early stage in the development of participatory budgeting in the UK it is difficult to find individuals with significant experience of participatory budgeting in specific policy areas. Nonetheless, these are the people who are most likely to be involved in or affected by any future participatory budgeting in the arts, and who therefore will most need to be convinced of its value.

[47] Communities and Local Government (2008) *Giving more people a say in local spending: Participatory Budgeting, A National Strategy*

Future scenario 1: Small-grant participatory budgets continue to grow

In this scenario, the current model of participatory budgeting continues to grow, giving more and more people a say in how money is spent in their neighbourhood. There is great variation in how the budgets are run and what topics they are addressing, with the common theme being that the vast majority are small pots of money made available outside of mainstream budgets in the aim to improve local communities. This scenario is in line with the government's ambition that all local authorities should be using participatory budgeting in some form by 2012, as set out in the 2008 Communities in Control white paper[48].

It should be noted that some experts believe that this form of participatory budgeting is likely to decline in popularity in favour of more strategic budgets covering larger areas (see scenarios 2 and 3). One reason given for this is that the funds distributed in small grant budgets tend to be additional monies; they do not form part of mainstream budgets and so are more likely to dry up in a recession. Another reason is that the approach can be seen as tokenistic: the exercises do not challenge existing decision-making processes but merely allow people to 'play' at the fringes, spending small amounts of money on one-off projects.

Below we set out how this scenario would affect the local arts sector, what role the Arts Council could play in supporting the continued success of the arts in community grants pot participatory budgeting, and the main challenges associated with this scenario.

How may this scenario affect the arts sector?

Artists and arts organisations…

> …may find that participatory budgeting provides *more* funding opportunities for local artists, in particular for community-based projects.
>
> …may find that the participatory budgeting experience gives them new insights into the needs and interests of local communities, which can inspire future work.
>
> … may experience a raised profile in their community through their involvement in the participatory budgets.
>
> …may find that more people are willing to engage with and participate in projects that have received funding through a participatory budget.
>
> …may, if they are successful in a participatory budget, find that being able to demonstrate community support helps them in getting funding from elsewhere.

Arts officers in local and regional government…

> …may find an increase in public awareness of and interest in the arts as people learn about the projects that go through the participatory budgets.
>
> …may experience a greater appreciation among local residents, businesses and in the public sector of the role that the arts can play in strengthening communities.
>
> ...can collaborate with other local authority departments in promoting participatory budgeting events to the public by integrating music, dance and other artforms in the promotion and running of the events.

[48] Communities and Local Government (2008) *Communities in Control: real people, real power.*

Members of the public…

…may become more aware of different artforms and arts facilities available in their local area.

…may become more aware of how they and their community can benefit from involvement with the arts.

What role could the Arts Council play?

If the current model of participatory budgets continues to grow, the Arts Council could play a role in promoting the success of the arts in these activities by:

- raising awareness among artists and arts organisations of the funding opportunities that participatory budgeting offers
- promoting the social value of the arts to participatory budgeting organisers to ensure that arts proposals are not excluded at the vetting stage and, if appropriate, are actively encouraged to apply for funds
- advising artists and arts organisations on how they can maximise their chances of success in participatory budgeting exercises, getting to know the local communities, linking their work to topical agendas, working in partnership with local organisations and schools, and adapting their language and presentation to the audience
- encouraging local authorities to involve culture and leisure departments and the local arts community in the running and promotion of participatory budgeting events, in order to make them more engaging and attract more participants.

Key challenges

The key challenges of this scenario are that:

- promoting the arts in participatory budgeting may be hampered by the huge diversity in practice around the country and the often poor communication of participatory budgeting exercises beyond ward level, which can make it difficult to target effort where it is most needed
- the small grants pot approach to participatory budgeting is sometimes seen as tokenistic and cannot change the hand-to-mouth existence of many community arts organisations.

