

**DRAFT – November 13, 2012**  
**Terms of Reference**  
**Shared Services Review Project**

**1.0 Purpose**

To determine potential efficiencies in the administrative functioning of the Middlesex-London Health Unit including the potential for cost savings from a shared services arrangement between the Middlesex - London Board of Health, the City of London and the County of Middlesex for the latter bodies to provide on behalf of the former, one or more of the administrative functions, **including but not limited to** the areas of Finance, Human Resources, Purchasing, Payroll, Facility Management and Information Technology. The parties are not bound by these Terms of Reference to implement recommendations for cost savings through shared services. If the parties decide to enter into shared service agreements, the accountability and overall management related to shared services shall remain with the Board of Health. The review contemplated in the Terms of Reference shall respect the Board of Health's status as an autonomous entity.

**2.0 Background**

The Board of Health is a legislatively constituted body charged with the delivery of public health programs and services for residents of the City of London and the County of Middlesex under the terms and conditions defined in the Health Protection and Promotion Act, its regulations and standards. These duties are embodied in the Public Health Accountability Agreement, which each Ontario Board of Health has signed with the Government of Ontario. These duties are also set out in both the Ontario Public Health Standards and the Ontario Public Health Organizational Standards.

Board of Health funding is provided from four sources: Province of Ontario; City of London; County of Middlesex; and Government of Canada. Reduced revenues from the Province of Ontario along with the desire of London City Council to achieve a third consecutive 0% property tax increase in 2013, have placed increased pressure on the Board of Health to reduce operational costs. One mechanism under consideration to achieve this end is the implementation of a shared services/outsourcing model for the delivery of Health Unit administrative services.

Accordingly, the Board of Health, the City of London and the County of Middlesex have agreed to assess the potential for municipal cost savings and service delivery efficiencies by having the City of London and/or the County of Middlesex provide administrative functions, as noted above for the Health Unit. To ensure this assessment is conducted in an objective manner, all parties have agreed to engage the financial auditing firm Price Waterhouse Coopers LLP (the Consultant) to undertake the review process.

The guiding principle for this engagement is to review administrative services provided by the Board of Health and determine if any efficiencies or cost savings could be achieved provided that the public health programs provided by the Board of Health are not negatively impacted. Should the Board of Health deem shared services to be an acceptable option, as an autonomous body, the Board of Health would be required to enter into a formal legal agreement or contract with the third party in question. Such an agreement would stipulate the service(s) to be provided and the specific terms and conditions to be met for delivering the service.

The Board of Health, the City of London and the County of Middlesex are subject to the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) and the Personal Health Information and Privacy Act (PHIPA).

### **3.0 Scope of Consultant Services**

The Consultant shall undertake a review of administrative functions, **including but not limited to**, Finance, Human Resources, Purchasing, Payroll, Facility Management and Information Technology of the Health Unit, the City of London and the County of Middlesex in a manner which includes (but is not limited to) the following items.

#### **Specifics:**

- a) A review of all pertinent legislation related to the duties and responsibilities of the Board of Health. This includes the Public Health Accountability Agreement, the Ontario Public Health Organizational Standards, and the Ontario Public Health Standards that the Board of Health is required to comply with.
- b) Submission of a written proposal including cost estimates, project plan, and the methodology to be applied in carrying out the review. The proposal will be presented to the Medical Officer of Health (MOH) & CEO, the County Treasurer, and the City Treasurer for approval. The methodology used for carrying out the review will be the standard procedures applied to this type of review as determined by the Consultant and shall be set out in the written proposal.
- c) Review existing administrative services and recommend efficiencies to achieve savings for the Health Unit which may include shared service arrangements; including how the cost savings or efficiencies were determined; what would be required to implement the associated changes and the projected timeline for their implementation.
- d) Preparation of the interim and final reports summarizing the assessment findings and highlighting recommendations, drafts of which will be shared with the MOH & CEO of the Middlesex London Health Unit, the City Manager of the City of London and the Chief Administrative Officer of the County of Middlesex for review and comment prior to final submission.

#### **4.0 Reporting Requirements**

The Consultant reports jointly to the MOH & CEO of the Middlesex-London Health Unit, the City Manager of the City of London and the Chief Administrative Officer of the County of Middlesex. A three-month interim report is expected to be submitted to the above parties identifying the findings to date. The final assessment report is expected to be completed within a six-month period.

The consultant's reports and findings will be presented first to the Board of Health at the earliest Board of Health meeting following the final submission of the reports (unless all parties agree to an extension of the timelines) and subsequently to City Council and County Council.

The reports and records in the custody and control of the parties will be subject to the terms of the Municipal Act, Municipal Freedom of Information and Protection of Privacy Act and the Personal Health Information Protection Act. This project does have Human Resources and Labour Relations implications for the Board of Health. If positions, individuals, labour relations, employee negotiations or legal matters are addressed in the Reports, the parties will consider whether all or parts of the Reports may be reviewed in closed session under Section 239 of the Municipal Act. In doing so, the parties shall ensure compliance with all other statutory obligations.

#### **5.0 Cost of Review**

The costs incurred to complete this review will be paid by the Board of Health. It is recognized that both the City of London and the County of Middlesex contributed to the costs of the review through their respective contributions to the Board of Health funding.

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