



Department  
of Health



Public Health  
England

# **Framework Agreement between the Department of Health and Public Health England**

November 2013

# About Public Health England

Public Health England's mission is to protect and improve the nation's health and to address inequalities through working with national and local government, the NHS, industry and the voluntary and community sector. PHE is an operationally autonomous executive agency of the Department of Health.

Public Health England  
133-155 Waterloo Road  
Wellington House  
London SE1 8UG  
Tel: 020 7654 8000  
[www.gov.uk/phe](http://www.gov.uk/phe)  
Twitter: @PHE\_uk  
Facebook: [www.facebook.com/PublicHealthEngland](http://www.facebook.com/PublicHealthEngland)

© Crown copyright 2013

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence v2.0. To view this licence, visit OGL or email [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk). Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned. Any enquiries regarding this publication should be sent to [publications@phe.gov.uk](mailto:publications@phe.gov.uk).

Published November 2013  
PHE publications gateway number: 2013234

This document is available in other formats on request. Please email [publications@phe.gov.uk](mailto:publications@phe.gov.uk)



# Contents

About Public Health England	2
1. Purpose of this document	4
2. Public Health England's purpose	4
3. Governance	5
4. Accountability	8
5. PHE's Advisory Board	12
6. Partnership working	13
7. Transparency	16
8. Audit	18
9. Delegations and financial management	19
10. Risk management	20
11. Human resources	21
12. Relations with the Department's other arm's length bodies	23
13. Review	23
 Annex A: Public Health England's Code of Conduct	
Annex B: Public Health England's statutory functions	
Annex C: Public-facing communications	
Annex D: Finance and accounting responsibilities	
Annex E: Relationships with other bodies	
Annex F: Wider guidance	

# 1. Purpose of this document

- 1.1 The purpose of this document is to define the critical elements of the relationship between the Department of Health (DH) and Public Health England (PHE). The document is focused on:
- how DH and PHE will work in **partnership** to serve the public and the taxpayer
  - how both DH and PHE discharge their **accountability** responsibilities effectively
- 1.2 This document should be read in conjunction with PHE's Code of Conduct which incorporates both the Civil Service Code and PHE's professional responsibilities (see annex A).

# 2. Public Health England's purpose

- 2.1 PHE is an executive agency of DH. The general function of PHE is to fulfil the Secretary of State for Health's statutory duty to protect health and address inequalities, and promote the health and wellbeing of the nation.
- 2.2 PHE discharges this function by:
- providing government, local government, the NHS, Parliament and MPs, industry, public health professionals and the public with evidence-based professional, scientific and delivery expertise and advice
  - supporting local government in their legal duty to improve the public's health and, through them, clinical commissioning groups, by providing evidence and knowledge on local health needs, alongside practical and professional advice on what to do to improve and protect health, taking action nationally where it makes sense to do so
  - being NHS England's public health advisor
  - ensuring there are effective arrangements in place nationally and locally for preparing, planning and responding to health protection concerns and emergencies, including the future impact of climate change



- providing specialist health protection, epidemiology and microbiology services across England
- contributing to oversight of the Section 7A Agreement between DH and NHS England<sup>1</sup>. This includes provision of the service specifications against which NHS England commissions these services, as well as expert public health advice and quality assurance functions to their commissioning teams. The Chief Executive of PHE is a member of the NHS Public Health Oversight Group that holds NHS England to account for delivery
- undertaking and contributing to research and development in areas relevant to its other functions
- working in partnership with the Chief Medical Officer for England and with colleagues in Scotland, Wales and Northern Ireland to protect and improve the public's health, as well as internationally through a wide-ranging global health programme

2.3 PHE has operational autonomy and will carry out the statutory functions of the Secretary of State set out as annex B to this agreement.

## 3. Governance

- 3.1 The Chief Executive of PHE is responsible for the leadership of PHE and the delivery of its objectives and shall establish appropriate governance arrangements to support him in achieving this in addition to the responsibilities set out at section 5.4 below. The Chief Executive's accountability to the Secretary of State and DH will be discharged through the processes set out in section 4.6 below.
- 3.2 The Chief Executive is appointed by the DH 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 the lead Minister 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, the membership of which comprises:

---

<sup>1</sup> Under Section 7A of the NHS Act 2006, the Secretary of State may reach agreements with NHS England, a Clinical Commissioning Group or a local authority to deliver public services on his behalf.