Future scenario 2: Participatory budgeting in strategic services

In this scenario, participatory budgeting is taken a step further, with strategic service budgets opened up to public vote. These budgets are larger and tend to cover a larger geographical area than the small grant pots described in scenario 1. The budget allocation process is also longer and may take a cyclical form similar to the Brazilian tradition of participatory budgeting. Budgets are explicitly public service oriented, sometimes linked to Local Area Agreement targets, and the main recipients of funds are traditional service providers. These are not new pots of money, but rather a reallocation of existing budgets. They are usually either mainstream service budgets which are simply opened up to public vote, or pots of money sourced from several existing budgets.

Some authorities around England are already experimenting with this form of participatory budgeting, such as Salford, which invited local residents to decide how its highways budget would be spent. Another example is Tower Hamlets, which is using £2.4 million of Area Based Grant funds devolved to Local Area Partnerships in 2009 for local people to decide how it should be spent based on Local Area Agreement priorities and targets for the area. The funds are not to be spent on grants for third sector organisations but rather to fund service provision in local areas.

Experts are predicting that this approach to participatory budgeting will become more popular, perhaps to the extent that it will overshadow the small grant approach over the next few years. Some commentators see these service-oriented processes as a more meaningful way of involving the public in spending decisions, as the sums involved are more substantial and the process is directly linked to public services and so can have a real impact on how people view and relate to their local area and public service provision. Another reason that service-oriented participatory budgeting may grow in popularity is that, contrary to small grant budgets, it deals with mainstream budgets that are unlikely to be removed. They may, however, be reduced, in which case participatory budgeting provides a tool for involving local people in prioritising the spending of scarce resources.

It should be acknowledged that this type of participatory budgeting requires greater training and capacity building around public budgets for local people, councillors and officers than the small grant approach. For it to function well requires significant time and resources to educate participants about public budgeting and to help public servants appreciate the value of public input.

How may this scenario affect the arts sector?

Artists and arts organisations…

> …are likely to find that because this form of participatory budgeting focuses on public services and primarily allocates funds to service providers; it offers fewer funding opportunities for small or one-off community-based arts projects than the small grant approach described in scenario 1.
>
> ...may find *more* funding opportunities for arts projects that can demonstrate a clear link to local service priorities.
>
> ...may find *fewer* funding opportunities if local people decide to cut arts budgets in favour of other public service budgets.
>
> …may improve their chances of gaining access to these funds by profiling their work within specific service areas or teaming up with established service providers to demonstrate how the arts can add value to other service areas.

...may find that some service areas, such as youth provision, community wellbeing or regeneration, lend themselves better to arts-related bids than others.

...may find that successful projects are provided with more longer term or strategic support, moving away from the 'hand to mouth' concerns of the community grants pot model.

Arts officers in local and regional government…

…may find that service-oriented participatory budgets can offer substantial new funding opportunities for arts organisations with an explicit link to local service targets and thus that they can serve an important role in promoting partnership working between arts organisations and local service providers.

…may find that the successful promotion of arts-related projects through participatory service budgets will make the local community, businesses and officers from other departments more appreciative of the role the arts can play in achieving social goals.

…can collaborate with the teams organising the participatory budgets by integrating arts and cultural activities in the promotion and running of the events in order to attract more interests and participation from the local community.

Members of the public…

…may, if arts organisations succeed in building a profile within these budgets, become more aware of the different art forms and arts facilities available in their local area and more conscious of how they and their community can benefit from involvement with the arts.

What role could the Arts Council play?

If participatory budgeting moves away from the small-grant approach to more service-oriented budgets, the Arts Council could help the arts community gain access to these funds by:

- supporting artists and arts organisations to build a profile within a public service context, including offering advice on how they work with public service providers in promoting projects that appeal to the public's vote

- promoting the social value of the arts to participatory budgeting organisers and service providers to encourage the inclusion of arts-related initiatives in the bids that are put forward for funding

- raising the profile of the arts and arts organisations in the wider public arena, so that people recognise the added value that the arts can provide in addressing local priorities.

