

Commentary on the 2013/14 MTEF

Social grants and social services for children

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Rights and laws

Social grants

s27 – Everyone’s right to have access to social security, including social assistance

- Social Assistance Act of 2004
- *National budget (DSD vote)*

Social services

S28(1) (c) – every child has the right to social services

s28(1) (b) – every child has the right to family or alternative care

S28(1) (d) – every child has the right to be protected from abuse, neglect, degradation or exploitation

- Children’s Act of 2005
- *Provincial budgets (DSD votes)*



How much money are we talking about?

	2013 February Budget allocations
Social grants (national - excluding administration)	R113bn in total R49.4bn on children’s grants (43.7% of grants budget)
Social welfare services (provincial)	R13.9bn for all vulnerable groups R5.7 bn for children’s social services (41% of social services budget)
Basic education	R164bn
Health	R133.6bn for everyone For children?



Social (welfare) services

Social services

Service category	Examples	Service providers
Partial care facilities	Creches, after school centres	99% NPOs with partial govt subsidy
ECD centres and programmes	Creche plus development programme Home visiting new mothers	99% NPOs with partial govt subsidy
Prevention and Early Intervention programmes	Home and community based care (HCBC) "OVC" support programmes Child and family counselling Parenting skills programmes Diversion for children in trouble with the law	80% NPOs 20% govt and corporates (mainly diversion)



Social services continued

Service category	Examples	Service providers
Protection services	Investigating and responding to reports of abuse, neglect, abandonment, child only households, exploitation, drug addiction, uncontrollable behaviour.	60% NPOs with partial govt funding 40% govt (social workers and courts)
Psycho-social rehabilitative services	Child and family therapeutic counselling	99% NPOs with partial govt funding



Social services continued

Service category	Examples	Service providers
Foster care and cluster foster care	Placing, supervising, extending foster care Managing cluster foster care schemes	60% NPOs 40% govt
Adoption	Screening adoptive parents Processing adoption applications	99% NPOs and/or for profit pvt social workers or lawyers
Child and Youth Care Centres (CYCCs)	Places of safety, children's homes, reform schools, schools of industry, shelters, secure care centres	80% NPOs with partial govt subsidy (shelters and children's homes, pvt safety parents/small places of safety) 20% govt (secure care, reform schools, large places of safety, schools of industry)



Who provides social services to children?

Provincial DSD personnel provide approximately 40% of the services

Non-profit organisations (NPOs) provide approximately 60% of the services under contract with the department

- NGOs receive only partial funding from the provincial departments
- NGOs have to raise donor funds to make up the difference
- Global and local recession has exacerbated the funding crisis faced by NGOs and resulted in closure and downscaling of services for children and families
- Nawongo court case in Free State and more in the wings
- There is no nationally led process to address this funding challenge and loss of services to vulnerable groups



Gap in allocation: Budget needed vs budget allocated 2013/14

Actual budget allocation 2013/14	Costing report estimates for 2013/14	
	IP low scenario	FC high scenario
R5,7 billion	R12,9 billion	R85,8 billion
	GAP = 7.2 billion	GAP = 80.1 billion



Key trends emerging from our analysis of the 2013/14 provincial budgets

Constrained fiscal environment required cuts to budget “baselines”.

Additional allocations to PES totalling R786m in 2013/14 for:

- ECD and Isibindi (R650m)
- NPOs (R100m)
- social work graduates (R120m)
- VEP (R36m)

Additional allocations enabled average real growth for children's social welfare services over the MTEF despite constrained fiscal environment. *Caution national average hides provincial variations with no real growth in:*

Free State (- 1%)

Limpopo (1%)

North West (2%)



Key trends in 2013/14 provincial budgets

5 provinces are not allocating their total available funding for children's services to children's services :

- *Limpopo, North West, Free State, KZN and WC.*
- *FS's under-allocation of R41m is particularly concerning given the provinces argument in the NAWONGO court case that it does not have sufficient budget to funds its service delivery NPOs.*

Child care and protection sub-programme's combined total across all 9 provinces grows by a real 30% in 2013/14.

- *Caution re provincial variations. Provinces showing no progress:*
 - *Limpopo (-5%)*
 - *Free State (1%) show*



Key trends in 2013/14 provincial budgets

Within child care and protection sub-programme it is clear that most provinces are prioritising ECD (early childhood development) above other services.

CYCCs, prevention and early intervention and protection services have drawn the short straw despite being legislative mandates imposed on the provinces by the Children's Act (the MEC "must" provide and fund...")



Key trends in 2013/14 provincial budgets

Isibindi roll-out is being prioritised as chosen programme for supporting "OVCs" but exact allocations not ascertainable as mixed up with ECD.

- It is therefore not possible to assess whether sufficient budget has been allocated to Isibindi to enable the targets to be met.

