



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Social Services Committee
From: Shauna Calder, Manager of Finance
Date: Wednesday, January 12, 2022
Subject: **2022 Budget – Social Services**

Background:

The 2022 budget package for Social Services is respectfully submitted for the Committee's consideration.

Attachments (by Division):

- a. Programme information page
- b. Programme performance measures
- c. Proposed 2022 Programme Operating Budget
- d. Proposed 2022-2031 Budget Forecast (Operating & Capital)
- e. Proposed 2022-2031 Capital Budget
- f. Explanation of significant budget items

New to the budget documents this year is the addition of performance measures listed by programme area (attachment b). This is a new requirement for budget documents as part of the Government Finance Officers' Association (GFOA) best practices and awards programme. In order to progress towards accomplishing the County's Strategic Action Plan and the programme area's goals and objectives, a series of performance measures are presented for information. As this is the first year presenting this information, performance measures will be under review by County staff to ensure they support the assessment of departmental goals and objectives. Feedback on this area is welcome.

Overall Budget Impact

The following table provides a comparison of the 2022 tax levy impacts for the City and County relative to the approved 2021 budget (operating and capital combined).

COUNTY OF WELLINGTON					
2022 SOCIAL SERVICES NET BUDGET COMPARISON - OPERATING & CAPITAL					
(all figures in \$000's)					
	Approved 2021 County Budget	2021 Budget Projections for 2022	Proposed 2022 County Budget	% Change from 2021 Projections for 2022	% Change from Approved 2021 Budget
City Tax Levy Requirement					
Social Housing	\$ 15,969	\$ 16,515	\$ 16,761	1.5%	5.0%
Ontario Works	3,327	3,371	3,775	12.0%	13.5%
Children's Early Years	3,329	3,748	3,094	-17.5%	-7.1%
Total	\$ 22,625	\$ 23,635	\$ 23,630	0.0%	4.4%
County Tax Levy Requirement					
Social Housing	\$ 4,679	\$ 4,773	\$ 4,808	0.7%	2.8%
Ontario Works	1,309	1,348	1,369	1.6%	4.6%
Children's Early Years	1,574	1,868	1,777	-4.9%	13.0%
Affordable Housing	1,000	1,000	1,200	20.0%	20.0%
Total	\$ 8,562	\$ 8,990	\$ 9,155	1.8%	6.9%

The tax impact of the overall 2022 Social Services Budget is a 6.9% increase for the County and a 4.4% increase for the City. There are also a number of future challenges that could have significant budget impacts in the medium and longer term including:

- Future Affordable Housing capital investment opportunities – affordable housing continues to be a significant need. A strong economy will create a need for increased affordable housing to support local business expansion, while an economic downturn could drive a need for additional spaces if unemployment rates increase. Being prepared to make the best use of funds from higher orders of government if they become available is key.
- State of the local economy driving community needs in all areas of social services. The impact of the latest wave of the COVID-19 pandemic on federal support programmes and the local economy remains to be seen and may impact not only the services provided but the way those services are provided in the future.
- The increasing cost of rent supplement units being used to replace non-profit and co-op provider service level units when providers do not wish to continue to have a relationship with the County after end of operating or end of mortgage. Currently the risk is mitigated by provincial regulation prohibiting provincial providers from withdrawing from the *Housing Services Act*, but the long-term plan is unknown.
- The provincial review of the funding formula for Children's Early Years remains outstanding and funding implications are unknown.
- The provincial transformation of employment services and the development of a new service delivery model is expected in 2023 with unknown operating and financial impacts.

Recommendation:

That the attached 2022 Operating and Capital Budget and 2022-2031 Ten-Year Plan for Social Services be approved and forwarded to the Administration, Finance and Human Resources Committee.

Respectfully submitted,



Shauna Calder, CPA, CGA
Manager of Finance