



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health/CEO

DATE: 2018 February 1

2018 PROPOSED BUDGET

Recommendation

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

- 1) *Approve the 2018 Operating Budget in the gross amount of \$35,384,706 as appended to Report No. 005-18FFC re 2018 Proposed Budget; and further*
- 2) *Forward Report No. 005-18 to the City of London and the County of Middlesex for information; and*
- 3) *Direct staff to submit the 2018 Operating Budget in the various formats required by the different funding agencies.*

Key Points

- The proposed 2018 Budget and Planning & Budgeting Templates “PBTs” were developed with a 0% increase in Mandatory Program funding from the MOHLTC, and a 0% change from the City of London and the County of Middlesex. The budget also includes other known or potential funding sources from the Public Health Agency of Canada (PHAC), Ministry of Health and Long-Term Care (MOHLTC – 100%), Ministry of Children & Youth Services (MCYS – 100%), and other revenues.
- The overall 2018 Proposed Budget as presented in [Appendix B](#) is decreasing by \$20,920 or 0.06%

Background

The 2018 Proposed Budget has been developed 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 PBTs to bring together both planning and program information.

Program Budget Marginal Analysis

This is a process that transparently applies pre-defined criteria ([Report No. 29-17FFC](#) for 2018 criteria) to prioritize where proposed dis-investments or investments 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 2018 PBMA proposals. The proposals were reviewed by the Finance & Facilities Committee at its December 7, 2017 meeting ([Report No. 44-17FFC](#)) and have been incorporated into the proposed 2018 PBTs for approval.

Planning & Budgeting Templates

The PBTs provide both planning & budgeting information and are meant to provide additional program information for the Board to make informed resource allocation decisions. During a full day meeting to be held on February 1, 2018, the Finance & Facilities Committee will review the PBTs for Corporate Services Division, Healthy Living Division, Office of the Medical Officer of Health, Environmental Health & Infectious Disease Division, Healthy Start Division, Office of the Chief Nursing Office, and General Expenses and Revenues.

2018 Proposed Board of Health Budget

As outlined in [Report No. 052-17](#) to the Board of Health, the Health Unit recommended Financial Parameters, including an increase of 0% in provincial and municipal funding for Mandatory Programs and a grant increase of 0% for all other programs. Subsequently, at its meeting on November 16, 2017, the Finance and Facilities Committee considered [Report No. 067-17FFC](#) which outlined details of the provincial grant approvals for 2017, including a 0% increase in Mandatory Programs and a total of \$428,900 in one-time funding.

Using these approved Financial Parameters, the staff have prepared a draft 2018 budget with a 0% provincial increase and a 0% municipal increase in funding for Mandatory Programs. The proposed budget also includes other known or potential funding sources from the Public Health Agency of Canada (PHAC), MOHLTC – 100%, MCYS – 100%, and other revenues.

Included in [Appendix B](#), is the draft 2018 Proposed Budget Summary (PBTs) that provides gross expenditures for the various programs and also provides a summary of revenue sources given the planned changes in the sources of funding.

Conclusion

The 2018 proposed budget is \$35,384,706 which represents a decrease of 0.06% from the revised 2017 budget. The details of the draft program budgets are incorporated in the PBTs attached as [Appendix B](#). A request for 0% or no change in funding was provided to the County of Middlesex and a request was submitted to the City of London with an estimated impact of 0% for the 2016-2019 period, assuming continued implementation of the provincial funding formula.

This report was prepared by the Finance Team, Corporate Services



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