Key challenges

Public service-oriented participatory budgets are *less* likely to provide funding for independent organisations than the small grants approach, unless those arts organisations can demonstrate that their work contributes to public service objectives. Key challenges in this scenario would therefore be:

- to help artists and arts organisations navigate this new funding territory by supporting them to profile their work within a service-oriented context

- to persuade participatory budgeting organisers and service providers about the value that arts organisations can add to public services, including how well-targeted arts initiatives can improve the public appeal of a service proposal and so increase its chances of winning the public's vote.

Future scenario 3: Participatory budgeting in local arts funding

This scenario is a variation on scenario 2, but concerns specific arts budgets. It explores what would happen if local authority arts budgets were opened up to public vote. Given the popularity of participatory budgeting and the non-statutory nature of arts funding, it is not inconceivable that over the coming years some local authorities will give their residents the power to decide how parts of the local arts budget is spent. This scenario explores how such experiments may affect the local arts sector.

How may this scenario affect the arts sector?

Artists and arts organisations…

> …may find that they need to develop a broader mandate and explicit local links in order to win local authority funds, to a greater extent than if funding decisions were made without public input.
>
> …may find that the local authority's priorities for the arts change as a result of the public's input. This could, for example, mean that controversial or conceptual arts projects fare less well than those art forms that have a broader public appeal or a clear benefit for local communities.
>
> …may, if they are successful in a participatory budget, experience a raised profile and greater public interest and involvement in their work.
>
> …may find that the participatory budgeting experience gives them new insights into the needs and interests of local communities, which can serve as inspiration for future work.
>
> …may, if they are successful in a participatory budget, find that being able to demonstrate community support helps them in getting funding from elsewhere.

Arts officers in local and regional government…

> …may be questioned and criticised if the public's involvement in arts funding decisions changes the outcomes for the local arts sector, or disproportionally affects particular sections of the sector.
>
> …may gain new insights into the priorities and interests of local communities, which can inform future policy agendas and workstreams.
>
> …may find an increased public profile of local artists and arts facilities, leading to greater public interest in and engagement with local art.
>
> …may experience a greater appreciation of the value of the arts among local residents, businesses and in the public sector.
>
> …may find that local communities become more appreciative of the value of public funding for the arts and the challenges inherent in budget allocation.

Members of the public…

> …may be more accepting and appreciative of artwork and arts facilities that have been funded through participatory budgeting exercises than other public art.

…may become more educated about the arts.

…may become more aware of different art forms and arts facilities available in their local area.

…may become more aware of how they and their community can benefit from involvement with the arts.

What role could the Arts Council play?

If participatory budgeting is used to allocate local authority arts funds, the Arts Council could support local authorities, artists and arts organisations to gain maximum benefit from these initiatives. They could do this by:

- advising artists and arts organisations on how to maximise their chances of success in participatory budgeting exercises, for example with tips on how to make the case for their work to public audiences, demonstrating understanding of the needs of the local area and local people, and adapting their language and presentation style to a lay audience

- helping artists and the wider arts community understand the benefits that they can derive from taking account of the public's views and priorities

- advising local authorities on when participatory budgeting may be a suitable tool to use and when it is not

- advising local authorities on how to build information, education and deliberation into their participatory budgeting activities to help the public participants make informed decisions.

Key challenges

Key challenges in this scenario are to:

- convince the wider arts community and arts policy community about the value of participatory budgeting

- ensure that participatory budgeting activities do not adversely affect the existing arts funding infrastructure and that it does not compromise the wider objectives of public funding for the arts

- construct participatory budgeting models that contain the right balance of information, education, deliberation and flexibility to ensure positive outcomes for citizens and the arts community

- ensure that no factions of the arts community, such as regularly funded organisations or less populist artists and arts organisations are disproportionally or adversely affected by the introduction of participatory budgeting tools in funding structures.

