



Department  
of Health &  
Social Care



Public Health  
England

**Framework Agreement between the  
Department of Health and Social  
Care and Public Health England  
February 2018**

## About Public Health England

Public Health England exists to protect and improve the nation's health and wellbeing, and reduce health inequalities. We do this through world-leading science, knowledge and intelligence, advocacy, partnerships and the delivery of specialist public health services. We are an executive agency of the Department of Health and Social Care, and a distinct delivery organisation with operational autonomy. We provide government, local government, the NHS, Parliament, industry and the public with evidence-based professional, scientific and delivery expertise and support.

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This framework document has been drawn up by the Department of Health and Social Care (DHSC) in consultation with Public Health England (PHE). This document sets out the broad framework within which PHE will operate. The document does not convey any legal powers or responsibilities.

Copies of the document and any subsequent amendments have been placed in the libraries of both Houses of Parliament and made available to members of the public on the GOV.UK website.

## 1. Purpose of this document

- 1.1. The purpose of this document is to define the critical elements of the relationship between DHSC and PHE. The document is focused on:
  - how DHSC and PHE will work in **partnership** to serve the public and the taxpayer; and
  - how both DHSC and PHE discharge their **accountability** responsibilities effectively.
- 1.2. This document should be read in conjunction with PHE's Code of Conduct<sup>1</sup>, which incorporates both the Civil Service Code and PHE's professional responsibilities.

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<sup>1</sup> Available at <https://www.gov.uk/government/publications/code-of-conduct-public-health-england>

## 2. Public Health England's purpose

- 2.1. PHE is an Executive Agency of DHSC. PHE fulfils the Secretary of State for Health and Social Care's statutory duty to protect the nation's health and address health inequalities; and executes the Secretary of State's power to promote the health and wellbeing of the nation.
- 2.2. PHE is a distinct delivery organisation with operational autonomy. It provides government, local government, the NHS, Parliament, industry, public health professionals and the public with evidence-based professional, scientific and delivery expertise and support, and will carry out the statutory functions of the Secretary of State set out in Annex A.
- 2.3. As set out in an annual strategic remit and priorities letter from ministers (published at [www.gov.uk/phe](http://www.gov.uk/phe)), PHE is responsible for four critical functions:
  - **Fulfil the Secretary of State's duty to protect the public's health** from infectious diseases and other public health hazards, working with the NHS, local government and other partners in England, and also working with the devolved administrations and globally where appropriate. This means providing the national infrastructure for health protection including: an integrated surveillance system; providing specialist services, such as diagnostic and reference microbiology; developing, translating and exploiting public health science, including developing the application of genomic technologies; investigation and management of outbreaks of infectious diseases and environmental hazards; ensuring effective emergency preparedness, resilience and response for health emergencies, including global health security and work on antimicrobial resistance; acting as the focal point for the UK on the International Health Regulations; and evaluating the effectiveness of the immunisation programme and procuring and supplying vaccines;
  - **Secure improvements to the public's health, including supporting the system to reduce health inequalities.** It should do this through its own actions and by supporting national government, local government, the NHS and the public to secure the greatest gains in physical and mental health, and help achieve a financially sustainable health and care system. PHE will: promote healthy lifestyles; provide evidence-based, professional, scientific and delivery expertise and advice; develop data, information resources and tools (particularly on return on investment and value for money); and support the system to meet legal duties to improve the public's health and reduce health inequalities;

- **Improve population health supporting sustainable health and care services** through, for example: promoting the evidence on public health interventions and analysing future demand to help shape future services; working with NHS England on effective preventative strategies and early diagnosis; providing national co-ordination and quality assurance of immunisation and screening programmes, the introduction of new programmes and the extension of existing programmes; running national data collections for a range of conditions, including cancer and rare diseases; contributing to the 100,000 genomes project; and supporting local government and the NHS with access to high quality data and providing data analyses to improve services and outcomes; and
- **Ensure the public health system maintains the capability and capacity** to tackle today's public health challenges and is prepared for the emerging challenges of the future, both nationally and internationally. This will mean: undertaking research and development and working with partners from the public, academic and private sectors to improve the research landscape for public health; supporting and developing a skilled workforce for public health; supporting local government to improve the performance of its functions; providing the professional advice, expertise and public health evidence to support the development of public policies to have the best impact on improving health and reducing health inequalities; and collecting, quality assuring and publishing timely, user-friendly high-quality information on important public health topics and public health outcomes.

