



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Social Services Committee
From: Shauna Calder, Manager of Finance
Date: Wednesday, January 11, 2023
Subject: 2023 Budget – Social Services

Background:

The 2023 budget package for Social Services is respectfully submitted for the Committee's consideration.

Attachments (by Division):

- Programme information page
- Programme performance measures
- Proposed 2023 Programme Operating Budget
- Proposed 2023-2032 Budget Forecast (Operating & Capital)
- Proposed 2023-2032 Capital Budget
- Explanation of significant budget items

Overall Budget Impact

The following table provides a comparison of the 2023 tax levy impacts for the City and County relative to the approved 2022 budget (operating and capital combined).

COUNTY OF WELLINGTON					
2022 SOCIAL SERVICES NET BUDGET COMPARISON - OPERATING & CAPITAL					
(all figures in \$'000's)					
	Approved 2022 County Budget	2022 Budget Projections for 2023	Proposed 2023 County Budget	% Change from 2022 Projections for 2023	% Change from Approved 2022 Budget
City Tax Levy Requirement					
Social Housing	\$ 16,761	\$ 17,328	\$ 18,714	8.0%	11.6%
Ontario Works	3,775	3,404	3,597	5.7%	-4.7%
Children's Early Years	3,094	3,943	3,665	-7.0%	18.4%
Total	\$ 23,630	\$ 24,675	\$ 25,976	5.3%	9.9%
County Tax Levy Requirement					
Social Housing	\$ 4,808	\$ 4,988	\$ 5,091	2.1%	5.9%
Ontario Works	1,369	1,422	1,479	4.0%	8.0%
Children's Early Years	1,777	2,335	2,072	-11.3%	16.6%
Affordable Housing	1,200	1,200	1,200	0.0%	0.0%
Total	\$ 9,155	\$ 9,945	\$ 9,842	-1.0%	7.5%

The tax impact of the overall 2023 Social Services Budget is a 7.5% increase for the County and an 9.9% 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. 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. 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.
- The expiry of long-term provincial funding allocations used to support rent supplements in our community creates uncertainty. Staff must plan to ensure households are able to maintain their housing without knowing what funding may be available.
- As non-profit and co-op providers begin to reach the end of mortgages there is potential that some may choose to end their relationship with the County. 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. Staff are working on a strategy to ensure service level standards are maintained and this will be presented to Committee later in 2023.
- 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 April 2024 with unknown operating and financial impacts.

Recommendation:

That the attached 2023 Operating and Capital Budget and 2023-2032 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