Future scenario 4: Participatory budgeting scaled up

This scenario explores what would happen if regional or national arts funding institutions introduced participatory budgeting methodologies into their own grant decision-making processes, inviting members of the public to vote on which project should receive funds. Experimentation with this type of process has already happened in the ITV and Big Lottery Fund's The People's Millions project, where the public was invited to vote on how a selection of Big Lottery grants were to be allocated.

How may this scenario affect the arts sector?

Artists and arts organisations…

> …may, if they are successful in this type of participatory budgeting initiative, experience a raised national profile and greater public interest and involvement in their work.
>
> …may find that the participatory budgeting experience gives them new insights into the interests and priorities of the wider British public, which can serve as an inspiration for future work.
>
> …may find that they need to develop a broader mandate and an explicit social purpose in order to win the public's vote.
>
> …may find that controversial or conceptual artforms are less likely to win the public's approval than those artforms that have a broader public appeal or an explicit benefit for wider society.

Art funding institutions…

> …may gain new insights into the priorities and interests of the wider British public, which can inform future policy agendas and workstreams.
>
> …may experience an increase in the public profile of and public engagement with the arts.
>
> …may experience greater public support for arts work and facilities that have been funded through participatory budgets.
>
> …may find that the public becomes more appreciative of the value of public funding for the arts and the challenges of allocating budgets fairly.
>
> …may be questioned and criticised if the public's involvement in arts funding decisions changes the outcomes for the arts sector.

Members of the public…

> …may become more educated about the arts.
>
> …may become more aware of different artforms and arts facilities available in their local area.
>
> …may become more aware of how they as individuals and wider society can benefit from involvement with the arts.

What role could the Arts Council play?

If this scenario was to come about, the Arts Council could play a lead role in ensuring that participatory budgeting methodologies are used wisely and innovatively in order to achieve maximum benefits for the arts community and wider society without compromising the wider objectives for publicly funded art. It could do this by:

- working with participatory budgeting experts to develop models of participatory budgeting that are suitable to a national decision-making context and that involve sufficient levels of information, education and deliberation to ensure that the public participants can make informed decisions

- advising other funding institutions on when participatory budgeting may be a suitable tool to use and when it is not

- educating arts professionals and policy makers about the value of participatory budgeting and helping them understand the benefits that they can derive from taking on board the public's views and priorities

- advising artists and arts organisations on how they can maximise their chances of success in participatory budgeting exercises, including by giving tips on how to make the case for their work to public audiences and demonstrating understanding of public value.

Key challenges

The key challenges of this scenario are to:

- convince the wider arts community and arts policy community about the value of participatory budgeting

- construct participatory budgeting models that work within a mixed economy context (where the Arts Council typically only part-fund any individual, activity or facility) to ensure that the outcomes decided on by the public are guaranteed and not subject to match funding

- ensure that participants are representative of the wider public

- ensure that the benefits of the exercises reach beyond those directly involved.

6. Practical lessons from participatory budgeting

As the previous chapters have shown, many of the participants in this research were sceptical about the value of introducing participatory budgeting to arts funding processes. They argued that the purpose of publicly funded arts should be to support excellence in the arts and to enable artistic activity that is of public value but may not be commercially viable. Some research participants expressed concern that giving members of the public the power to decide how arts funding is allocated would risk shifting the focus to more populist artists and projects and thus undermine the ability of arts organisations to produce excellent work.

Despite these apprehensions, the research participants were overwhelmingly supportive of the notion that the public should have a role to play in arts decision making. It was felt that although strict participatory budgeting may be difficult to adapt to the particular context of arts funding, there are other ways in which the public could play a part. For example, it was widely argued that members of the public could be more involved in informing the strategic direction of arts funding organisations by helping them understand their values and priorities. It was also felt that the face-to-face element of participatory budgeting events, with citizens, policy makers and bidders coming together to learn about their ideas and priorities, is a highly powerful mechanism for building relationships and supporting learning between people from different backgrounds and sectors. In the context of the arts, supporting more such interactions between artists, arts officers and ordinary citizens could be of great benefit to all involved.

