



STAFF REPORT INFORMATION ONLY

Toronto Public Health Operating Budget Variance Report for the nine months ended September 30, 2007

Date:	October 26, 2007
To:	Board of Health
From:	Medical Officer of Health
Wards:	All
Reference Number:	

SUMMARY

This report provides an update to the Board of Health on Toronto Public Health's (TPH) Operating Budget Variance for the nine months of operation ending on September 30, 2007.

Toronto Public Health's operating budget was underspent by \$1,567 thousand net or 4.4 percent for the nine-month period ending on September 30, 2007.

TPH gross expenditures were below budget by \$4,089.9 thousand or 2.7 percent attributable to the underspending of \$4,551.7 thousand in Salaries and Benefits offset by overspending of \$461.8 thousand in non-payroll. Revenue was underachieved by \$2,522.9 thousand or 2.2 percent due to under-expenditures in mandatory cost shared programs, underachievement of Interdepartmental Revenue in the Ontario Works Dental program and lower than expected revenue from the Dog and Cat Licensing Strategy.

At year-end, TPH expects to be \$5,384.2 thousand gross or 2.5 percent and \$1,616 thousand net or 3.2 percent under the 2007 Operating Budget. The net under-expenditure of \$1,616 thousand includes anticipated savings due to cost containment measures implemented in the second half of 2007.

Financial Impact

	<i>As of September 30, 2007</i>				<i>Projection to Year-End</i>			
	ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE	
	(\$000s)	(\$000s)	(\$000s)	%	(\$000s)	(\$000s)	(\$000s)	%
Gross Expenditure	146,241.0	150,330.9	(4,089.9)	(2.7%)	205,824.0	211,208.2	(5,384.2)	(2.5%)
Revenue	112,584.3	115,107.2	(2,522.9)	(2.2%)	157,050.4	160,818.6	(3,768.2)	(2.3%)
Net Expenditure	33,656.7	35,223.7	(1,567.0)	(4.4%)	48,773.6	50,389.6	(1,616.0)	(3.2%)

DECISION HISTORY

This report provides an update to the Board of Health on Toronto Public Health's (TPH) Operating Budget Variance for the nine months of operation ending on September 30, 2007.

COMMENTS

Toronto Public Health's 2007 Operating Budget is \$211,208.2 thousand gross and \$50,389.6 thousand net.

Gross and net expenditures were under budget by \$4,089.9 thousand gross (2.7 percent) and \$1,567 thousand net (4.4 percent) respectively as of September 30, 2007. Explanations of the variances in both gross expenditures and revenues and a summary of corrective actions are outlined below.

(1) Gross Expenditures

Toronto Public Health's gross under-spending of \$4,089.9 thousand or 2.7 percent, is comprised of the following:

Salaries and Benefits were \$4,551.7 thousand or 4.2 percent less than budget. This resulted in overall gapping of 9.6 percent versus a TPH gapping target of 4.7 percent due to the following:

- a) TPH held 47.2 positions vacant to achieve the cost containment target:
- b) A number of positions were held vacant pending implementation of new service delivery models in Dental and Oral Health and Communicable Disease Control programs;
- c) TPH experienced a high volume of voluntary leave of absence requests and a long hiring cycle for some public health professionals; and
- d) Vacancies not filled until early 2007 which were initially held in 2006 because of potential provincial funding constraints.

Non-payroll expenditures were slightly over budget by \$461.8 thousand or 1.1 percent mainly because of over expenditures in materials and supplies across various TPH programs.

(2) Revenue

Actual revenue was lower than budget by \$2,522.9 thousand or 2.2 percent due to underspending in cost-shared programs resulting in an unfavourable variance in Provincial cost-shared revenues, underachievement of revenue planned from the Interdepartmental Recovery for Ontario Works Dental program and from the Dog and Cat Licensing Strategy.

(3) Cost Containment

There is a requirement to underspend and hold positions vacant as part of the cost containment constraints imposed by the City. As at September 30th, TPH is holding 47.2 positions vacant and is underspent by \$1.3 million net. The projected underspending by year end is \$1.6 million net.

(4) Corrective Action

TPH will continue to monitor the staff complement closely and work with program managers to identify and improve recruitment and staffing processes.

CONTACT

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SIGNATURE

Dr. David McKeown
Medical Officer of Health

ATTACHMENTS

Attachment 1 – TPH Operating Variance Submission for the period ended September 30, 2007