## 3. Governance

- 3.1. The Chief Executive of PHE is responsible for the leadership and management of PHE and the delivery of its objectives and shall establish appropriate governance arrangements to support him or her in achieving this in addition to the responsibilities set out at section 5 below. The Chief Executive's accountability to the Secretary of State and DHSC will be discharged through the processes set out in section 4 below.
- 3.2. The Chief Executive is appointed by the DHSC Permanent Secretary through fair and open competition in line with the Civil Service Commission Recruitment Principles. The Chief Executive has an unfettered right of access to the Secretary of State and Minister with responsibility for public health to raise any matters or concerns and to respond personally to any issues they wish to raise.
- 3.3. The Chief Executive is supported by an Advisory Board, of which the non-executive Chair and non-executive members are appointed by the Secretary of State. Appointments are transparent, made on merit and managed in a way which complies with the Commissioner for Public Appointments' Code of Practice for Ministerial Appointments to Public Bodies. The Chair shall be accountable to the DHSC Senior Departmental Sponsor (SDS), acting on behalf of the Permanent Secretary.
- 3.4. The Chief Executive is responsible for determining PHE's management arrangements and has established a Management Committee to support him or her in delivering PHE's objectives by implementing a robust system of internal controls and driving forward an agenda to deliver them. The Chief Executive may amend and update these arrangements as and when he or she considers necessary.
- 3.5. The Permanent Secretary has appointed a SDS who will act as PHE's designated consistent point of contact within DHSC. The SDS acts as the link at executive level between PHE and the senior officials of DHSC, and also with ministers. While the SDS role is facilitative and recognises the right of direct engagement between PHE and other parts of DHSC and ministers, it also supports the Permanent Secretary in holding PHE to account and providing assurance on its performance. The SDS is currently the Director General for Global and Public Health. The SDS is supported by a DHSC Sponsor Team, which together with the PHE Strategy Directorate, is responsible for managing the strategic interface between DHSC and PHE.

### *Process for setting objectives*

- 3.6. PHE carries out a number of statutory functions on behalf of the Secretary of State, listed in Annexe A. Any additions shall be notified to PHE by DHSC in advance. DHSC shall also set out its priorities formally to PHE in an annual remit letter from the Minister with responsibility for public health and discuss these as part of the annual accountability meeting; these priorities will be aligned to the DHSC Single Departmental Plan.
- 3.7. PHE shall prepare a longer-term strategic plan that sets out how it will deliver its core functions, describes its longer-term aim and objectives, sets out a strategy for achieving them and forms the agreed framework for detailed annual planning.
- 3.8. PHE will produce a business plan before the start of each financial year demonstrating how it will deliver its objectives, core functions and the government's priorities within the annual remit letter. The annual business plan will be aligned with the longer-term strategic plan. DHSC will provide guidance to support the annual planning process, which will include target budgets covering administration, programme, revenue and capital funding. The draft business plan will be shared in sufficient time to facilitate comment from and agreement by DHSC.
- 3.9. PHE provides a public health grant to local authorities to support upper tier and unitary local authorities to fulfil its duty to improve the public's health<sup>2</sup>. The Chief Executive of PHE is the Accounting Officer for the grant. Local authorities are required to discharge a number of mandated services, but are otherwise free to set their own priorities, working with local partners, through health and wellbeing boards. PHE supports local authorities by providing evidence and knowledge on local health needs and by taking action nationally where it makes sense to do so.

### **Discharge of statutory functions**

- 3.10. PHE will ensure that it has appropriate arrangements in place for the discharge of each of the statutory functions for which it is responsible and that it is clear about the legislative requirements associated with each of them, specifically, any restrictions on the delegation of those functions. PHE will ensure that it has the necessary capacity and capability to undertake those functions, and will ensure that it has the statutory power to take on a statutory function on behalf of another

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<sup>2</sup> Some local authorities no longer receive a public health grant from central government as they are funding their public health functions through 100% retained business rates.



person or body before it does so. PHE shall ensure that there is periodic review<sup>3</sup> of the discharge of its statutory functions as part of its internal audit plan and ensure that its annual governance statement provides appropriate evidence that it is adequately discharging these functions so that the delivery of them remains effective, efficient and legally compliant.

### Cross-government clearance

3.11. In addition to internal governance, cross-government clearance is required before major new policy decisions of the type set out in Cabinet Office guidance.<sup>4</sup> Although such cases are likely to be small in number, the Secretary of State will be responsible for obtaining clearance and PHE will adhere to any conditions applied through the clearance process. There will also be cases where the Secretary of State must consult Cabinet colleagues before giving the government's view, even if collective agreement is not required. In such cases, PHE will supply the Secretary of State with any information he or she needs in a timely fashion.

