



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health  
Michael Clarke, CEO (Interim)

DATE: 2020 November 5

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## 2021 BUDGET – PBMA PROPOSALS

### **Recommendation**

*It is recommended that the Finance & Facilities Committee:*

- 1) Approve [Appendix A](#), PBMA Disinvestments totaling \$385,984;
- 2) Approve [Appendix B](#), PBMA Investments totaling \$337,197;
- 3) Approve [Appendix C](#), PBMA One-time Proposals totaling \$100,000; and
- 4) Approve increase to 2021 budget of \$ 762,182

### **Key Points**

- Program Budgeting and Marginal Analysis (PBMA) is an integral part of the Health Unit's budget process and allows us to identify opportunities for reallocating resources from areas of lower impact to areas of higher impact.
- A total of 15 PBMA proposals are being recommended for inclusion in the 2021 budget.

### **Background**

In report *022-20FFC, Proposed 2021 PBMA Process, Criteria & Weighting*, no revisions to the approach to PBMA were introduced for 2021. This report outlined the 2021 PBMA process and annual process to review criteria and weights to ensure that they respond to changing priorities, demands and strategic direction of the Health Unit. These criteria and weighting were applied to each proposal for investment and disinvestment and used to rate the potential for positive and negative impacts on program and service delivery at the Middlesex-London Health Unit.

### **Proposed PBMA Disinvestment and Investment Opportunities**

There are a total of 15 proposals being recommended by the Senior Leadership Team (SLT) for inclusion in the 2021 Health Unit Budget, 10 disinvestments (totaling \$385,984), 4 investments (totaling \$337,197) and 1 one-time proposal (totaling \$100,000). Descriptions of the proposals have been included for recommended disinvestments ([Appendix A](#)), recommended investments ([Appendix B](#)) and recommended one-time investment proposals ([Appendix C](#)). In addition to the PBMA proposals, MLHU is facing inflationary and incremental premises pressures in the amount of \$ 710,969 (not included in these costs are COVID related expenses and a future CEO recruitment, both of which will be included in the 2021 budget presented to the board in February 2021). The net effect of these pressures along with proposals presented amount to a budget increase of \$ 762,182.

Item Description	Amount
Disinvestments - Appendix A	\$ (385,984)
Investments ongoing - Appendix B	337,197
Investments one time - Appendix C	100,000
Net effect of PBMA proposals	51,213
Budget requirements <sup>1</sup>	710,969
Increase to 2021 Budget	\$ 762,182

1. Includes inflationary pressures


### Next Steps

If approved, the recommended proposals will be incorporated into the 2021 budget proposal.

This report was prepared by the Finance Team, Healthy Organization Division.



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