- a non-executive Chair, who shall be accountable to the DH Senior Departmental Sponsor, acting on behalf of the Permanent Secretary
- at least three, but not more than seven, non-executive members, one of whom chairs the Audit and Risk Committee
- the Chief Executive

3.4 The Chair and non-executive members are appointed by the Secretary of State for Health. Appointments are transparent, made on merit, and managed in a way which follows the principles of the Commissioner for Public Appointments' Code of Practice for Ministerial Appointments to Public Bodies.

3.5 No more than two associate non-executive members shall be appointed by the Advisory Board. They are non-voting and shall bring particular skills, experience and expertise, such as in-depth knowledge of the third sector. In addition, a nominee from each of the devolved administrations shall be invited to attend meetings of the Advisory Board in an observational capacity.

3.6 The Chief Executive is responsible for determining PHE's management arrangements and has established a National Executive to support him 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 considers necessary, with any changes reflected as appropriate in this document when it is updated.

3.7 The Permanent Secretary has appointed a Senior Departmental Sponsor (SDS) who acts as PHE's designated consistent point of contact within DH. The SDS acts as the link at executive level between PHE and the senior officials of DH, and also with ministers. While the SDS role is facilitative and recognises the right of direct engagement between PHE and other parts of DH 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 Public Health. The SDS is supported by a DH sponsor team, which is the principal day-to-day liaison between DH and PHE.

#### *Process for setting objectives*

3.8 The Secretary of State has delegated some of his statutory responsibilities to PHE, listed in annex B to this agreement. Any additions shall be notified to PHE by DH in advance.

DH shall also set out its priorities formally to PHE in an annual letter from the DH SDS and discuss these as part of the annual accountability meeting; these priorities will be aligned to ministerial priorities and to the DH corporate business plan.

- 3.9 PHE shall prepare a three year corporate plan that sets out how it will deliver the statutory functions delegated by the Secretary of State, describes its longer-term aim and objectives, sets out a strategy for achieving them, provides a framework for monitoring their progress and forms the agreed basis for detailed planning. DH and PHE will review the corporate plan as part of the annual business planning cycle.
- 3.10 PHE will produce a business plan before the start of each financial year demonstrating how it will deliver its objectives and the statutory functions that the Secretary of State has instructed PHE to carry out on his behalf – as set out in the three year corporate plan. DH will provide guidance to support this 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 DH prior to being submitted for approval by the Secretary of State.
- 3.11 PHE provides a public health grant to local authorities to support every upper tier and unitary local authority to fulfil its duty to improve the public's health. The Chief Executive of PHE is the Accounting Officer for the grant. Local authorities are required to discharge a small 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*

- 3.12 The Secretary of State has instructed PHE to carry out certain public health functions on his behalf. 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 person or body before it does so.

PHE shall ensure that there is periodic review<sup>2</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*

- 3.13 In addition to internal governance, cross-government clearance is required for major new policy decisions of the type set out in Cabinet Office guidance.<sup>3</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 needs in a timely fashion.

## 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
  - setting budgets across the health system, including for PHE
  - setting objectives for PHE
  - 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

---

<sup>2</sup> PHE should include a review of its statutory functions in its three-year audit cycle, and provide assurance annually as part of its governance statement.

<sup>3</sup> Guide to Cabinet and Cabinet Committees,

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/224997/Guide\\_to\\_Cabinet\\_Committees\\_2012.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/224997/Guide_to_Cabinet_Committees_2012.pdf) (pages 6-9)



- 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*

- 4.2 The DH Permanent Secretary is the Principal Accounting Officer (PAO) and so is accountable in Parliament for the general performance of the health and care system in England, including PHE. This requires him or her to gain assurance that PHE is discharging its statutory functions and delivering its objectives set out in the business plan. In this way the PAO is able to report to Parliament on DH's stewardship of the public funds it distributes and for which it holds overall accountability.
- 4.3 The DH Permanent Secretary, as the DH Principal Accounting Officer, has appointed PHE's Chief Executive as its Accounting Officer (AO). The AO may be called to account for PHE's performance in Parliament. The PAO can also be held to account in Parliament since the PAO's oversight should allow him or her to assess the adequacy of PHE's stewardship of public funds and discharge of its duties. This assessment includes making judgments about whether PHE is operating to adequate standards of regularity, propriety, feasibility and value for money (assessed for the Exchequer as a whole).
- 4.4 The PAO's oversight of PHE's performance relies upon the provision of information, and processes to enable both parties to review performance.
- 4.5 The information provided to DH by PHE includes (not an exhaustive list):
- performance reports against a set of metrics agreed between DH 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
    - monthly reviews of public health risks and issues
  - assurance reports prepared for PHE's National Executive and Audit and Risk Committee, including:
    - risk management