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<sup>3</sup> PHE should include a review of its statutory functions in its three-year audit cycle, and provide assurance annually as part of their governance statement.

<sup>4</sup> Guide to Cabinet and Cabinet Committees, <http://www.cabinetoffice.gov.uk/resource-library/cabinet-committees-system-and-list-cabinet-committees>, pages 6-8

## 4. Accountability

### Secretary of State

- 4.1. The Secretary of State is accountable to Parliament for the health system (its “steward”), including PHE. This involves:
- setting national priorities and monitoring the whole system’s performance to ensure it delivers what patients, people who use services and the wider public need and value most;
  - determining the level of resource allocations across the health system as a whole;
  - setting objectives for PHE through the annual remit letter;
  - supporting the integrity of the system by ensuring that funding, legislation and accountability arrangements protect the best interests of patients, the public and the taxpayer; and
  - accounting to Parliament for PHE’s performance and the effectiveness of the health and care system overall.

### The Principal Accounting Officer and PHE’s Accounting Officer – accounting to Parliament

- 4.2. The DHSC Permanent Secretary is the Principal Accounting Officer (PAO) and is accountable to parliament for the issue of any parliamentary funding to PHE. The PAO is also responsible for advising the responsible minister:
- 4.3. The PAO is also responsible for ensuring arrangements are in place in order to:
- monitor PHE’s activities;
  - address significant problems in PHE, making such interventions as are judged necessary;
  - periodically carry out an assessment of the risks both to the DHSC and PHE’s objectives and activities;
  - inform PHE of relevant government policy in a timely manner; and
  - bring concerns about the activities of PHE which require explanations to the DHSC Board and give assurances that appropriate action has been taken.
- 4.4. The DHSC Sponsor Team is the primary contact for PHE. They support the SDS in advising the responsible minister on the discharge of his or her responsibilities in respect of PHE. The SDS also supports the PAO in discharging his or her responsibilities towards PHE.

## Responsibilities of PHE's chief executive as accounting officer

### *General*

4.5. The Chief Executive of PHE as Accounting Officer is personally responsible for safeguarding the public funds for which he or she has charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of PHE. In addition, he or she should ensure that PHE as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 of *Managing Public Money*.

### *Responsibilities for accounting to parliament*

4.6. The accountabilities include:

- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with the Government's Finance Reporting Manual for the relevant year as confirmed for the health group via the DHSC Group Manual for Accounts;
- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;
- ensuring that effective procedures for handling complaints about PHE are established and made widely known within PHE;
- acting in accordance with the terms of this document, *Managing Public Money* and other instructions and guidance issued from time to time by the Department, the Treasury and the Cabinet Office; and
- giving evidence, normally with the PAO, when summoned before the PAC on PHE's stewardship of public funds.

4.7. The respective responsibilities of the PAO and accounting officers for arm's length bodies (ALBs) are set out in Chapter 3 of *Managing Public Money*<sup>5</sup>, which is sent separately to the accounting officer on appointment.

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<sup>5</sup> <https://www.gov.uk/government/publications/managing-public-money>

## Reviewing performance

4.8. The PAO's oversight of PHE's performance relies upon the provision of information, and processes to enable both parties to review performance.

4.8.1. The information provided to DHSC by PHE includes (not an exhaustive list):

- performance reports against a set of metrics agreed between the DHSC and PHE, including as a minimum:
  - reporting on public health outcomes at least annually;
  - quarterly performance reports on priority programmes;
  - quarterly spending reports from local authorities;
  - quarterly reviews of public health risk and issues;
- assurance reports prepared for PHE's Management Committee and the PHE Audit and Risk Committee, including:
  - risk management;
  - statutory financial statements; and
  - in-year and year-end performance against budgetary controls, based on the monthly financial reporting system.

4.8.2. The processes in place to enable DHSC and PHE to review performance include:

- PHE's Chief Executive meeting formally with Ministers on a regular basis. There shall also be an annual accountability meeting to review the performance and strategic development of PHE, discuss the annual report and inform the next set of objectives, which shall be chaired by the Minister with responsibility for public health;
- quarterly accountability meetings chaired by the DHSC SDS and attended by the Chief Executive of PHE and other DHSC and PHE directors. The focus of the meeting is on strategic issues and any issues of delivery which the SDS believes it is appropriate to bring to this meeting, including compliance with this document. Each quarter, DHSC shall review:
  - PHE's contribution against the priorities set out in the annual remit letter and progress against the PHE business plan;
  - PHE's performance metrics;
  - PHE's governance and risk management arrangements;
  - PHE's financial performance;
  - the relationship between DHSC and PHE, and any other key issues identified in delivery of DHSC's priorities; and

