Report to Community and Protective Services Committee

To: **Chair and Members**
  Community and Protective Services Committee

From: **Cheryl Smith, Deputy City Manager, Neighbourhood and Community-Wide Services**

Subject: **Neighbourhood Decision Making Program Fairness and Equity Review**

Date: **June 13, 2023**

Recommendation

That on the recommendation of the Deputy City Manager, Neighbourhood and Community-Wide Services, the report dated June 13, 2023, titled "Neighbourhood Decision Making Program Fairness and Equity Review" **BE RECEIVED** for information.

Executive Summary

This report provides an overview of the Neighbourhood Decision Making (NDM) Program, the findings from a Fairness and Equity Assessment undertaken by HealthyWay Consulting, and program updates based on the Fairness and Equity Assessment and Value for Money Audit completed in February 2023. The Fairness and Equity Assessment involved a comparison of socioeconomic status measures with the distribution of NDM projects and voting patterns over time. Findings showed that overall, the program is fair and equal in terms of ideas submitted, and budget distribution across the City. Findings did however suggest that voting rates and the number of winning ideas could be improved in some areas of the city.

Linkage to the Corporate Strategic Plan

The Neighbourhood Decision Making Program is aligned with the strategic area of focus Wellbeing and Safety, as presented in the City of London Strategic Plan 2023-2027.
- Outcome: London has safe, vibrant, and healthy neighbourhoods and communities.
- Expected Result: Londoners have a strong sense of belonging and sense of place.
- Strategy: Create meaningful opportunities for all Londoner to contribute to the health and vibrancy of their neighbourhoods, including through resident-led decision-making opportunities.

Analysis

1.0 Background Information

1.1   Previous Reports Related to this Matter
- [Neighbourhood Decision Making Program Value for Money (Vfm) Audit, Audit Committee (February 15, 2023)](#)
- [London Strengthening Neighbourhoods Strategy: Neighbourhood Decision Making Program (June 17, 2019)](#)
- [London Strengthening Neighbourhoods Strategy 2017-2020, Implementation of New Initiatives (June 20, 2017)](#)
- [London Strengthening Neighbourhoods Strategy 2017-2020 (May 24, 2017)](#)
- [London Strengthening Neighbourhoods Strategy 2017-2020, Community Engagement Plan (April 26, 2016)](#)

1.2   The Neighbourhood Decision Making Program Overview

Neighbourhood Decision Making is a participatory budgeting program that was piloted in two London neighbourhoods in 2016 then launched city-wide in 2017. The program provides an opportunity for community members to directly decide how to spend a portion of the municipal budget in their neighbourhoods on an annual basis.

The purpose of NDM is to engage, empower, and connect residents, by bringing neighbours together around community-driven projects that enhance and strengthen their neighbourhoods. The program provides opportunities for community members to participate in their neighbourhoods, learn about how municipal government works, and to make decisions that directly impact their lives. It provides opportunities for the City to learn about what people want in their neighbourhoods, work collaboratively across service areas to assess and implement ideas, and to support community members through a defined and consistent process.

Londoners of all ages can propose and vote on ideas in their neighbourhoods. The city is divided into five geographic areas based on population, consideration of major road, rail and river arteries, Neighbourhood Association boundaries, and resident identified neighbourhood boundaries. There is $50,000 available per area annually and each idea can be submitted for projects up to $30,000. Once submitted, ideas are vetted, and if feasible, added to a ballot for a public vote. Civic Administration then works with residents to implement the winning ideas.

Since 2017, the NDM program has run for five cycles, engaged over 30,000 individuals, and invested $1.25 million in close to 100 neighbourhood projects. A summary of results is included below.