- statutory financial statements
- in-year and year-end performance against budgetary controls, based on the monthly financial reporting system

4.6 The processes in place to enable DH and PHE to review performance include:

- PHE's Chief Executive meeting formally the lead Minister for public health at least quarterly and the Secretary of State at least annually. 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 for public health
- quarterly accountability meetings chaired by the DH SDS and attended by the Chief Executive of PHE and other DH 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 agreement. Each quarter, DH shall review:
  - PHE's contribution against DH's strategic objectives, and progress against the PHE business plan
  - PHE's performance metrics and internal control arrangements
  - PHE's governance and risk management arrangements
  - the relationship between DH and PHE, and any other key issues identified in delivery of DH's strategic objectives
- regular contact between DH's sponsor team and PHE
- the Permanent Secretary undertaking the annual appraisal of the Chief Executive, taking account of feedback from the Advisory Board

4.7 Upper tier and unitary local authorities are accountable to PHE's Chief Executive as PHE's Accounting Officer for the use of the resources granted to them by PHE for improving health and wellbeing in their communities. In turn, PHE gains assurance from local authorities that they are discharging their financial obligations.



- 4.8 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 eighteen categories, using the revenue outturn form. The Chief Executive of each local authority 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.
- 4.9 PHE must obtain and publish, at least annually, updated information for each local authority against the Public Health Outcomes Framework in order to give DH 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.
- 4.10 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 reflect the views of external agencies and stakeholders who have dealings with PHE, including local government and the NHS. The report shall be approved by PHE's Chief Executive prior to its submission to ministers and being laid before Parliament.
- 4.11 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, the progress of the public health system and the role of key stakeholders, including DH.
- 4.12 PHE is responsible for the delivery of its objectives and DH 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 DH could seek adjustments to its budget for running costs (administration) to compensate
  - if the Secretary of State considers that PHE is significantly failing in 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 conduct its functions on his behalf. The Secretary of State will always publish his 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, led by its Chair, is responsible for providing strategic advice on the running of PHE, including assuring the effectiveness of PHE's corporate governance arrangements, and for advising the Chief Executive on:
- the development of PHE's corporate plan and annual business plan
  - PHE's financial and performance objectives, and progress on meeting those objectives
  - ensuring that PHE maintains independence, and the highest professional and scientific standards in preparing and publishing its advice, and commands the confidence of the professional and scientific communities related to public health
  - issues and policies, both within the public health system and from other government departments, which could impact on the strategic direction of PHE
- 5.3 The DH SDS ensures that there is an annual objective setting and review process in place for the Chair.
- 5.4 The responsibilities of the Chief Executive are:
- safeguarding the public funds and assets for which he has charge
  - ensuring propriety, regularity, value for money and feasibility in the handling of those funds
  - the leadership and management of PHE
  - ensuring that PHE is run on the basis of the standards (in terms of governance, decision-making and financial management) set out in *Managing Public Money*, including seeking and assuring all relevant financial approvals

- together with DH, accounting to Parliament and the public for PHE's financial performance and the delivery of its objectives
- accounting to the DH Permanent Secretary, who is the PAO for the whole of the DH's budget, providing a line of sight from DH to PHE
- reporting to the PAO at a frequency agreed between them on performance against PHE's objectives, which shall include the formal quarterly accountability meetings chaired by the SDS

- 5.5 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 Accounting Officer 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.
- 5.6 The Advisory Board must establish an Audit and Risk Committee, chaired by an independent non-executive member with significant experience of financial leadership at board level. It should have at least three members, at least two of whom should be Advisory Board members.
- 5.7 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.
- 5.8 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 DH and PHE will work together, and with the DH's other arm's length bodies, 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 DH will follow an 'open book' approach. In the case of issues with an impact on the development or implementation of policy, DH can expect to be kept informed by PHE. In the same way, DH will seek to keep PHE apprised of developments in policy and government.