Other OVC and HCBC programmes facing PEPFAR cut backs and lack of government funding.



Key trends in 2013/14 provincial budgets

Additional allocation to PES of R900m across MTEF to fund public sector wage increases and to absorb social work graduates

National allocated R250m to social work bursary fund

Provinces show substantial planned increases in personnel numbers and personnel budgets over MTEF. eg WC 9% and Limpopo 17% (budget increase over MTEF).

Additional allocation meant for service delivery NPOs diverted to cover government wage bills in EC , NC and KZN.



Concerns and questions

NPOs in midst of funding crisis = retrenchments and closures = loss of valuable services for vulnerable groups.

Yet National DSD not recognising the crisis or championing a solution

National Treasury lobbied for an additional allocation of R600m in provincial equitable share over MTEF for NPOs.

How do we ensure provinces allocate this to NPOs instead of personnel budgets?

Additional allocations in provincial equitable share over MTEF for "absorption" of social worker graduates.

How do we ensure provinces share this with NPOs who deliver more than 60% of social welfare services for children and other vulnerable groups?

Without NPOs simply being used as labour brokers or funding conduits to avoid paying at public sector pay levels?



Social grants

Value of social grants in South Africa

- Social grants give effect to everyone's right to have access to social assistance if they are unable to support themselves or their dependents (s27 BOR).
- Income support through social grants also gives effect to a range of other rights because cash enables families to buy food and clothes and pay for transport to get to health facilities and schools.
- Social grants therefore not only reduce income poverty but also improve access to education, social services, health care services, water and sanitation.

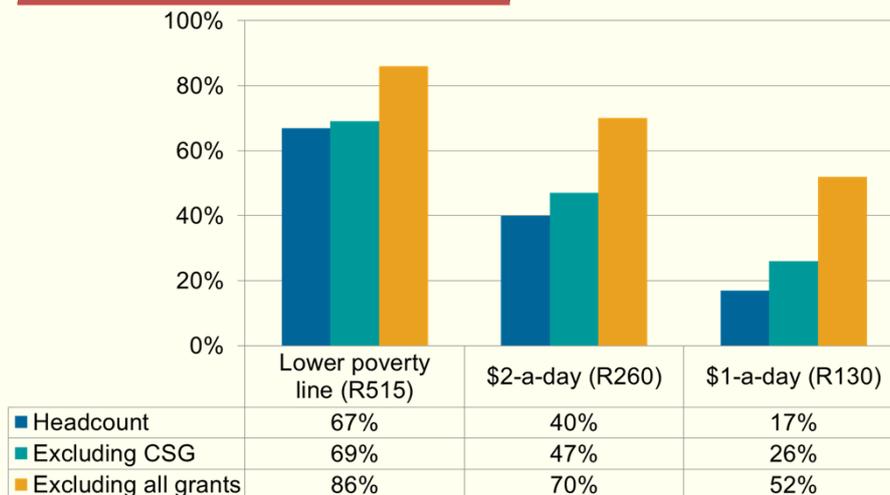


Is SA taking maximum advantage of the positive impact of the CSG to reduce inequality and poverty?

- CSG is the smallest of all grants (R300/month on 1 Oct)
- Larger grants have a greater impact on child poverty
- CSG is not linked to any objective measure of poverty or the actual costs of raising a child
- Every year it is increased to just below headline inflation (not keeping up with inflation levels for the poorest quintile)
- Children are “poorer” than adults – increasing the CSG would address this inequity by channelling more cash into families with children.
- Children living with mothers (no father present) are poorest category of children – increasing CSG would target this group very well as mothers are largest category of primary caregivers in receipt of CSG



Larger grants have greater impact on child poverty



Data source: NIDS 2008

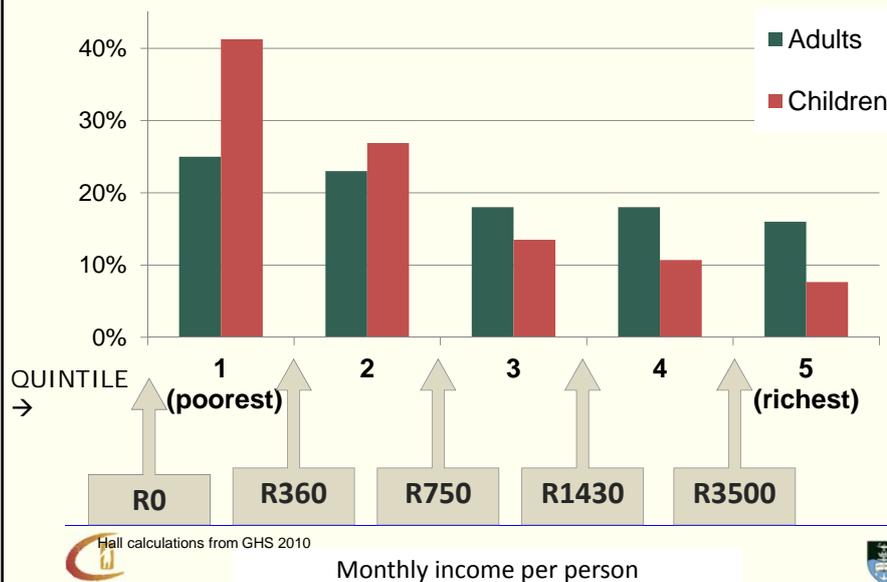
From: Hall & Wright (2010) *A profile of children living in South Africa in 2008.*