These arguments correspond with the Arts Council's own research, as discussed in chapter 3, which suggests that more voices should be included in arts decision making but in ways which do not infringe on the arts' ability to provoke and innovate.[49] A key message from this research is that the Arts Council and other arts funding institutions could benefit from looking to participatory budgeting as an inspiration for inventing and piloting new ways of involving members of the public in decision making and agenda setting. This is not to say that participatory budgeting could not be adapted to suit an arts funding context; it is a flexible approach and can be adapted to suit a range of situations and policy areas. However, if participatory budgeting is in the first instance used as an *inspiration* for public involvement in the arts, it could encourage new and innovative ways of channelling the public's views on national level arts decision making, while avoiding the pitfalls and risks of giving members of the public a final say over funding decisions. In this context, the Arts Council could lead the way by capturing the learning from a wide range of policy fields and public engagement practices and piloting new approaches to public involvement in arts decision making at the national, regional and local level.

This section will outline some of the transferable lessons from participatory budgeting that will be relevant to policy makers and practitioners conducting such experiments. It is not intended as a comprehensive guide, but rather a selection of the advice highlighted in the research. For more detailed guidance on participatory budgeting we recommend the PB Unit's Toolkit,[50] and for a more comprehensive introduction to public involvement in decision making we recommend Involve's key texts on this subject: *People and participation*,[51] *Deliberative public engagement – nine principles*[52] and *Making a difference – evaluating public participation in national government*.[53]

[49] Creative Research (2007)
[50] www.participatorybudgeting.org.uk/toolkit
[51] Involve (2005) *People and participation* Involve: London
[52] Involve and National Consumer Council (2008)
[53] Diane Warburton et al (2007) *Making a difference – Evaluating Public Participation in National Government.* DCA: London

Support the people involved

In participatory budgeting, as in any effective public involvement process, it is imperative to ensure that the people involved have the support and information they need to play their part in the process. This means identifying the key stakeholder groups and considering what their needs might be. The precise nature of the support needs will vary between groups and situations, but the list below sets out some examples that are useful to keep in mind as a starting point.

Art professionals may need convincing of the value of members of the public being involved and advice on how to present their work to them.

Members of the public may need information about how arts policy making and arts funding works, and the role and purpose of the organisation that has initiated the exercise, and support to build confidence to join in the discussions. They may also need logistical support to be able to attend the events physically, such as provision of disabled access, travel expenses, translators and childcare.

Officials and elected members may require persuading of the value of the public's involvement and training in listening so they build confidence in handing over responsibility to the public.

All groups will need clear information about the purpose of the exercise, what is expected of them and what will happen with the findings afterwards.

This capacity building element can happen in different ways; it can target each group individually or be built into the engagement process as part of a collective learning experience. One interviewee described seeing such a learning process unfold:

> *What worked well was when you had informed individuals, artists and arts development workers working with them, listening to and engaging with a constant group of people, so it's not a case of just pulling somebody off the street, but it's about going on a journey together and bringing in more people around that. I think the keys to the longer term success was that it was about getting experts [not in a] patronising way, getting a group of people in and growing together.*
>
> Arts officer (national)

Allow time for learning and discussion

Many participatory budgeting exercises take place in a single event, where a long line of bidders present their project ideas and the participants cast their vote, all within the space of a few hours. These can make for fast-moving, lively events; people involved in participatory budgeting often speak of the 'great energy in the room'[54] as the process builds up towards the final announcement of the winners. However, because in these processes participants have to take in a lot of information and make a large number of decisions in a short space of time, the risks are that they will become prone to fatigue, waning interest and knee-jerk voting. This is one of the arguments against using participatory budgeting in the arts: some interviewees felt that to make sound decisions about arts funding and policy, participants would require more time to learn about the subjects than the community grants pot model allows. The more long-term participatory budgeting processes that are favoured in Brazil and elsewhere, and which are now beginning to be used in the UK, allow more time for learning and discussion and so are arguably less susceptible to these problems.