- the Permanent Secretary undertaking the annual appraisal of the Chief Executive, taking account of feedback from the Advisory Board.
- 4.9. PHE funds local upper-tier and unitary local authorities' public health function through a grant made under section 31 of the Local Government Act 2003. Local authorities account to the chief executive of PHE, as the Accounting Officer for the grant, for their compliance with the conditions attached to it.
- 4.10. PHE will receive a quarterly report from local authorities containing top-line data on services the Secretary of State has mandated and separate data on other non-mandated services. On an annual basis, local authorities will report to PHE on their expenditure of the grant, broken down into a number of categories, using the revenue out-turn form. The Chief Executive (or Section 151 officer) of each local authority along with the Director of Public Health is required to certify that the public health grant has been spent in line with the grant conditions. If PHE identifies any issues of concern, the Secretary of State reserves the right to independently audit the return.
- 4.11. PHE must obtain and publish, at least annually, updated information for each local authority against the Public Health Outcomes Framework in order to give DHSC a clear account of progress. In advising on progress PHE will also take into account other authoritative sources of information, such as the independent annual reports prepared by local Directors of Public Health.
- 4.12. PHE's Chief Executive shall prepare an annual report which describes PHE's performance against objectives and its use of public funds. The report shall be approved by PHE's Chief Executive prior to its submission to DHSC and being laid before Parliament.
- 4.13. In addition, the Chair of the Advisory Board shall have their own section in the report in which they may set out their independent view on the working of PHE.
- 4.14. PHE is responsible for the delivery of its objectives and DHSC will limit the circumstances in which it will intervene in its activities. The following constraints do, however, apply:
- all funds allocated to PHE must be spent on the functions of PHE. If any funds are spent outside the functions of PHE the DHSC could seek adjustments to its operating budget to compensate; and

- if the Secretary of State considers that PHE is significantly failing or has failed to discharge any of its functions he is able to intervene and require PHE to take certain steps. Depending on the urgency and nature of the failing, the SDS would use the quarterly accountability meetings to assess performance and escalate to the Permanent Secretary as and when required. If PHE fails to comply, the Secretary of State may make arrangements for another body to carry out these functions on his or her behalf. The Secretary of State will always publish his or her reasons for any intervention.

## 5. PHE's Advisory Board

- 5.1. The Advisory Board follows the good practice set out in the government's *Corporate Governance in Central Government Departments: Code of Good Practice*, modified as appropriate for its circumstances. The Advisory Board is led by a non-executive Chair, appointed by the Secretary of State.
- 5.2. The Advisory Board membership comprises:
- a non-executive Chair, and at least three, but not more than five, non-executive members, one of whom chairs the Audit and Risk Committee;
  - the Chief Executive and four other directors as agreed by the Advisory Board from time-to-time;
  - no more than two associate non-executive members, who may be appointed by the Advisory Board. They shall be non-voting and shall bring particular skills, experience and expertise, such as in-depth knowledge of the third sector; and
  - a nominee from each of the devolved administrations shall be invited to attend meetings of the Advisory Board in an observational capacity.
- 5.3. The Advisory Board, led by its Chair, shall provide advice, support and constructive challenge to the Chief Executive on:
- maintaining and promoting PHE's leadership role as part of the successful operation of the health and care system as an agency of DHSC, and in setting the tone for excellent and constructive working relationships with the DHSC, local government and the wider NHS, and health and social care partners including NHS England, NHS Improvement and NHS Digital, and central government departments;
  - how PHE can best deliver its duties, priorities, and organisational changes, and value for money, and the future move to Harlow as well as on its vision and strategy, ensuring that this supports the wider strategic aims of the government and DHSC;
  - discharging PHE's accountability to DHSC ministers and senior officials through assuring the effectiveness of PHE's corporate governance arrangements, and providing feedback to the Secretary of State and the DHSC. This includes ensuring that accountability and assurance issues, primarily based on the work of PHE's Audit and Risk Committee, are considered by the Advisory Board in a timely manner and ensuring compliance with the requirements of the Code of Conduct for Board members of public bodies and the Nolan principles; and
  - how PHE can ensure operational independence and maintain the highest professional and scientific standards in the preparation and publication of advice.