Year	Ideas Submitted	Ideas on Ballots	Individuals Who Voted	Total Votes	Successful Projects
2017	314	149	4,900	11,480	14
2018	226	143	7,114	12,281	17
2019	216	104	10,852	20,691	20
2020	Cancelled Due to Pandemic	Cancelled Due to Pandemic	Cancelled Due to Pandemic	Cancelled Due to Pandemic	Cancelled Due to Pandemic
2021	230	86	4,750	10,396	18
2022	230	78	4,187	9,944	24
Total	**1,216**	**560**	**31,803**	**64,732**	**93**

1.3 Value for Money Audit

On March 7, 2023, a Neighbourhood Decision Making Program Value for Money Audit was approved by Municipal Council. The report outlined opportunities for improvement including a review of the NDM Guiding Principles, as well as the development of a comprehensive evaluation framework to track the effectiveness of implemented ideas/projects. Several actions approved in the Value for Money Audit align to the program updates in this report. Areas of alignment are noted to provide a comprehensive explanation of the program changes.

The purpose of this report is to provide an overview of the Fairness and Equity Assessment including the method, results, and analysis. In addition, this report outlines program enhancements based on the Fairness and Equity Assessment and Value for Money Audit, options considered, and next steps.

2.0 Discussion and Considerations

2.1 Fairness and Equity Assessment Method

The method used to assess fairness and equity involved comparing socioeconomic status measures with the distribution of projects and voting patterns over time.

The socioeconomic status of a neighbourhood was determined using the Social Risk Index (SRI). The SRI is comprised of nine indicators[a] that when combined show the socioeconomic framework of a geographic area. This comparison evaluates if socioeconomic status has advantaged some neighbourhoods over others in terms of voting patterns and projects.

Analyses Performed:
- Spatial clustering of hot and cold spots of participation
- Regression analysis of participation versus social risk
- Regression analysis of number and dollar value compared to social risk for park and trail ideas
- Regression analysis of number and dollar value compared to social risk for ideas on school property

2.2 Fairness and Equity Assessment Results

Overall, the program has been fair and equal. There are different areas of high participation (hot spots) and low participation (cold spots) year over year as expected when different ideas are submitted in different locations across neighbourhoods. Funding for winning projects have been spread equally across the city over the five cycles of the program.

There were no inequalities found when comparing ideas submitted and SRI. Areas of higher social risk did not submit less ideas than areas with low social risk. However, there were some inequalities found relating to number of votes and number of winning ideas. According to the assessment, areas of higher social risk were less likely to vote or to have a winning idea.

Summary of key findings:
- Idea submission is fair and equal across the city.
- Areas of higher social risk have lower voting rates.
- Areas of higher social risk have lower number of winning ideas.
- The winning idea funding provided to high social risk areas of the city is equal to the winning idea funding provided to low social risk areas.
- Winning ideas (and submission of ideas) for school-based projects and park and trail-based projects are equal regardless of the social risk of an area.

For detailed results, please see Appendix A.

2.3 Fairness and Equity Analysis

The Canadian Centre for Diversity and Inclusion define equality as a state where everyone is treated the same regardless of individual diversity and needs; while equity is a state where everyone is treated according to their diverse needs in a way that enables all people to participate, perform, and engage to the same extent.

The results of this evaluation show that the program is both fair and equal across the city in the ideas being submitted, distribution of funding, school-based projects, and park-based projects. In contrast, the voting rates and number of winning ideas are higher in areas of low social risk presumably due to higher community engagement in those areas.

The program is designed to support equality in community engagement and budget allocation. This is accomplished by supporting Londoners in all neighbourhoods to participate through a number of engagement tactics including enhanced focus in areas with low participation. In addition, the program distributes equal budget amounts to each area, ensuring equality in investment across the five geographic areas. In general,

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[a] Social Risk Index indicators: % of population one year and over who moved in the previous year, % of the population who do not speak one of the official languages, % of the population living under the low income measure-after tax, % of the population who immigrated to Canada between 2006-2016, % of income from Government Transfer Payments, % of families led by a lone parent, % of the population unemployed, % of the population without a high school diploma, % of household who own their own home.

these objectives are being met. In order to improve equity, this report suggests refocusing engagement efforts to increase participation in areas of high social risk in addition to areas with low participation.

