



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2013 September 5

2014 BOARD OF HEALTH BUDGET

Recommendation

It is recommended that the Finance & Facilities Committee make recommendation to the Board of Health on the following as it relates to the 2014 Board of Health budget:

- 1) *That the 2014 planning parameters include the reallocation of resources based on maximizing the value of services across the four principles of the Ontario Public Health Standards (Need, Impact, Capacity, and Partnerships/Collaboration), and further*
- 2) *That the 2014 planning parameters include maintaining a 0% increase in municipal funding, and*
- 3) *The approved parameters be communicated to the City of London and the County of Middlesex.*

Background

On June 20th, 2013 the Board of Health reviewed [Report No. 078-13](#) “2014 Cost-Shared Budget – City of London Target”. The report sought direction from the Board in regards to the level of funding from municipal sources as well as guidance for the 2014 budget development process in light of the recommendations received from PricewaterhouseCoopers. The Board of Health directed staff, in consultation with the Finance and Facilities Committee, to develop a budget process that aligns the Health Unit’s planning and budgeting processes and provides the Board with more information to fulfill its fiduciary role.

Budget Target

Developing high level planning parameters is an integral part of any budget development process. They help guide and inform planning and resource allocation decisions. Ideally the parameters should be linked to the organization’s strategic direction. Report No. 078-13 requested the Board of Health to provide a planning parameter that was linked to the City of London’s strategic direction of 0% funding over the previous year. For the purpose of developing a draft 2014 Board of Health budget, it is recommended to use two planning parameters, one financial and the other policy related.

Financial Goals:

The following three financial planning parameters are being considered:

- 1) 0% municipal funding increase

This parameter is consistent with the Board’s strategic decision made in 2005 to maintain the level of municipal investment and use provincial grant increases to maintain and or enhance public health programs and services in Middlesex-London. Given this parameter along with the expectation of little to

no growth in provincial grants requires the Health Unit to explore administrative and program efficiencies to maintain or lessen the impact on services to the community.

2) 0.7% increase in municipal funding

This planning parameter will provide some assistance with expected inflationary pressures on existing public health programs and services. It is also consistent with the City staff's target to many other Boards & Commissions for 2014. However, it is not consistent with the Board of Health's approach taken since 2005 as explained above, nor is it consistent with City staff's 2014 target of 0% for the Board of Health.

3) Other - as directed by the Finance & Facilities Committee

The Committee may wish to examine and/or recommend other options at the September 5th meeting.

Policy Goals:

In the health system, it is generally accepted that resources are scarce. That is, there are not enough resources available to meet all the claims on those resources. Public Health is no different and the Health Unit must look at planning parameters to address this. The following two policy planning parameters are being considered:

1) Reallocating resources to maximize the principles under the Ontario Public Health Standards

Under this goal, the budget will be developed to ensure resource allocations maximize the value of services across the four principles of the Ontario Public Health Standards (OPHS). These principles are Need, Impact, Capacity, and Partnerships/Collaboration. These principles would be further discussed and definitions clarified through discussions with Health Unit staff and the Board of Health.

2) Maintain existing service levels

Under this goal, resourcing decisions are based on providing the same level of services as the previous operating year. Reallocation is minimized.

Conclusion

Developing high level planning parameters is an integral part of the budget development process. They help guide and inform planning and resource allocation decisions and prioritize options for management to bring forward to the Finance and Facilities Committee and the Board of Health. It is being recommended to prepare 2014 budget estimates based on a financial planning parameter of 0% increase in municipal funding, and a policy planning parameter of maximizing the value of services across the four principles of the OPHS, namely Need, Impact, Capacity, and Partnerships/Collaboration.

This report was prepared by Mr. John Millson, Director of Finance & Operations.

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