- 5.4. The Advisory Board shall ensure that effective arrangements are in place to provide assurance on risk management, governance and internal controls. The Advisory Board shall support the Chief Executive in ensuring that PHE exercises proper stewardship of public funds, including compliance with the principles laid out in *Managing Public Money*; and ensuring that total capital and revenue resource use in a financial year does not exceed the amount specified by the Secretary of State.
- 5.5. The Advisory Board must ensure PHE's Audit and Risk Committee is chaired by an independent non-executive member with significant experience of financial leadership at board level. The Committee should have at least three members, at least two of whom should be Advisory Board members.
- 5.6. Other members need not be Advisory Board members but should be able to demonstrate relevant sectoral experience at board level. The internal and external auditors must be invited to all meetings and allowed to see all the papers.
- 5.7. The Advisory Board shall meet at least quarterly and its meetings shall be held in public. The Advisory Board's terms of reference, together with the papers for its meetings, shall be published at [www.gov.uk/phe](http://www.gov.uk/phe).



## 6. Partnership working

- 6.1. DHSC and PHE will work together, and with the DHSC's other ALBs, in the interests of patients, people who use services and the public to maximise the health and wellbeing gain for the population, working to the values set out in the NHS Constitution where these are relevant. To support this, PHE and DHSC will follow an 'open book' approach. In the case of issues with an impact on the development or implementation of policy, DHSC can expect to be kept informed by PHE. In the same way, DHSC will seek to keep PHE apprised of developments in policy and government. There are likely to be some issues where DHSC or PHE will expect to be consulted by the other before DHSC or PHE makes either a decision or a public statement on a matter.
- 6.2. To further develop the relationship, DHSC and PHE have agreed to a set of shared principles:
- working together for patients, people who use services and the public, demonstrating our commitment to the values of the NHS set out in its Constitution;
  - respect for the importance of autonomy throughout the system, and the freedom in the way they consider most appropriate;
  - recognition that the Secretary of State is ultimately accountable to Parliament and the public for the system overall. PHE will support DHSC in the discharge of its accountability duties, and DHSC will support PHE in the same way; and
  - working together openly and positively. This will include working constructively and collaboratively with other organisations within and beyond the health and care system.
- 6.3. To support the Secretary of State and the PAO in their accountability functions, they may require PHE to disclose to him or her, such information as he or she feels necessary to fulfil their duties with respect to the health system. It is therefore expected that DHSC will, when required, have full access to PHE's files and information. If necessary, the DHSC Sponsor Team will be responsible for prioritising these requests for information.

### Emergency preparedness, resilience and response

- 6.4. Both PHE and DHSC have specific responsibilities for planning for and managing the response to emergencies and health protection incidents and outbreaks in an extended team that works across government. PHE exercises specific functions on behalf of the Secretary of State under the Health and Social Care Act 2012

and the Civil Contingencies Act 2004, including a duty to ensure effective plans are in place, take part in national exercises, and co-ordinate responses. The Secretary of State has cross-government responsibility to provide assurance on the health system's emergency preparedness.

- 6.5. DHSC and PHE work together to provide assurance that PHE's responsibilities are being discharged in the context of cross-government responsibilities. To that end, DHSC and PHE (with other bodies) have developed a protocol on assurance for emergency planning, resilience and response. The protocol is reviewed at least annually.

### Public and Parliamentary Accountability

- 6.6. DHSC and its ALBs share responsibility for accounting to the public and to Parliament for policies, decisions and activities across the health and care sector. Accountability to Parliament will often be demonstrated through parliamentary questions, MPs' letters and appearances before parliamentary committees. Accountability to the public may be through the publication of information at [www.gov.uk/phe](http://www.gov.uk/phe) as well as through responses to letters from the public and responses to requests under the Freedom of Information Act.
- 6.7. DHSC and its ministers remain responsible to Parliament for the system overall, so will often have to take the lead in demonstrating this accountability. Where this is the case, PHE supports the DHSC by, amongst other things, providing information for ministers to enable them to account to Parliament. In turn, DHSC provides leadership to the system for corporate governance, including setting standards for performance in accountability.
- 6.8. PHE does, however, have its own responsibilities in accounting to the public and to Parliament, and its way of handling these responsibilities has been agreed with DHSC.
- 6.9. In all matters of public and parliamentary accountability DHSC and its ALBs will work together considerately, co-operatively and collaboratively, and any information provided by PHE will be timely, accurate and, where appropriate, consistent with information provided by DHSC. To facilitate this, DHSC and PHE have agreed a public and parliamentary accountability protocol that sets out how they will work together to secure the confidence of the public and Parliament, and to maintain the service levels that MPs and the public have come to expect.

