

TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2017 January 26

2017 PROPOSED BUDGET – FFC REVIEW

Recommendations

It is recommended:

- 1) *That the Finance and Facilities Committee review the 2017 Planning and Budget Templates attached as [Appendix B](#); and*
- 2) *That the 2017 Planning and Budgeting Templates be forwarded to the Board of Health when the Finance & Facilities Committee has completed its review.*

Key Points

- The Program Budgeting and Marginal Analysis (PBMA) process identified opportunities for disinvestments and investments in order to maximize the Health Unit's impact on public health in London and Middlesex.
- These PBMA proposals are integrated into the 2017 budget documents.
- The Finance and Facility Committee will review the 2017 Planning and Budget Templates in order in which they appear in [Appendix B](#).
- The Board of Health will consider the budget as a whole when the Committee has completed its review.

Background

The 2017 Proposed Budget has been developed is using an integrated approach where program planning and budgeting activities are aligned to mitigate against risk of unplanned expenditures and to support optimal allocation of resources to key initiatives. This approach uses a combination of Program Budgeting and Marginal Analysis "PBMA" and Planning & Budgeting Templates "PBT's" to bring together both planning and program information.

Program Budget Marginal Analysis

This is a process that transparently applies pre-defined criteria (See [Report No. 23-16FFC](#) for 2017 criteria) to prioritize where proposed decreases or increases could be made, to facilitate "reallocation of resources based on maximizing the value of services across the four principles of the Ontario Public Health Standards [OPHS] (Need, Impact, Capacity, and Partnerships/Collaboration)." Attached as [Appendix A](#), are the recommended PBMA proposals for dis-investment and re-investment. The proposals were reviewed by the Finance & Facilities Committee at its December 1, 2016 meeting ([Report No. 46-16FFC](#)).

Planning & Budgeting Templates

The PBMA proposals are being integrated into the 2017 Planning & Budget Templates (PBTs). The table below provides a draft review schedule, but may be adjusted based on the progress of the Committee's review.

Table 1 – Draft FFC Review Schedule

Date	Division
January 26	Corporate Services , Foundational Standard, Healthy Living, Office of the Medical Officer of Health, Environmental Health & Infectious Disease, Healthy Start, Office of the Chief Nursing Officer, and General Expenses and Revenues
February 2	FFC final review and recommendations

The 2017 Proposed Budget Summary and Planning & Budget Templates are attached as [Appendix B](#). The Planning and Budget Templates include enhanced budget information as well as substantial program-related information in order to allow the Finance and Facilities Committee and the Board of Health to make informed decisions about the 2017 budget.

The 2017 proposed budget was developed using the revised budget parameters as recommended by the Finance & Facilities Committee at its October 1, 2016 meeting where it considered [Report No. 39-16FFC](#) re 2017 Revised Budget Parameters. The Committee recommended that staff prepare a draft 2017 budget with a 0% municipal increase and a 1.5% increase in provincial funding for Mandatory Programs. A 1.5% provincial increase would provide \$241,968 in additional resources.

The Board of Health will consider the budget as a whole when the Committee has completed its review.

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



Christopher Mackie, MD, MHSc, CCFP, FRCPC
Medical Officer of Health