2.4 Program Enhancements

The following section outlines program updates that will be implemented. It is noted when an update aligns to both the Value for Money Audit and the Fairness and Equity Assessment.

1. Update the NDM guidelines to improve equity and consistent decision making.
    o Add the following guiding principle to support equity (based on Fairness and Equity Assessment):
        o program implementation will be equitable based on the characteristics of neighbourhoods, its residents, and the goal of becoming a strong neighbourhood.
    o Clarify idea submitter compensation and eligibility by adding the following (based on Value for Money Audit):
        o ideas can be submitted by London residents and resident-led groups;
        o residents cannot submit ideas in their professional capacity and ideas should not benefit or be perceived as benefiting any particular business or organization but the neighbourhood as a whole; and,
        o ideas should not fund staff positions or reimburse idea submitters for their time and involvement.
    o Clarify ideas on private property through the following addition (based on Value for Money Audit):
        o ideas should occur within the city limits and be on public land that is accessible. Note an exception may be considered in cases where public land is not available, and the project is completely and totally accessible to the general public. For example, a mural on the exterior wall of a building on private property.
    o Align to Council's strategic priorities including addition of the following (based on Fairness and Equity Assessment):
        o encourage equity, diversity, and inclusion; and,
        o protect neighbourhoods and communities from climate change.
2. Enhance community engagement efforts to focus on equity. For example, engagement should focus on areas with high social risk in addition to areas with low participation (based on Fairness and Equity Assessment).
3. Strengthen the feasibility process to clarify when an idea would be suitable to be implemented on public property such as a school. This would involve collaborating with the school boards to develop equity and needs-based evaluation criteria for school-based projects (Fairness and Equity Assessment and Value for Money Audit).
4. Develop a comprehensive program evaluation framework. The framework will include:
    o Improvements to data collection including additional demographic data from program participants to inform future engagement and planning (Fairness and Equity Assessment).
    o Quantitative and qualitative measures to help determine if desired outcomes have been accomplished (Value for Money Audit).

To view the complete Neighbourhood Decision Making Guidelines please see Appendix B.

2.5 Additional Options Considered

Two additional program updates to improve equity have been considered but are not recommended at this time.

1. Re-establish program boundaries (see Appendix A, Figure 3) to create boundaries that group areas of the city based on similar levels of social risk. This would involve grouping large populations of low levels of social risk and small populations of high levels of social risk. This would allow size weighting within each boundary to naturally increase funding to communities with higher risk populations.

    Rationale: Boundaries are well established, and changes could lead to confusion and mistakes in voting. Additional data collection is needed to help inform future planning and boundary reviews.

2. Create a needs assessment, where resident-led steering committees would be struck to assess the need of each idea to the area of the city. Only projects that are deemed as needed would move on to the community vote. This could increase equity in the program by prioritizing ideas based on community need.

    Rationale: This change would remove some of the democratic process from the NDM program and does not align to the program's guiding principle that residents know what's best for their neighbourhoods and will support what they create.

The two options above would require additional operational funding to implement. Should Council wish to pursue either option, this report recommends it be considered through the 2024 – 2027 Multi-Year Budget process for future implementation.

2.6 Next Steps

The idea submission phase for the NDM program will launch in August 2023 including implementation of the program updates included in this report. Additional actions included in the Value for Money Audit Action Plan that did not directly align to the program enhancements in this report will be implemented according to the approved timeline presented in the Internal Audit Report.

3.0 Financial Impact/Considerations

Annual funding to support the Neighbourhood Decision Making Program exists in the Neighbourhood and Community-Wide Services budget. Through the 2020 – 2023 Multi-Year budget process, $250,000 was allocated to this program annually.

During the 2023 Budget Update, Council directed Civic Administration to bring forward a business case through the 2024 – 2027 Multi-Year Budget process to increase the base funding of the program.