## 7. Transparency

- 7.1. PHE is an open organisation that carries out its activities transparently. It demonstrates this by proactively publishing on its website its annual report, business plan and accounts as well as information on areas including pay, diversity of the workforce, performance, the way it manages public money and the public benefits achieved through its activities, by supporting those who wish to use the data by publishing the information within guidelines set by the Cabinet Office<sup>6</sup> and by holding open board meetings. The annual report includes an accountability report, which is shared for comment with the DHSC SDS prior to submission to the PHE Audit and Risk Committee and subsequent approval by PHE's Chief Executive.
- 7.2. To underpin the principles of good communication, 'no surprises' and transparency, PHE and DHSC have put in place arrangements for managing communications. Further details are provided in Annex B.
- 7.3. PHE's Chief Executive, members of the PHE Management Committee and non-executive Advisory Board Members operate within the general principles of the corporate governance guidelines set out by HM Treasury,<sup>7</sup> including the Nolan principles of public life. Members of the Advisory Board also comply with the Cabinet Office's Code of Conduct for Board Members of Public Bodies<sup>8</sup>.
- 7.4. PHE has operational autonomy. It operates transparently and proactively and provides government, local government, the NHS, Parliament and MPs, industry, public health professionals and the public with expert, evidence-based information and advice on public health matters. PHE shall be free to publish and speak on those issues which relate to the nation's health and wellbeing in order to set out the professional, scientific and objective judgement of the evidence base.
- 7.5. For individual members of staff (including secondees, fixed-term and temporary appointees and contractors) and members of the Advisory Board, the PHE Code of Conduct sets out their freedoms and responsibilities in presenting the

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6 The guidance is available on the Gov.UK website at: <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>

7 The corporate governance guidelines (available at [http://www.hm-treasury.gov.uk/psr\\_governance\\_corporate.htm](http://www.hm-treasury.gov.uk/psr_governance_corporate.htm)) are written for central government departments, although, as it says in the guidelines, "the principles in the Code generally hold across other parts of central government, including departments' arm's length bodies".

8 The Cabinet Office's Code of Conduct for Board Members of Public Bodies is available at: <http://www.bl.uk/aboutus/governance/blboard/Board%20Code%20of%20Practice%202011.pdf>

evidence, providing professional and scientific advice and representing PHE. Ministers remain responsible and accountable for policy decisions.

- 7.6. As such, PHE shall be free to publish information it obtains from any source. Examples include publication of relevant research and advice from scientific committees, peer reviewed research and advice on specific public health harms and hazards. Professional responsibility for analysis and publication of data rests with PHE's Director of Health Improvement.
- 7.7. Where appropriate, such analysis shall have the status of National Statistics or Official Statistics, and shall be subject to the Code of Practice for Official Statistics. However, information and data shall not be published if to do so would contravene an express restriction in legislation or confidentiality obligations protected by common law.
- 7.8. In working together, PHE and DHSC respect each other's distinctive and complementary roles in relation to public health. PHE recognises DHSC's lead role in developing government policy, just as DHSC recognises PHE's role as its principal partner in public health policy development, its professional and scientific expertise, its delivery capability, and its mission to operate in line with the best available evidence.
- 7.9. While PHE will co-operate with DHSC and others in the co-ordination of planned announcements as set out at sections 3.11 and 7.2 above, it will not be required to clear the contents of its professional and operational announcements with DHSC or any other agency in advance.
- 7.10. PHE takes all necessary measures to ensure that:
  - patient, personal and/or sensitive information within its care and control is well managed and protected through all stages of its use, including through compliance with the Data Protection Act;
  - it provides public assurance in respect of its information governance practice by completing and publishing an annual information governance assessment using an agreed assessment mechanism; and
  - it meets its legal obligations for records management, accountability and public information by compliance with relevant standards, including government and NHS codes of practice on confidentiality, security and records management.
- 7.11. PHE's Senior Information Risk Owner and Caldicott Guardian work together to ensure that both patient and other personal information are handled in line with best practice in government and the wider public sector.

- 7.12. PHE, as with DHSC and all its ALBs, has whistleblowing policies and procedures in place that comply with the Public Interest Disclosure Act 1998 and best practice guidance. It prohibits the use of confidentiality clauses that seek to prevent staff from speaking out on issues of public interest.

### Sustainability

- 7.13. As a major public sector body, PHE has a key role to play in driving forward the government's commitment to sustainability in the economy, society and the environment. As a minimum, PHE should comply with the Greening Government Commitments<sup>9</sup> that apply to all government departments, executive agencies and non-departmental public bodies, set out in the action plan for driving sustainable operations and procurement across government. Reporting is via DHSC (including the consolidation of relevant information in the DHSC annual resource account).