[54] See for example the video *Participatory Budgeting in the UK: the story so far*, available at www.participatorybudgeting.org.uk

Hence, when dealing with a complex policy area or decision-making structure, time for learning and deliberation is crucial. Giving participants the opportunity to think and discuss before casting their judgement can help reduce knee-jerk reactions and bias. This can be achieved by providing accessible information to participants before and throughout the process, devoting a substantial part of the exercise to facilitated discussions between participants and by running reconvened events, thus allowing participants to go away and think about what they have learnt before returning, discussing the topic again and finally coming to a considered view.[55]

Invest staff time and resources

Although the pots of money made available in participatory budgets in the UK have as yet been relatively small, the amount of officer time, money and other resources going into the preparation, promotion and running of the events have been considerable. This is not unusual: good public involvement takes time and costs money. This is particularly true if, as in participatory budgeting, the process involves interactions between decision makers, service providers and citizens as opposed to being run by external consultants at arm's length from the decision-making institution.

Lessons from other policy fields[56] have shown that the public involvement processes with most impact are those where decision makers and service providers are directly involved in the exercises, sitting down with participants and hearing first hand their ideas and concerns. In participatory budgeting, the presence of decision makers in the process not only helps by giving them insights into the communities' concerns, but can also raise the profile of participatory budgeting and encourage the use of this technique in other areas, budgets and situations. Involve's past research has shown that it is only by personally experiencing these interactions that decision makers can fully appreciate the richness of discussions and the value of the participants' insights, in a way that a consultation report or a list of recommendations simply cannot convey[57].

For many institutions this requires a culture shift away from seeing public involvement as something conducted by dedicated communications teams or external consultants and making it an integral part of the job description for policy makers at all levels.

Measure and communicate outcomes

One of the things that make participatory budgeting popular among those who take part is its instantaneous nature. Participants are not only involved in making a decision, they also get to see the funding being awarded and may even be able to follow the work of the winning projects in their community afterwards. This can be a rewarding and inspiring experience, leaving those involved with a feeling that their contribution really made a difference.

In other forms of public involvement, keeping participants informed of the outcomes is not always as easy. And yet this is one of the most important aspects of any involvement process. Providing feedback to participants helps them feel that their contribution is valued, ensures that they understand why some recommendations are taken forward and others are not, and increases the likelihood that they will be willing to take part in a similar initiative again. Evaluating and measuring outcomes is also a useful way for the institution to ensure that they keep track of the achievements of their public involvement work and capture lessons for future projects.

[55] Involve and National Consumer Council (2008)
[56] Karin Gavelin et al (2007) and Stella Creasy et al (2007)
[57] Ibid.

It is vital, therefore, that evaluation and feedback are planned into the public involvement process from the outset to ensure that sufficient time and resources are set aside for completing these important tasks.[58]

'Horses for courses'

A key message from the research is that public involvement works best when the process is tailored to the context and purpose of the individual situation. Participatory budgeting in its current form is as much a community building exercise as a budget allocation tool; it is a method created specifically for working with local communities to address local needs. This is not to say that participatory budgeting methodologies cannot be adapted to other contexts; indeed, experiments in national level participatory budgeting have already taken place, for example in the Big Lottery Fund's The People's Millions project. However, it is clear that participatory budgeting is not suitable for all situations and that when it is used in contexts other than local public sector, significant care and consideration must go into making it fit for purpose. This is an important point in all public involvement. All too often, officials – constrained by a lack of time, resources or imagination – recycle the engagement methods that they have used in the past without sufficiently considering whether they are really the best option in the new situation. This is often a false economy and may at worst lead to ineffectual public involvement processes and a waste of time for all involved. In good public involvement, the choice of method is always guided by the purpose of the exercise, the people involved and the level of complexity of the topic.