Conclusion

The NDM program has done a good job of meeting the guiding principles of having all neighbourhoods participating in the program equally. There is some further work that can be done to ensure that high social risk areas are participating fully and that the program is grounded in equity, diversity, and inclusion.

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Submitted by: **Kristen Pawelec, Director, Community Development and Grants**

Recommended by: **Cheryl Smith, Deputy City Manager, Neighbourhood and Community-Wide Services**

Fairness and Equity Assessment completed by HealthyWay Consulting (2023)

Purpose: Assess the fairness and equity of the NDM program participation

Analyses Performed:
1. Spatial clustering that maps hot and cold spots of participation.
2. Regression analysis of participation versus social risk.
3. Park and Trail ideas. Regression analysis of number and dollar value compared to social risk.
4. Schools Ideas. Regression analysis of number and dollar value compared to social risk.

Analysis 1: Spatial Clustering to Measure Equality of Program Participation

A statistical exercise called Hot Spot Analysis (Getis-Ord Gi*) was used to determine spatial clustering of participation of submissions, voting rates, winning ideas, and winning budget. The results were mapped as hot and cold spots using Statistics Canada dissemination areas, see Figure 1 below. A dissemination area is a small, relatively stable geographic unit with an average population of 400 to 700 persons. It is the smallest standard geographic area for which all census data are disseminated.

Findings:
- There are different cold and hot spots for idea submissions and voting every year as expected when different ideas are submitted in different locations across neighbourhoods.
- Winning budgets have been spread equally across the city over the 5 cycles of the program. No areas have received more or less budget than other areas.

See Figure 1 at the end of Appendix A

Analysis 2: Regression Analysis to Measure Equity of Program Participation

Analyses of variance (ANOV) and regression analyses were performed to determine if there was a relationship between social risk and participation (idea submission, voting, number and dollar value of winning ideas). Social Risk is a cumulative measure of risk factors using Census of Canada data on: mobility, language, low income, recent immigration, income from Government transfer payments, lone parent families, unemployment, education, and home ownership. A total social risk index score was calculated for each dissemination area with a range from 0 to 9 with highest values representing the most vulnerable neighbourhoods.

Findings:

- Idea Submission: No significant relationship between idea submission and social risk index. (*2017-2022.* b = -0.846; p = 0.070)
- Vote Rates: An increase in social risk index score leads to a 1.416% decrease in vote rates in 2021 (b = -1.416; p = <0.001). An increase in the social risk index results in a 0.843% decrease in vote rate in 2022 (b = -0.843; p = <0.001)
- Winning Ideas: An increase in the social risk index decreases the number of winning ideas by 0.195 projects *2017-2022.* b = -0.195; p = 0.020

- Winning Idea Budget: No significant relationship between social risk index and winning idea budget. *2017-2022.* b = -2,834.70; p = 0.064

Future cycles of the program should target engagement in high social risk areas in order to increase participation in the program. In order to better assess equity collection of additional demographic data from program participants should be undertaken as part of the submitter and voter exit surveys.

Analysis 3: Park and Trail Idea Equality and Equity Analysis

A regression analysis was performed to determine if there was a relationship between social risk and the location of park and trail ideas (idea submission, voting, number and dollar value of winning ideas).

Findings:
- 44.2% of all ideas are for parks and trails, with 26.3% of the winning ideas in that category.
- 35.4% of the budget have been spent on park and trail ideas, totalling nearly $450,000.
- There are more park and trail ideas than any other category of ideas submitted, and they win the largest share of the total budget.
- Submitted park and trail ideas and winning park and trail projects are equally and equitably distributed across the city regardless of social risk.

Analysis 4: School Ideas Equality and Equity Analysis

A series of data analyses was completed for schools to determine if there was any relationship between the schools that submitted ideas and won and social risk index. Independent difference in means test was used to compare variables at the school level.