There are likely to be some issues where DH or PHE will expect to be consulted by the other before DH or PHE makes either a decision or a public statement on a matter.

6.2 DH and PHE will make clear which issues fall into this category in good time. The DH sponsor team is responsible for ensuring that this works effectively.

6.3 To support the development of this relationship, DH 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 DH in the discharge of its accountability duties, and DH will support PHE in the same way
- working together openly and positively. This will include working constructively and collaboratively with other organisations within and beyond the health and social care system

6.4 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 DH will, when required, have full access to PHE's files and information. If necessary, the DH sponsor team will be responsible for prioritising these requests for information.

#### *Emergency preparedness, resilience and response*

6.5 Both PHE and DH 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.

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

*Public and Parliamentary Accountability*

- 6.7 DH and its arm's length bodies 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.
- 6.8 DH 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 DH by, among other things, providing information for ministers to enable them to account to Parliament. In turn, DH provides leadership to the system for corporate governance, including setting standards for performance in accountability.
- 6.9 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 DH.
- 6.10 In all matters of public and parliamentary accountability DH and PHE will work together considerately, cooperatively and collaboratively, and any information provided by PHE will be timely, accurate and, where appropriate, consistent with information provided by DH. To facilitate this, DH and PHE have agreed a public and parliamentary accountability protocol that sets out how they 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 will carry out its activities transparently. It will demonstrate 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>4</sup> and by holding open board meetings. The annual report will include a governance statement, which will be shared for comment with the DH 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 DH will put in place arrangements for managing communications. Further details are provided in annex C.
- 7.3 PHE's Chief Executive, members of the PHE National Executive and non-executive Advisory Board members will operate within the general principles of the corporate governance guidelines set out by HM Treasury<sup>5</sup>. Members of the Advisory Board shall also comply with the Cabinet Office's Code of Conduct for Board Members of Public Bodies<sup>6</sup>.
- 7.4 PHE has operational autonomy. It will operate transparently and proactively and provide 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.

---

<sup>4</sup> The guidance is available on the Gov.UK website: <https://www.gov.uk/government/topics/government-efficiency-transparency-and-accountability>

<sup>5</sup> The corporate governance guidelines (available at <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>) 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".

<sup>6</sup> <http://www.bl.uk/aboutus/governance/blboard/Board%20Code%20of%20Practice%202011.pdf>



- 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 evidence, providing professional and scientific advice and representing PHE. Ministers will 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 Chief Knowledge Officer.
- 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 DH respect each other's distinctive roles in relation to public health. PHE recognises DH's lead role in developing government policy, just as DH 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 co-operates with DH and others in the co-ordination of planned announcements as set out at sections 3.13 and 7.2 above, it is not required to clear the contents of its professional and operational announcements with DH 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

- 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 DH and all its arm's length bodies, has whistleblowing policies and procedures in place that comply with the Public Interest Disclosure Act 1998 and best practice guidance<sup>7</sup>. 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>8</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 DH (including the consolidation of relevant information in the DH annual resource account), and DH ensures that PHE is aware of the process for this.

## 8. Audit

- 8.1 The Comptroller and Auditor General will audit PHE's annual accounts, which PHE will then lay before Parliament, together with his report.
- 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 NAO in pursuing such audits, and give them full access to all relevant files and information.

---

<sup>7</sup>

<http://www.nhsemployers.org/EmploymentPolicyAndPractice/UKEmploymentPractice/RaisingConcerns/Pages/Whistleblowing.aspx>

<sup>8</sup> <http://sd.defra.gov.uk/documents/Greening-Government-commitments.pdf>

- 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 Advisory Board's Audit and Risk Committee, and should consider issues relating to PHE's adherence to its business plan. The DH 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 DH Audit and Risk Committee.