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<sup>9</sup> <https://www.gov.uk/government/publications/greening-government-commitments-2016-to-2020/greening-government-commitments-2016-to-2020>

## 8. Audit

- 8.1. The Comptroller and Auditor General (C&AG) audits PHE's annual accounts, which PHE will then lay before Parliament, together with the C&AG's report before Parliament.
- 8.2. The Comptroller and Auditor General may also choose to conduct a value-for-money audit of any aspect of PHE's work. PHE will cooperate fully with the National Audit Office in pursuing such audits, and give them full access to all relevant files and information.
- 8.3. PHE is responsible for establishing and maintaining internal audit arrangements in accordance with the Public Sector Internal Audit Standards. PHE's internal audit function should report to the PHE's Audit and Risk Committee, and should consider issues relating to PHE's adherence to its business plan. The DHSC Audit and Risk Committee remit includes risk management, corporate governance and assurance arrangements in all its constituent bodies and so PHE's Audit and Risk Committee shall work closely with the DHSC Audit and Risk Committee as necessary.
- 8.4. In the event that PHE has set up and controls subsidiary companies, PHE will in the light of the provisions in the Companies Act 2006 ensure that the C&AG is appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts. PHE shall discuss with the DHSC the procedures for appointing the C&AG as auditor of the companies.

## 9. Delegations and financial management

- 9.1. Details of PHE's financial arrangements, including funding allocation, in-year reporting, preparation of accounts, and the accounting officer's responsibilities in relation to financial management and PHE's accounts, are provided in Annex C.
- 9.2. PHE's overall revenue and capital resources are set out in the allocation letter issued by the DHSC SDS. More details are provided in Annex C.
- 9.3. PHE's delegated authorities are issued to it in writing by DHSC, including those areas where PHE must obtain DHSC written approval before proceeding. PHE will adhere to these delegated authorities.
- 9.4. PHE must demonstrate that it is delivering its functions in the most efficient manner, and must provide timely returns to DHSC where these are required either by it or by other departments within central government.
- 9.5. PHE, as with all public bodies and government departments, must operate within any relevant set of efficiency controls. These controls may affect areas of spend such as information communications technology (ICT), marketing and advertising, procurement, consultancy, the public sector estate, recruitment, major projects or strategic supplier management. DHSC will ensure that PHE is kept informed of any efficiency controls in operation.
- 9.6. A shared or standardised value for money approach will also apply to the use of estate. PHE is responsible for complying with guidance on property and asset management, as set out in Cabinet Office guidelines on use of the estate as set under National Property Controls. The governance for this is applied through the DHSC Property Asset Management Board.
- 9.7. DHSC encourages and will support PHE to carry out public health activities which are funded from sources other than from DHSC. DHSC will support PHE in exploiting its wider expertise and any spare capacity in these activities to generate external income and potentially generate a commercial return, where it explicitly supports PHE's agenda. Any such commercial activities should not be pursued at the expense of delivering PHE's core functions, and must be undertaken in accordance with *Managing Public Money* (in particular Chapters 6 (fees and charges) and 7 (working with others)).

## 10. Risk management

- 10.1. PHE is responsible for dealing with the risks that it faces in an appropriate manner, according to best practice in corporate governance, including a risk management strategy in accordance with the HM Treasury guidance *Management of Risk: Principles and Concepts*<sup>10</sup>. It has adopted and implemented policies and practices to safeguard itself against fraud and theft, in line with HM Treasury guidance<sup>11</sup>. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or parliamentary funding.
- 10.2. PHE is responsible for a reporting process to assure its Audit and Risk Committee of financial and operational performance against the business plan. This assurance report includes information on risks and how they are being managed in accordance with HM Treasury guidance mentioned above. The information prepared is shared with DHSC to enable it to assure itself on risk management. PHE and DHSC have agreed a process and trigger points for the escalation of risks to the DHSC Audit and Risk Committee, where those risks will have a potentially significant impact on PHE, DHSC or the wider system that requires a co-ordinated response.
- 10.3. Risks to the wider system that relate to PHE's operations, identified by PHE, DHSC or another body, are flagged in the formal quarterly accountability meetings chaired by the DHSC SDS. Such risks may also be flagged by PHE's Management Committee and/or Advisory Board and escalated to the DHSC Audit and Risk Committee for consideration. It is the responsibility of PHE and the SDS to keep each other informed of significant risks to, or arising from, the operations of PHE within the wider system.
- 10.4. PHE has effective and tested business continuity management (BCM) arrangements in place to be able to respond to disruption to business and to recover time-critical functions where necessary. In line with Cabinet Office guidelines, the BCM system should aim to comply with ISO 22301 Societal Security – Business Continuity Management Systems.