Findings:
- 31 school ideas submitted:
  - 27 at Elementary Schools and 4 at Secondary Schools
  - 26 at Thames Valley District School Board Schools (83.9%)
  - 5 at London District Catholic School Board Schools (16.1%)
- 10 school ideas have won:
  - 8 Thames Valley District School Board Schools won a total of $215,800.
  - 2 London District Catholic School Board Schools won a total of $60,000.
- There is equal and equitable participation in school-based projects based on social risk.
- There have been school projects in both high and low social risk neighbourhoods. There is no relationship between school ideas submitted, winning ideas, or voting and social risk index.
- Schools have received 25% of the total funds over the 5 years of the program which is less than the parks and trails projects that received 35% of all funds.

See Figure 2 and Figure 3 at the end of Appendix A
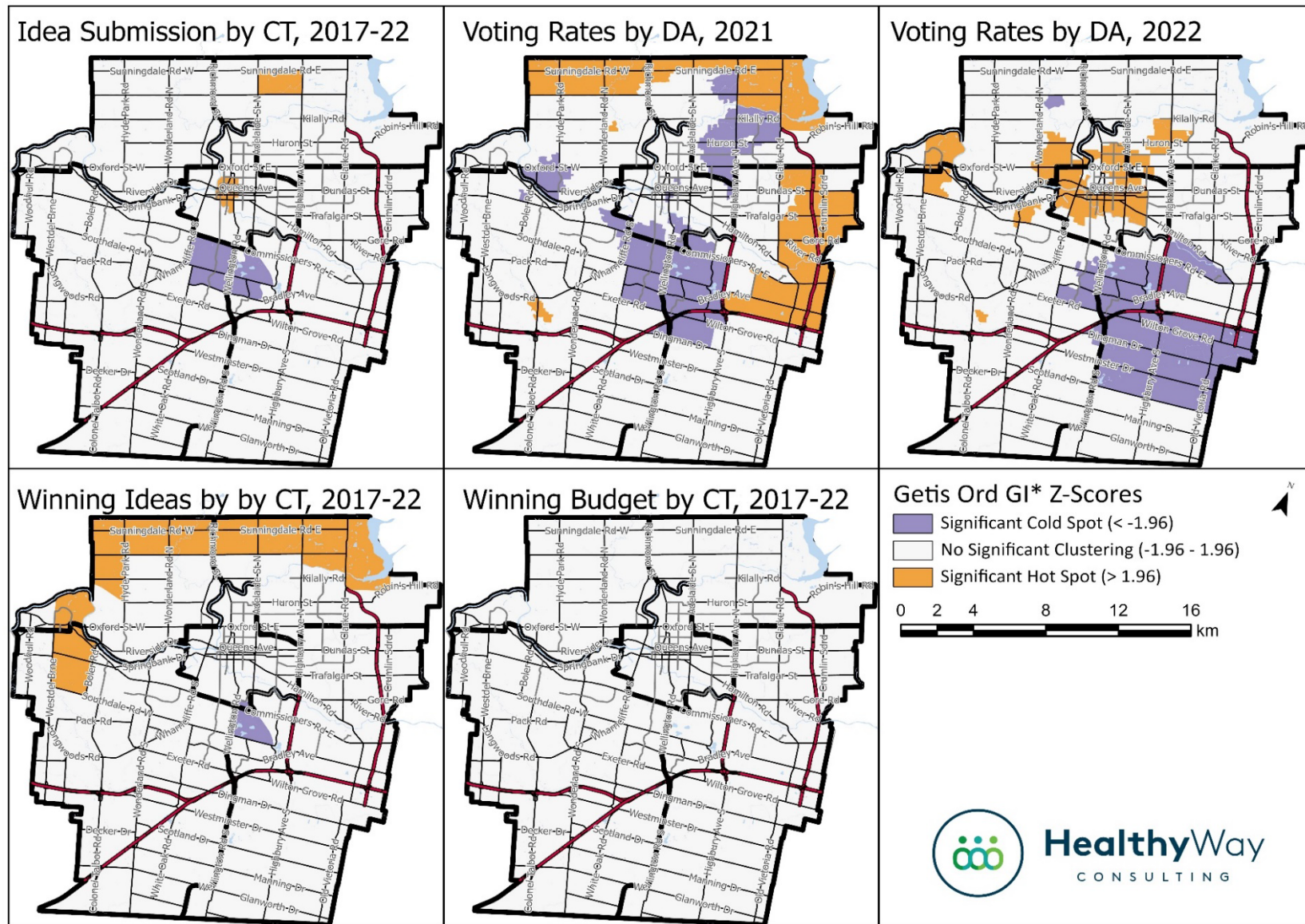
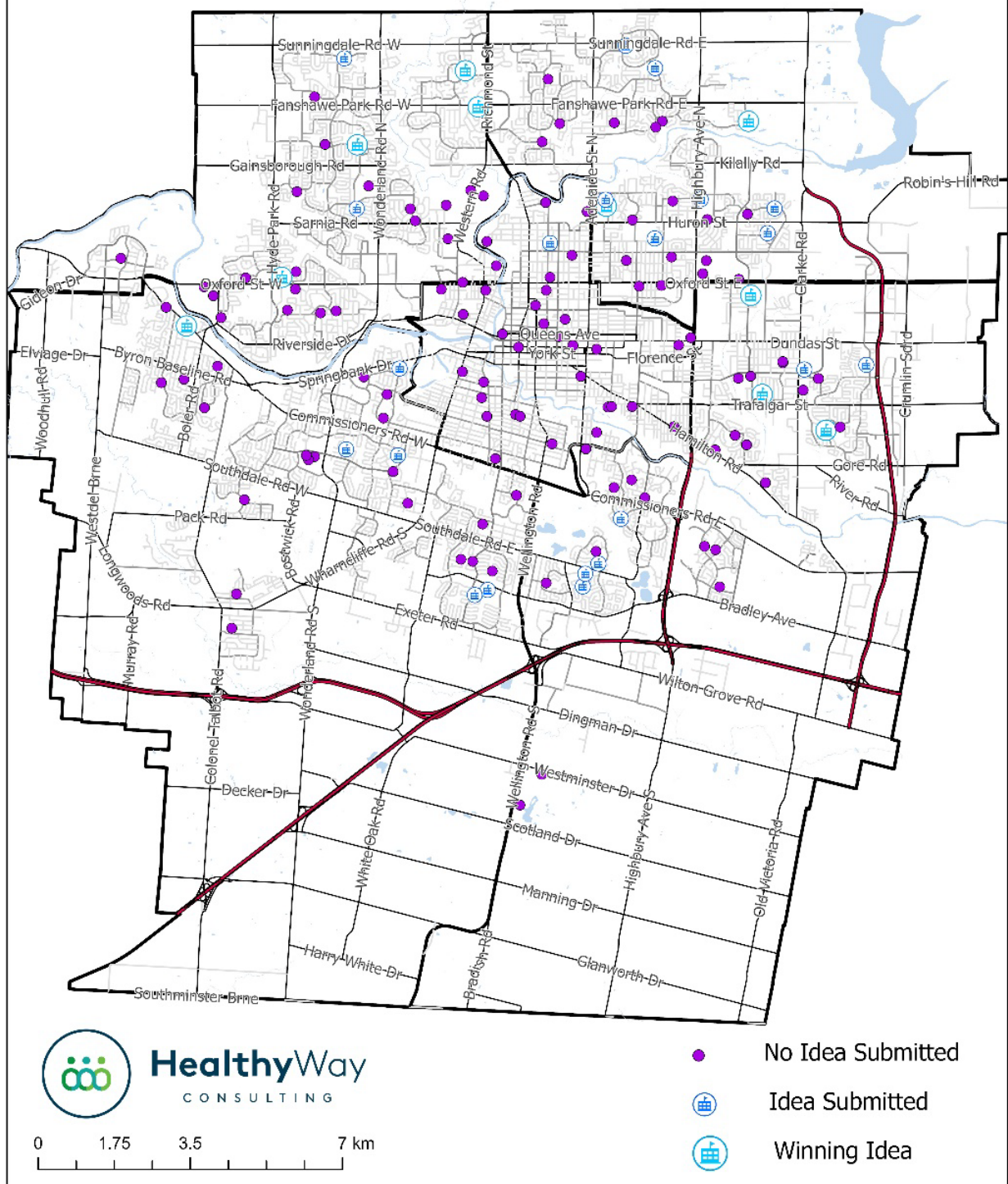Figure 1: A map showing the spatial clustering of program engagement throughout the City of London