The following formula[59] is useful for keeping in mind the different elements of a successful public involvement exercise:

This is the key message for any participation process, that the purpose, context and audience are carefully considered in the design and delivery of the activity. Participatory budgeting is not intended to be a one-size-fits-all model; indeed the process varies greatly from country to country and region to region, depending on the needs of the community. The following chapter will conclude on the findings of this research and where this leaves us in terms of how best to make use of participatory budgeting in the arts.

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[58] Diane Warburton et al (2007)
[59] Involve and National Consumer Council (2008)

7. Conclusion

This report has explored the impact of participatory budgeting on the arts, a topic that is still in its infancy. The awareness of participatory budgeting in the arts sector is low and those arts organisations that have won funds through these processes have primarily been small, local operators with an explicitly community-focused or educational remit. This type of arts organisation has tended to fare well in participatory budgeting: they are seen as offering creative and innovative solutions to local issues and are good at capturing the imagination of the voting audience. Hence, for local, community-focused arts organisations, participatory budgeting can offer new funding sources and audiences for projects that may otherwise struggle. Beyond this group, however, there has been very little, if any, overlap between participatory budgeting and the arts world to date.

This may not remain the case for very long. Participatory budgeting is still new to the UK, and after a few years of experimentation at the community level it is now undergoing a period of growth and change, spurred on by support from central government. It is possible that over the coming years the small-grant, community-level type of process on which this study has focused will decline in popularity in favour of larger and more service-oriented participatory budgets. If this happens it could have a significant impact on local authority arts funding structures. Given that local authorities are the second largest funder of the arts in the UK and that their arts spending is discretionary, a growth in participatory budgeting could result in both new opportunities and new uncertainties for the arts sector. For arts organisations that are able to profile themselves within a public service context, it could offer substantial new funding opportunities, in particular if they partner with established service providers. But it could also make the arts sector more vulnerable, in particular if the arts were pitched against other funding priorities in a context of reduced public spending. Another scenario could see specific arts budgets opened up to public vote, in which case great care would need to be taken to ensure that a balance is struck between giving citizens what they want and protecting the integrity and freedom of arts practitioners.

Some of those interviewed in this research were concerned that these developments could pose a threat to the integrity of the arts. It was felt that too much emphasis on public voice could lead to populist and 'safe' artforms being favoured over more innovative, challenging and unusual projects. It was also pointed out that, irrespective of the fate of participatory budgeting per se, the growing emphasis on public involvement could contribute to a culture change in the arts, whereby artists and arts organisations would be expected to demonstrate a broader mandate and appeal in order to compete for public funds in the future.

Although people were cautious about the role of participatory budgeting in the arts, many were also intrigued by it. Participatory budgeting can be an exciting, vibrant process, and many of those interviewed spoke enthusiastically of how it inspires people, brings communities together and makes citizens feel that they make a difference. For some, participatory budgeting appeals because it constitutes a real shift in power from institutions to citizens. It is public involvement in its most radical form and, unlike many other types of engagement it has genuine potential to change outcomes and transform the way decisions are made. For arts organisations that plan to involve the public more, participatory budgeting can offer many useful lessons: about the value of introducing new perspectives to traditionally closed governance structures, the ability of citizens to engage with complex decisions and the role that these processes can play in raising public awareness about the value of the arts. On a purely practical level, participatory budgeting exercises also offer lessons about how to run involvement processes in energetic and inspiring ways, and so can serve as inspiration for arts organisations in their own public involvement work. An example is the way that some participatory budgeting organisers use artistic activities as a means of drawing people in and making the process more engaging. If participatory budgeting continues to be used in the UK it is feasible that this function could become more important, with local authority leisure departments playing a more significant role in the promotion and running of the activities in the future.

In conclusion, this report argues that the arts sector should take note of participatory budgeting for two reasons: as a source of learning for arts organisations seeking to carry out their own public involvement work, and as a new, important phenomenon that may have a significant impact on how arts funding is distributed in the future. At the time of writing, it is difficult to predict what the nature and extent of this impact will be. Despite the government's current commitment to participatory budgeting there is no guarantee that its use will continue to increase as the economic and political climate changes. And if it does continue to grow in popularity, its impact on the arts will depend on a number of uncertain variables, including the direction it takes and on how proactively a positive outcome for the arts is sought within this agenda.