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<sup>10</sup> <https://www.gov.uk/government/publications/orange-book>

<sup>11</sup> [http://www.hm-treasury.gov.uk/psr\\_managing\\_risk\\_of\\_fraud.htm](http://www.hm-treasury.gov.uk/psr_managing_risk_of_fraud.htm)



## 11. Human resources

- 11.1. PHE's Chief Executive is responsible for the structure and staffing of PHE. PHE will comply with any DHSC or government-wide recruitment controls. DHSC will ensure that PHE is made aware of any such controls. Staff may move between PHE and other parts of DHSC and participate in DHSC job selection exercises.
- 11.2. In general terms, PHE has adopted policies developed by Civil Service Employee Policy (CESP), which have been adapted where necessary to reflect PHE's business and workforce.
- 11.3. PHE must obtain the approval of the Secretary of State in respect of policies relating to remuneration, pensions, allowances or gratuities.
- 11.4. While PHE is responsible for the structure and staffing of its organisation, it shall consult with the Permanent Secretary when making decisions on the creation, regrading or reduction of senior civil service (SCS) posts. SCS remuneration is subject to the recommendations of the Senior Salaries Review Body.
- 11.5. PHE's remuneration and terms and conditions (including pensions) of its staff must be within the general pay structure approved by DHSC and HM Treasury. Very Senior Staff (SCS and very senior managers) may be subject to additional governance as specified by HM Treasury, Cabinet Office and DHSC. DHSC will ensure that PHE is aware of any such requirements or restrictions.
- 11.6. Like all departments and ALBs, PHE will be required to follow any requirements for disclosure of pay or pay-related information.
- 11.7. Subject to its financial delegations, PHE is responsible for complying with DHSC and HM Treasury's approval processes in relation to contractual redundancy payments. All novel or contentious payments require the DHSC and HM Treasury's approval. Special severance payments are always considered novel or contentious (this includes any proposal to make a payment as a result of judicial mediation).

### Equalities

- 11.8. The public sector equality duty requires PHE (as a public authority) to have due regard, in the exercise of its functions, to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

11.9. The provisions of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2011 require PHE, as a public authority, to:

- annually publish information to demonstrate compliance with the Public Sector Equality Duty. This information must include, in particular, information relating to persons who share a relevant protected characteristic who are its employees and other persons affected by its policies and procedures, and practice and publish specified 'gender pay gap' information relating to employees; and
- prepare and publish one or more objectives it thinks it should achieve to meet the Public Sector Equality Duty.<sup>12</sup>

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<sup>12</sup> This was required by 6 April 2013, and is required every four years thereafter

## 12. Relations with the DHSC's other ALBs

- 12.1. PHE works in partnership with DHSC and its other ALBs, including in its capacity as NHS England's public health advisor, in the interests of patients, people who use services and the public, to maximise the health and wellbeing gain for the population, and working to the values set out in the NHS Constitution where these are appropriate.
- 12.2. The DHSC and its ALBs have complementary but distinct roles within the system to ensure that service users receive high-quality services that deliver value for public money.
- 12.3. PHE has a leadership role as part of the successful operation of the health and care system, setting the tone for excellent and constructive working relationships with DHSC, central government departments, local government, the wider NHS and health and social care partners.

## 13. Review

- 13.1. PHE's strategic plan describes the longer-term aims and objectives, sets out a strategy for achieving them, and forms the agreed basis for detailed planning.
- 13.2. Each year, PHE's Chief Executive is responsible for preparing a business plan that sets out PHE's intended activity and anticipated resource requirements for the financial year immediately ahead. The Secretary of State may give PHE additional functions and tasks not foreseen in the business plan; PHE will discuss the resource consequences of this directly with DHSC. The DHSC SDS shall approve PHE's business plan no later than April of each year, which shall be published at: [www.gov.uk/phe](http://www.gov.uk/phe).
- 13.3. DHSC regularly reviews PHE's performance at formal accountability meetings, including an annual accountability meeting that takes place at a time to inform business planning discussions. In addition, DHSC aims to undertake an in-depth tailored review of its executive agencies and ALBs at least once each Parliament. The timing and areas of focus of the review will be determined by DHSC in discussion with PHE and other relevant parties.
- 13.4. Any change to PHE's core functions or duties, including mergers, significant restructuring or abolition shall require DHSC to put in place arrangements to ensure a smooth and orderly transition, with the protection of public health being paramount. In particular DHSC would need to ensure that, where necessary, procedures are in place in PHE so DHSC could obtain independent assurance on key transactions, financial commitments, cash flows, HR arrangements and other information needed to handle any transition effectively and to maintain the momentum of any ongoing and/or transferred work.
- 13.5. This document will be reviewed every three years, or sooner upon the request of either party.