Figure 2: A map showing the spatial distribution of school-based ideas submitted and won as part of the NDM program between 2017 and 2022.

Determining Boundaries for London's Neighbourhood Decision Making Program

Weighted Population

These boundaries were created by grouping population dissemination blocks by neighbourhoods, natural boundaries, and the Offord Social Risk Index values. The idea was to create boundaries with large populations of low social risk values and small populations of high risk values to allow the size weighting within each boundary naturally determine the likelihood of receiving neighbourhood decision making funding.

The labels describe the population living within medium to high risk (values 5 - 9) and the total population (i.e., 13,666 of 91,491).

Statistics Canada, 2021 Census Dissemination Block data used to calculate population by group.
Statistics Canada, 2016, Census Dissemination Area data used to calculate Offord Social Risk Index
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13666 of 91491
27240 of 37375
29455 of 43200
20714 of 29626
21416 of 56186
29030 of 40446
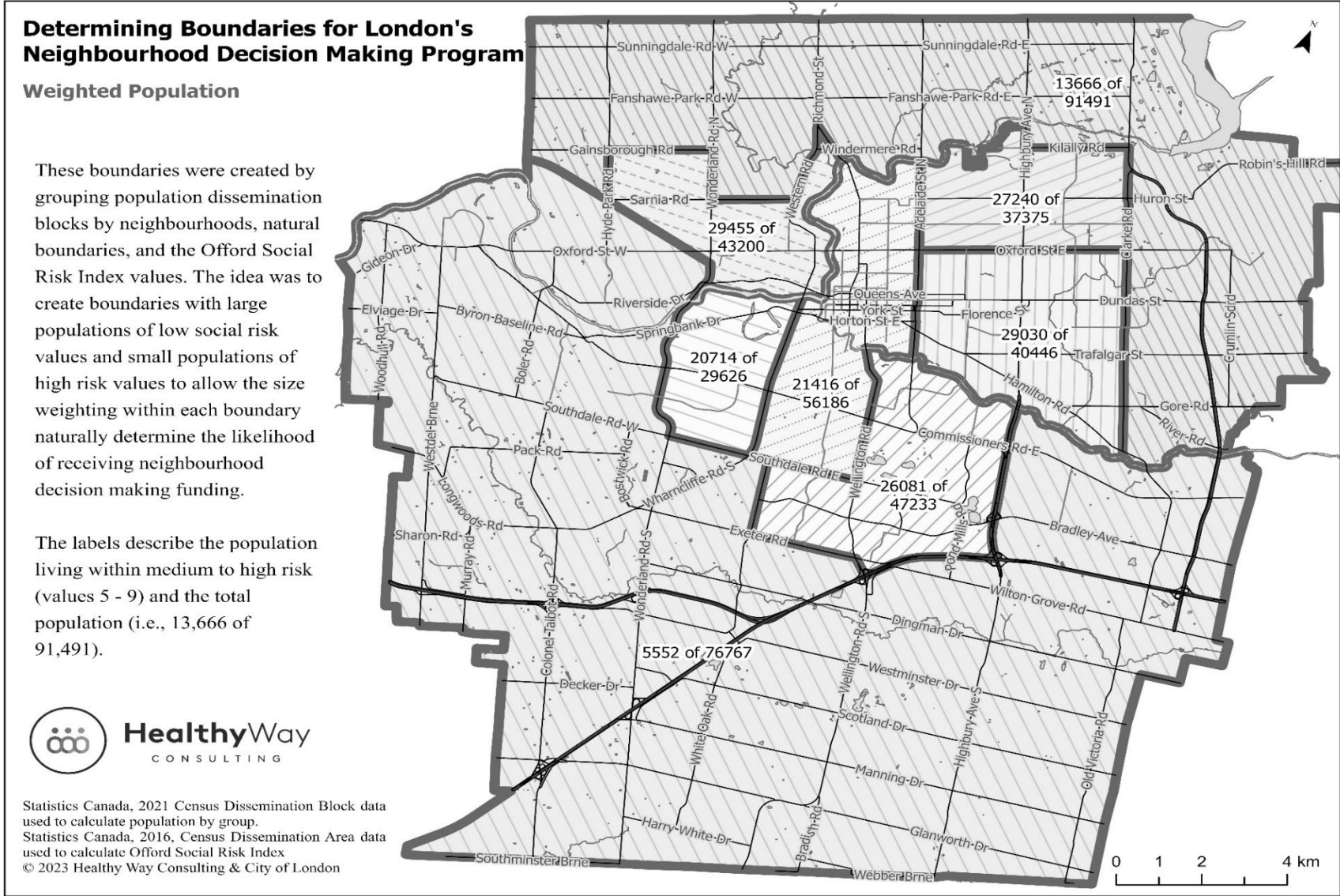26081 of 47233
5552 of 76767