Grant value increases 2013/14

Rand	2012/13	2013/14	Increase	Headline inflation	Inflation for poorest quintile
Old age grant	1 200	1 260	5.0%	5.4%	6.9%
Old age grant, over 75s	1 220	1 280	4.9%	5.4%	6.9%
War veterans grant	1 220	1 280	4.9%	5.4%	6.9%
Disability grant	1 200	1 260	5.0%	5.4%	6.9%
Foster care grant	770	800	3.9%	5.4%	6.9%
Care dependency grant	1 200	1 260	5.0%	5.4%	6.9%
Child support grant (April)	280	290	3.6%	5.4%	6.9%
Child support grant (Oct)	280	300	5.4%	5.4%	6.9%



Children – more poor



Child income poverty per caregiver category

Category	# children <18 years	Ave per capita income (Incl all grants)
Live with both parents	5,870,000	R 808
Live with relatives – mother deceased	1,529,000	R 456
Live with relatives – double orphan	927,000	R 455
Live with relatives – mother alive	3,435,000	R 415
Live with mother but not father	7,083,000	R 363



Source: GHS 2009 (Kath Hall calculations)



Foster Child Grant challenges

- Since 2009 we have seen stagnation in the numbers of FCGs as the foster care system fails to cope with the demand.
- We have over 1 million maternal and double orphans living with relatives in poverty in need of adequate social grants. In 2011 only 460 000 were getting the FCG (R740) while 570 000 were getting the CSG (R270).
- It has taken nearly ten years to reach 460 000 orphans with the FCG. How long will it take to reach the target of over 1 million?
- Ad hoc measures by the Department of Social Development to address the challenges have not yielded growth in the grant for orphans and have had adverse effects for abused children in need of protection services
- Two High Court cases have highlighted urgency of reforming the system.



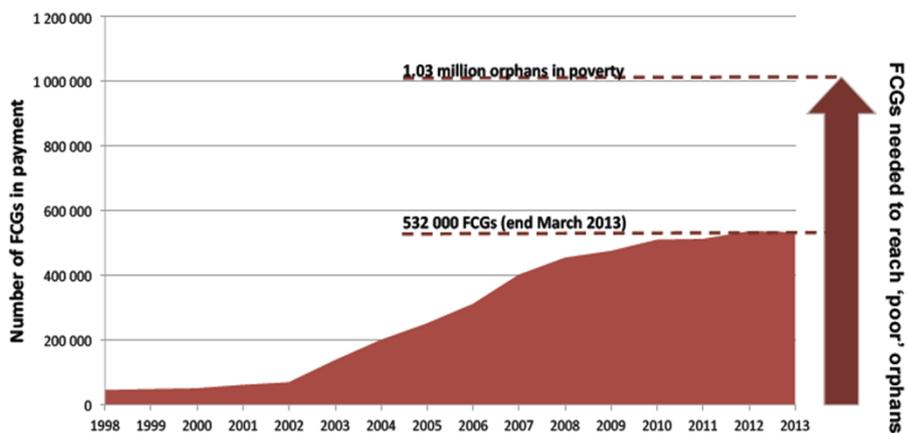
Uptake and lapsing – net growth of FCG

	2009/10	2010/11	2011/12	2012/13
Total FCGs at year end (March)	510,760	512,874	536,747	532,159
Actual increase in # FCGs over period	36,001	2,114	23,873	-4,588
Total FCGs lapsed during period	- 129,426	- 176,644	-124,941	-116,222*
Age threshold as % of all lapsed	50% (65,178)	39% (69,565)	66% (82,618)	83%* (96,035)
Expired court order / fail to review as % of lapsed	30% (39,165)	48% (85,196)	3% (4,111)	1%* (663)

Note: 2012/13 lapsing data only up to end December 2012
 Source: K Hall analysis of SOCPEN / DOWBOX data, extracted by SASSA on request

FCG growth pattern

- It has taken ten years to reach about half the target population (if target population is poor orphans)



SASSA: SocPen monthly reports & GHS 2011
 Compiled by Katharine Hall, Children's Institute, UCT

