



PHE Advisory Board

Title of meeting PHE Advisory Board
Date Wednesday 21 June 2017
Sponsor Michael Brodie
Title of paper Public Health England's financial position for 2016/17.

1. PURPOSE OF THE PAPER

- 1.1 This paper presents a summary of Public Health England's (PHE's) financial position for 2016/17.

2. RECOMMENDATIONS

- 2.1 The PHE Advisory Board is asked to **NOTE** the summary financial position of PHE for 2016/17.

3. 2016/17 FINANCIAL OUT-TURN AND UPDATE ON THE AUDIT

- 3.1 The provisional out-turn for 2016/17 was a net underspend of £1.4m on a total organisation budget of £4.3bn. More realistically, the underspend should be compared with PHE's core GIA for the year of £370m. Nonetheless, this still equates to a percentage variance of just 0.4%.
- 3.2 PHE's "administration" budget for the year was £56.3m. We incurred a small overspend of £0.2m (0.4%), agreed subsequently with DH finance colleagues.
- 3.3 A summary of PHE's provisional out-turn is shown in the table below:

Function/Activity - £ms	PROVISIONAL OUTTURN		
	Full Year Budget	Full Year Actual	Variance
Income Total	163.9	163.8	(0.1)
Expenditure Total	534.4	532.9	1.5
Subtotal - PHE Core Functions	370.5	369.1	1.4
Depreciation	32.9	32.9	0.0
Local Authority Public Health Grant	3,388.0	3,388.0	0.0
VCR - Income	(72.7)	(72.7)	0.0
- Expenditure	555.2	555.2	0.0
- Net Total	482.5	482.5	0.0
Grand Total – PHE	4,273.9	4,272.5	1.4

- 3.4 Whilst the figures are provisional we do not expect any material changes to arise from the audit.
- 3.5 The audit itself is still ongoing at the time of writing. However, the NAO's draft Management Letter (ML) to PHE's Audit & Risk Committee meeting on 6 June reported only four items of note, each of which is rated as a medium risk. The draft ML also reports only minor unadjusted errors in the accounts. Both NAO and Audit Committee members commented positively on the quality of the Accounts, PHE's governance and supporting papers.

4. CONCLUSION

- 4.1 We closely monitored our income recovery throughout the financial year and have achieved a breakeven position as was forecast.
- 4.2 We understood our staffing pipelines and planned staff exits, and have tight establishment controls in place. This provided confidence that pay forecasts made during the financial year were accurate, and this has been shown to be true by the provisional outturn on our pay costs that matched expectations.
- 4.3 We closely monitored all non-pay expenditure in 2016/17. We had a good understanding of the major spend items such as the National Screening Programme and laboratory consumable spend.
- 4.4 Such financial management and control allowed us to reprioritise funding during the financial year, meaning that we have undertaken most of our previously unfunded key objectives and pump-primed key development activities.

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