Figure 3: A map showing revised boundaries for the NDM program, creating areas with clusters of high and low social risk populations.

Neighbourhood Decision Making Guidelines

Purpose:
To engage, empower and connect residents by bringing neighbours together around community-driven projects that enhance and strengthen their neighbourhoods.

Guiding Principles
- The heart and essence of every city and community are its neighbourhoods. Strong neighbourhoods are about people and places and how they work together to make neighbourhoods great places to live, work and play.
- A strategy for stronger neighbourhoods will impact every neighbourhood and contribute to the quality of life for everyone; London is stronger when ALL its neighbourhoods are stronger.
- Residents will lead the change! They know what's best for their neighbourhoods and will support what they create.
- Collaborative effort will include many community organizations, businesses, and staff from several City of London Service Areas.
- Program implementation will be equitable based on the characteristics of neighbourhoods, its residents, and the goal of becoming a strong neighbourhood.

Who can submit an idea?
- Ideas can be submitted by London residents of all ages and resident-led groups.
- Residents cannot submit ideas in their professional capacity and ideas should not benefit or be perceived as benefiting any particular business or organization but the neighbourhood as a whole.

Idea proposals should.
- Involve and empower members of the neighbourhood and demonstrate broad-based and diverse participation in the project process.
- Be originated, planned, and put into action by the neighbours and community members who will be affected by the project.
- Occur within the city limits and be on public land that is accessible. Note, an exception may be considered in cases where public land is not available, and the project is completely and totally accessible to the general public. For example, a mural on the exterior wall of a building on private property.

Idea proposals should further the City of London Strategic Plan and may achieve the following outcomes.
- Improve neighbourhood safety, participation, and mobility.
- Beautify the neighbourhood.
- Improve community connections and understanding between neighbours or community members.
- Encourage equity, diversity, and inclusion.
- Enhance or expand green space.
- Protect neighbourhoods and communities from climate change.

Idea proposals should not.
- Delay or cancel projects that are part of Council's approved multiyear budget.
- Fund staff positions or reimburse idea submitters for their time and involvement.
- Pay for a project on private property unless it is accessible to the public.
- Substitute funding lost from other sources of money.
- Reimburse an organization's operating expenses not directly linked to the awarded project.
- Reimburse out-of-London travel expenses or any accommodation expenses.

- Pay for expenses or financial commitments undertaken prior to the organization being under contract with the City of London.
- Fund any alcohol, tobacco, gambling, or any other expenses not approved in the project plan.
- Fund high risk activities that could cause injury.
- Contribute to fundraising revenue for projects.