



TO: Chair and Members of the Finance & Facilities Committee

FROM: Chris Mackie, Medical Officer of Health and Michael Clarke, Interim CEO

DATE: 2021 February 11

2021 PROPOSED BUDGET

Recommendation

It is recommended that the Finance & Facilities Committee make a recommendation to the Board of Health to:

- 1) Approve the 2021 Proposed Budget in the gross amount of \$42,657,163 as appended to Report No. 04-21FFC re: "2021 Proposed Budget";*
- 2) Forward Report No. 04-21FFC to the City of London and the County of Middlesex for information; and*
- 3) Direct staff to submit the 2021 Proposed Budget in the various formats required by the different funding agencies.*

Key Points

- The 2021 Budget was developed according to the approved allocation from the Ministry of Health (MoH) on the Mandatory Program funding.
- The budget also includes other known or potential funding sources from the Public Health Agency of Canada (PHAC), Ministry of Children, Community & Social Services (MCCSS – 100%), and other sources of revenue.
- The overall 2021 Proposed Budget as presented in [Appendix A](#) is increasing by \$7,348,148 or 20.81%.
- Data presented in this report and appendices is limited compared to previous years due to pandemic response. Additional data will be provided prior to or at the FFC meeting on February 11.

Background

The 2021 Proposed Budget provides an overview of the work of the Middlesex-London Health Unit and outlines the programs and services that are delivered to the community. The Proposed Budget is designed to enhance the Board's understanding of how funding supports the programs and interventions that are delivered to meet the Ontario Public Health Standards: Requirements for Programs, Services and Accountability, 2018. Typically, the Budget is presented as part of a fulsome Annual Service Plan (ASP); however, due to COVID-19, to date, the full ASP reporting requirements have not been provided by the Ministry of Health (MoH) to Health Units, including MLHU. In the absence of that direction, a high-level summary ASP report has been prepared for the 2021 budget. The 2020 ASP, which may serve as a useful reference as a baseline for incremental changes, is available [here](#).

2021 Proposed Board of Health Budget

Included in the proposed budget are COVID-19 projected costs for 2021, specific to the ongoing work of the Case and Contact Management and Outbreak and Facilities Management teams. The MoH is requesting that Health Units continue to take all necessary measures to respond to COVID-19, giving assurances that there will be a process to request reimbursement of COVID-19 extraordinary costs incurred in 2021. This request from the MoH includes the roll-out of the COVID-19 Vaccine Program of which projected costs are currently unknown and are therefore not included in this budget. The COVID-19 Vaccine Program costs will be reported separately at a later date.

To accommodate inflationary pressures on salaries and wages and to address cost increases in connection with the relocation to new facilities at Citi Plaza, the 2021 proposed budget includes PBMA proposed disinvestments as well as investments that were approved by the Finance & Facilities Committee at the November 5, 2020 meeting (Report No. 027-20FFC). A summary of the proposed 2021 Board of Health Budget, including the PBMA proposals, is contained in [Appendix A](#).

The overall 2021 Proposed Budget as presented in Appendix A is increasing by \$7,348,148 or 20.81%. Components of this increase are as follows:

Source of Funding	Amount
Ministry of Health & Long-Term Care (Cost-Shared)	\$ (549,898)
The City of London	30,727
The County of Middlesex	5,853
Ministry of Health & Long-Term Care - mitigation funding	1,361,300
Ministry of Health & Long-Term Care (100%) - COVID-19	7,274,786
Ministry of Health & Long-Term Care (100%- Senior Dental)	(700,000)
City of London - CLIF Tobacco Enforcement	136,714
Public Health Agency of Canada	(5,898)
Public Health - Ontario	(3,564)
User Fees	(138,520)
Other Offset Revenue	(63,352)
Net Change to Funding	\$ 7,348,148

MoH base funding is projected to be lower by \$ 549,898 than budgeted in 2020 as the ministry has provided a reduced allocation amount for 2020 and has signaled that these levels will continue into 2021.

The City of London contribution is expected to be higher by \$ 30,727 than was budgeted in 2020, however, despite the \$ 6,704,565 that was budgeted from the City for 2020, the actual funding required was at the reduced 2019 levels of \$ 6,095,059 due to a one-time provincial grant. City staff have indicated to the Health Unit that thus far, City Council has approved \$ 6,095,059 for the Health Unit.

The County of Middlesex contribution is expected to be higher by \$ 5,853 than was budgeted in 2020, however, despite the \$ 1,277,057 that was budgeted from the County for 2020, the actual funding required was at the 2019 levels of \$ 1,160,961 due to a one-time provincial grant.

MoH is providing mitigation funding for 2021 in the amount \$ 1,361,300 included in Schedule "A" in attached [Appendix B](#).

COVID-19 funding requirement from the MoH is projected at \$7,274,786 to continue efforts to contain the pandemic. As noted above, this does not include vaccine-related costs.

Funding for the Senior Dental mobile clinic is being reduced from the 2021 budget as the mobile clinic is not being pursued by MLHU.

The City of London is providing temporary funding of \$303,560 to support local cannabis enforcement and education from the Cannabis Legalization Implementation Fund, an increase of \$136,714 from prior year's budget.

Expected funding from both, the Public Health Agency of Canada and Public Health Ontario are slightly lower for 2021 in relation to the 2020 budget.

User Fees and Other Offset Revenues are expected to be lower compared to prior year's budget due to ongoing pandemic efforts.

2021 Annual Service Plan

The 2021 Annual Service Plan (ASP) summary provides planning & budgeting information for the programs delivered by MLHU. The ASP allows the Board to make informed resource allocation decisions and ensure that programs address local public health issues, the Ontario Public Health Standards and other relevant program mandates.

Planning and budget information is organized by program, which are a grouping of public health interventions related to a disease, topic, population/age, or other relevant characteristics. The associated interventions are intended to achieve the desired short, intermediate and long-term program outcomes.

To develop the 2021 ASP summary, all MLHU staff [Full Time Equivalent (FTE), salary, wages, and benefits] were allocated from teams to the programs that they deliver. While redeployments continue across the organization to support COVID-19 work, program budgets were created based on PBMA decisions and assumptions that typical programmatic activity will resume and need to be supported accordingly. Careful tracking of redeployed employees is conducted by MLHU to ensure COVID-19-related costs are captured and submitted to the MoH for reimbursement. All other program expenses were allocated from team budgets to the relevant program budgets based on FTE allocations.

Conclusion

The 2021 proposed budget is \$42,657,163 which represents an increase of \$7,348,148 or 20.81% from the 2020 budget, exclusive of vaccine campaign costs.

This report was prepared by the Healthy Organization Division.



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Medical Officer of Health



Dr. Michael Clarke
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