Child protection system unresponsive to family and children's needs

DSD is trying to squeeze over 1 million orphaned children in desperate need of poverty alleviation grants through a complex system designed to deal with 50 000 children:

Consequences:

- Families living in poverty caring for orphans wait on average 3 yrs to access a FCG and face gaps in payment as grants lapse because SWs and courts do not extend court orders in time.
- abused and neglected children are being deprived of much needed protection services because social workers and courts have high foster care case loads
- Mothers in dire need of psycho-social support are receiving little if no support = high rates of child abandonment, neglect and abuse.
- social workers who are educated for four years (with govt bursaries) to do child protection and family support are instead channelling grants which could be done more cost effectively and timeously by SASSA officials



Sunday Times | October 13 2013

Uphill fight for social workers

No car so they can't help children

PREGA GOVENDER

WHEN a social worker started in her profession two months ago, she vowed to make a difference in the lives of residents of an East Rand township.

But the woman, based at the cash-strapped Boksburg Child Welfare's Vosloorus office, has been able to successfully reinstate only one expired foster-care grant.

She and her four colleagues are battling to reinstate more than 1 500 lapsed foster-care grants, some from as far back as 2010. Although they know how desperate these families are for the money, she and her colleagues cannot visit the homes of foster parents to complete the forms necessary for the reinstatement of the grants, or visit the children's schools to collect records, because they do not have transport.

The only car allocated to their office by their Boksburg head office is waiting to be repaired after the bonnet flew open in August. In urgent cases, they walk or use taxis to visit clients.

They are also hamstrung by the lack of office equipment. The five and three other auxiliary social workers share one computer to type reports required by the courts to ensure that grants are approved.

They have also been without office telephones following a power surge three weeks ago.

This situation is mirrored in nongovernmental organisations that provide child-welfare services. Organisations blame the poor subsidies allocated to them by provincial social development departments.

Several places of safety and children's homes, especially in Eastern Cape, also complained this week of not receiving any subsidies for years, despite taking care of abandoned, abused and orphaned children.

The Financial and Fiscal Commission said in a report released last month that it was clear from budgetary allocations that the national and provincial departments of social development do not fully fund non-profit organisations to deliver statutory child-welfare services.

Zanele Dibakone, social services manager at the Boksburg Child Welfare's Vosloorus office, said: "Children are suffering because the people taking care of them can't provide them with their basic needs. They can't pay for school fees or buy them clothes and proper food, because they are not receiving any funds."

Marlene Visser, director of Boksburg Child Welfare, said a loan of R120 000, as well as a R500 000 donation, helped to cover staff salaries and other operational costs last month.

She said the head office tried to send a vehicle to the Vosloorus office at least twice a week, but added that this was not always possible.

Meanwhile, some places of safety in the Eastern Cape have been operating for years without any government subsidies.

Dianne Leahy of Greensleeves Place of Safety in East London said despite having court orders for foster-care grants for 12 children, she had not received a cent from the provincial department of social development.

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Relief on the horizon for orphans and abused children?

Budget Review pg 85: "the Department of Social Development will explore ways to improve income support for orphaned children who live with their relatives".

What we would like to see in the reform:

- relatives being able to apply **directly to SASSA** without having to be bottlenecked by the lack of social workers
- **follow up visits** by social service professional to assess whether family needs any services or whether child needs protection
- social workers able to **respond timeously to needs of children who have been abused, neglected or abandoned**
- **increased prevention and early intervention programmes** for all families in need (eg. counselling, home based care, Isibindi, parenting programmes, ECD)
- **Implementation early 2014**



Concerns and questions

CSG amount increases are not keeping pace with headline inflation (5.4%) and definitely not with inflation for the poorest quintile (6.9%).

Why are the increases being staggered in R10 increments instead of a R20 increase in February?

CSG amount too low and no indication of intention to maximise this successful programme to realise a range of children's rights. Instead Dept is:

- proposing universalising the grant – ie making it available to all without a means test but at same low value, and
- using unspent grant budget (R1billion) on staff salary increases.

Why is money being channelled to the wealthy at expense of the very poor?



Concerns and questions

FCG showing slow down in both numbers and budget growth over a four year period (2009 to 2013). For first time in 10 years we saw negative growth in total nbr of FCG btw 2012/13 and 2013/14 financial years. (-4588 FCGs)

Yet Dept recently reported to Parliament an increase of 157 024 children in foster care over the same period.

DSD has expressed commitment to reform the law to improve social grants for orphans in care of relatives who are struggling to access FCG ("Extended CSG" proposal). But why is this reform taking so long when the crisis in the FCG system has been obvious since 2009 (if not earlier) and the children being disadvantaged by this lack of action are orphans and abused children?

