



PHE Advisory Board

Title of meeting	PHE Advisory Board
Date	Wednesday 23 May 2018
Sponsor	Michael Brodie
Title of paper	2017/18 Financial Review – Year to March 2018

1. PURPOSE OF THE PAPER

- 1.1 This paper presents a summary financial review for Public Health England for 2017-18.

2. RECOMMENDATION

- 2.1 The PHE Board is asked to **NOTE** the summary financial position of PHE for 2017-18.

3. SUMMARY FINANCIAL POSITION

- 3.1 The provisional revenue outturn for 2017/18 shows that PHE achieved its financial targets during 2017/18 with a small net underspend of £5.3m. This equates to:
 - (a) A 1.5% positive variance against our core operating budget of £354.9m;
 - (b) A 0.1% positive variance against our overall total budget of £3,908.9m.
- 3.2 PHE's costs include those relating to Vaccine and Counter-Measures activities, the budget for which is determined by the net expenditure incurred. The Vaccine and Countermeasures resource outturn is £431m against the previously updated forecast at £429m and an original budget of £447m.
- 3.3 PHE's "administration" budget for the year was £52.3m, reflective of the 7% yearly cash releasing savings target as set out by the Comprehensive Spending Review settlement. The provisional position is that Admin budgets were underspent by £0.243m, thus being in line with the overall target.
- 3.4 Core Programme budgets for the year were £302.4m and recorded a provisional outturn underspend position of £5.0m, which was inclusive of screening programme underspends of £4.4m that has been reported throughout the year.

3.5 A summary of PHE's provisional revenue out-turn for 2017/18 is shown in the table below:

Function/Activity - £ms	PROVISIONAL OUTTURN		
	Full Year Budget	Full Year Actual	Variance
Income Total	172.4	174.1	1.7
Expenditure Total	527.3	523.7	3.6
Subtotal - PHE Core Functions	354.9	349.6	5.3
Depreciation	32.2	32.2	0.0
Local Authority Public Health Grant	3,090.5	3,090.5	0.0
VCR - Income	(72.7)	(72.7)	0.0
- Expenditure	504.0	504.0	0.0
- Net Total	431.3	431.3	0.0
Grand Total – PHE	3,908.9	3,903.6	5.3

4. CAPITAL EXPENDITURE

- 4.1 The provisional capital programme outturn for 2017/18 is a net underspend of £10.4m.
- 4.2 The provisional outturn spend on the general capital programme to the end of March 2018, subject to year-end audit, was £40.6m compared with a budget of £47.0m; £6.4m less than budget (13.7%).
- 4.3 PHE has a separate allocation in relation to screening capital projects under section 7a. Our revised screening capital budget of £1.6m was underspent due to slippage with some of the programmes which has previously been reported.
- 4.4 The 2017/18 vaccines' budget allocation from DHSC is £24.8m but we also made disposals (which were planned) in year of £38.2m, resulting in a net negative value for VCR activities.
- 4.5 The summary of PHE's provisional Capital Programme out-turn for 2017/18 is shown in the table below:

2017/18 (£'ms)	PROVISIONAL OUTTURN		
	Full Year Budget	Full Year Actual	Variance
General allocation – PHE	33,168	30,128	-3,040
General allocation – PBL	13,834	10,429	-3,405
Subtotal - General allocation	47,002	40,557	-6,445
Fluoridation	998	998	0
Screening (section 7a)	1,600	261	-1,339
Science Hub	45,500	42,845	-2,655
VCR	-13,363	-13,363	0
TOTAL	81,737	71,298	-10,439

5. CONCLUSION

- 5.1 For the fifth year since its inception PHE has delivered against its financial targets. Whilst the figures for both revenue and capital are provisional and subject to audit, we do not expect any material changes to arise from the audit.

Michael Brodie

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