



PHE Advisory Board

Title of meeting	PHE Advisory Board
Date	Wednesday 27 November 2013
Sponsor	Michael Brodie
Title of paper	2013/14 Financial Review – Year to Date

1. PURPOSE OF THE PAPER

- 1.1 This paper presents a summary financial review for Public Health England for the period ended September 2013.

2. RECOMMENDATIONS

- 2.1 The PHE Advisory Board is asked to **NOTE** the summary financial position of PHE as at the end of reporting month six.

3. BACKGROUND

- 3.1 The original budget was approved by the National Executive in April 2013. This budget was used in the Business Plan submitted to the Department of Health. Inevitably, with an organisation in start-up there have been changes to initial financial planning assumptions and a budget review was undertaken to reflect the latest position.
- 3.2 The National Executive receives and reviews a report on the Agency's financial position on a monthly basis and is supported by the Resourcing and Prioritisation Group which ensures that resourcing decisions are made in light of the overall financial position and the strategic priorities of Public Health England.

4. FINANCIAL POSITION

- 4.1 The high level summary financial position for PHE for the six months to September 2013 is shown in the table below.
- 4.2 The figures represent the net expenditure for each directorate and show a year to date net underspend of £14.5 million against a budget of £1,557.3 million for the period. This position was expected as the agency moves from transition and builds its delivery capacity.
- 4.3 At this stage in the financial year the forecast outturn is as per the revised budget. This prudent assessment reflects planned spending programmes that will enable the agency to deliver public health outcomes through greater collaboration and innovation.

Public Health England : Year to date position 30th September 2013 by Directorate	Year to date Budget (£m)	Year to date Actual (£m)	Variance (£m)	Full Year Budget/ Forecast Out-turn (£m)
Operations Total	73.8	66.8	7.0	141.1
Health Protection	26.1	27.6	(1.5)	53.3
Health & Wellbeing - General	48.7	41.5	7.2	135.8
Health & Wellbeing – Social Marketing	15.1	14.7	0.4	54.6
Knowledge	16.4	15.9	0.5	35.8
Corporate Functions	10.3	9.4	0.9	32.7
Sub-total	190.4	175.9	14.5	453.3
Depreciation not charged to operational activities	-	-	-	22.1
Total Net Operating Expenditure	190.4	175.9	14.5	475.4
Local Authority Grants	1,330.9	1,330.9	-	2,661.8
Vaccines Programme	36.2	36.2	-	422.9
Total PHE	1,557.3	1,543.0	14.5	3,560.1

5. CAPITAL EXPENDITURE

- 5.1 The agency has agreed a capital programme for the year and agreed the required funding with the Department of Health. The total funding of £65 million consists of a general allocation of £50 million with specific allocations of £15 million for drugs/alcohol rehabilitation projects and water fluoridation schemes. There is also a separate programme for counter-measures but this is determined by and funded by the Department of Health.
- 5.2 By the end of September £9.1million (18%) had been spent on projects in the general allocation programme.
- 5.3 The specific allocation projects are not scheduled to start in the first half of the year. Planning work for these is underway now and expenditure is expected soon.
- 5.4 At this stage in the year we remain confident that the capital programme agreed with the Department of Health will be delivered.

6. CONCLUSION

- 5.1 As expected, given the transition process and the timetable of recruitment to establishment, the year to date figures show an underspend position. However, plans are in place to manage the financial position to ensure that PHE utilises its resources effectively and delivers to budget.

Michael Brodie

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