Although the findings presented in this report are by necessity inconclusive, this is a good time for the arts sector to start to take notice of and monitor developments in participatory budgeting. By keeping abreast of new developments the sector can ensure that, should participatory budgeting come to have a more direct influence on arts funding in the future, it will be able to deal proactively with any challenges and opportunities this presents. In this context the Arts Council could play an important role by supporting the arts sector to make the most of the opportunities offered by these processes and by raising awareness among public officials, citizens and service providers of the social value of the arts in order to promote the sector's success in participatory budgeting.

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Appendix 2: Methodology

Aims

This research aimed to provide insight into the effect that participatory budgeting is having on the arts today and in the future, and how, if at all, participatory budgeting can enhance the Arts Council's ability to understand the views of artists, arts professionals, audiences and others, and ensure that it spends its funds effectively.

The research sought to understand:

1. how many participatory budgeting pilots have included decisions about arts and/or culture
2. the level of success arts and culture projects have had in securing funding within relevant pilots
3. the reasons for this success or failure
4. the current impact participatory budgeting pilots have had on local authority arts spending
5. how participatory budgeting might affect local authority arts spending in the future
6. what factors make participatory budgeting pilots successful and transferable
7. what factors might mitigate against the success of participatory budgeting and how these might be avoided.

Method

The research used a mixed methodology to exploring these issues, but the bulk of the information was gathered through 30 semi-structured interviews with citizens, public servants, arts professionals and academics. The research team drew out individuals' reflection on the issues through qualitative interviews based on the interviewees' perspectives and experiences. This research also drew on a literature review and a deliberative workshop event with 15 delegates, including arts professionals, private consultants, arts officers from public institutions and third sector professionals.

Sampling

The sampling method for the interviews and workshop was non-random. The target population for the study was individuals who had personal experience of participatory budgeting and/or arts funding. In the first instance, the research team used seven participatory budgeting projects as access points, using a snowball technique to identify interviewees who had been involved in these processes. The seven projects were selected on the basis that arts-related projects had been funded through their participatory budgeting events. They were identified through a call for expressions of interest from the PB Unit to the 34 officially recognised participatory budgeting pilots and a survey carried out by SQW Consulting, the official evaluator of the participatory budgeting pilots.

A number of people responded that they had funded arts projects through their participatory budgeting activities and expressed an interest in taking part in the research. Of these, contacts in ten areas were approached; seven were available for interviews, which were held in:

1. York
2. Newcastle (Denton)
3. Newcastle (Walkergate)
4. Manchester (Fallowfields)
5. Lewisham
6. St Helens
7. Manchester (Cheetham).

Interviewees were linked to these cases of participatory budgeting either as participants, arts professionals bidding for funds, arts officers, participatory budgeting organisers or politicians. In some of these areas it was only possible to speak to one or two interviewees; in others the number of interviews snowballed to six or seven. In total, 23 interviewees were identified in this way.

With the exception of York, all these areas used community grants pot approaches to participatory budgeting. Despite this the processes were quite varied in terms of how the events were run and the amount of money available (the budgets ranged from £6000 to 500,000). Allocation procedures also varied: in some places councillors had the final say after the participants voted; elsewhere the public participants were in control of everything from the choice of topic to shortlisting and the final vote. Some processes gave voting privileges to the whole of the community whereas others were only open to those community members who had submitted a bid.

In addition to the interviewees identified through the participatory budgeting areas the researchers also interviewed seven other individuals from academia, national funding bodies and third sector organisations, again using a snowball approach to identify suitable interviewees.

Analysis

A thematic analysis was applied to the literature, interview and workshop data. Thematic analysis involves annotating line by line each of the interviews and notes from the exercises; the research team then coded the data more broadly, grouping information by theme. NVivo software was used throughout this process to organise the qualitative data.