## 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 D.
- 9.2 PHE's overall revenue and capital resources are set out in the allocation letter issued by the DH Director of Finance. More details are provided in annex D.
- 9.3 PHE's delegated authorities are issued to it in writing by DH, at least annually, including those areas where PHE must obtain DH 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 DH 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. DH will ensure that PHE is kept informed of any efficiency controls in operation.
- 9.6 As part of the government's approach to managing and delivering public service at a reduced cost base, PHE, as with all other arm's length bodies and DH, will in future receive its back office support, including finance and accounting, HR, payroll, procurement and ICT, through a shared or standardised service approach where it can be demonstrated that to do so represents value for the taxpayer. Details of the services between PHE and the service provider will be set out in contract or, where appropriate, a service level agreement (SLA).



- 9.7 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 and the principles set out by the DH Estate Strategy Optimisation Board.
- 9.8 DH encourages and will support PHE to carry out public health activities which are funded from sources other than from DH. DH 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 objectives, and must be undertaken in accordance with *Managing Public Money*, in particular chapters six (fees and charges) and seven (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, and developing a risk management strategy in accordance with HM Treasury guidance *Management of Risk: Principles and Concepts*<sup>9</sup>. It will adopt and implement policies and practices to safeguard itself against fraud and theft, in line with HM Treasury guidance<sup>10</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 grant-in-aid.
- 10.2 PHE is responsible for putting in place a reporting process to assure the Audit and Risk Committee of the Advisory Board of financial and operational performance against the business plan at its meetings (held every quarter). 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 DH to enable it to assure itself on risk management. PHE and DH have agreed a process and trigger points for the escalation of risks to the DH Audit and Risk Committee, where those risks will have a potentially significant impact on PHE, DH or the wider system that requires a co-ordinated response.

---

9 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/220647/orange\\_book.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220647/orange_book.pdf)

10 [http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing\\_the\\_risk\\_fraud\\_guide\\_for\\_managers.pdf.pdf](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf.pdf)

- 10.3 Risks to the wider system that relate to PHE's operations, identified by PHE, DH or another body, are flagged in the formal quarterly accountability meetings chaired by the DH SDS. Such risks may also be flagged by PHE's National Executive and/or Advisory Board and escalated to the DH Audit & Risk Committee for consideration. It is the responsibility of PHE and its sponsor 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.

## 11. Human resources

- 11.1 PHE's Chief Executive is responsible for the structure and staffing of PHE. PHE is responsible for complying with any DH or government-wide recruitment controls. DH will ensure that PHE is made aware of any such controls. Staff may move between PHE and other parts of DH and participate in DH 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 PHE's Chief Executive 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 DH 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 DH. DH will ensure that PHE is aware of any such requirements or restrictions.

- 11.6 Like all departments and arm's length bodies, PHE is 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 DH and HM Treasury's approval processes in relation to contractual redundancy payments. All novel or contentious payments require DH and HM Treasury's approval in advance. 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 body) to have due regard 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
  - 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) Regulations 2011 require PHE, as a public body, 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 (provided the organisation has 150 or more employees) and other persons affected by its policies and procedures
  - prepare and publish one or more objectives it thinks it should achieve to meet the Public Sector Equality Duty<sup>11</sup>

---

<sup>11</sup> This was required by 6 April 2013, and is required every four years thereafter



## 12. Relations with the Department's other arm's length bodies

- 12.1 PHE works in partnership with DH and its other arm's length bodies, 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 DH and its arm's length bodies have complementary but distinct roles within the system to ensure that service users receive high quality services that deliver value for public money.  
Annex E sets out key relationships across the system, which shall be set out in detail through written agreements where necessary.

## 13. Review

- 13.1 A three-year corporate plan will describe PHE's longer-term aims and objectives, set out a strategy for achieving them, provide a framework for monitoring progress against them and form 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 DH. DH's Executive Board shall consider PHE's business plan prior to its submission to the Secretary of State for Health for approval by no later than March of each year, and it shall be published the following month at: [www.gov.uk/phe](http://www.gov.uk/phe).
- 13.3 DH 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, DH will undertake an in-depth triennial review of PHE as well as its other arm's length bodies.

- 13.4 Any change to PHE's core functions or duties, including mergers, significant restructuring or abolition shall require DH to put in place arrangements to ensure a smooth and orderly transition, with the protection of public health being paramount. In particular, DH would need to ensure that, where necessary, procedures are in place in PHE so DH 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 agreement will be reviewed every three years, or sooner upon the request of either party.