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Shona Dunn

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Dame Meg Hillier MP
Chair of Public Accounts Committee
House of Commons
London SW1A 0AA

4 August 2022

Dear Dame Meg Hillier MP

Re: Public Accounts Committee, Sixth Report of Session 2022-23 Department of Health and Social Care 2020-21 Annual Reports and Accounts

The above-named report asked the Department of Health and Social Care (DHSC) to write to the Committee in relation to the timeliness of UK Health Security Agency budget setting as outlined in recommendation 7 below.

PAC Recommendation: *With 23 days to go until the financial year end the UK Health Security Agency did not have an agreed budget for the new financial year.*

The Department should not get into this position again and should write to the Committee to set out what steps it has put in place to ensure that all organisations it sponsors have a budget in place to allow sufficient time for financial planning for the year ahead.

I am writing to the Committee to set out the information requested.

Following the conclusion of the 2022-23 Living with COVID funding discussions, in April 2022, the Department notified UKHSA of its budget for the respective financial year. This information enabled UKHSA to commence its business planning process and develop detailed budgets for its organisational functions.

Delays in setting UKHSA budgets were incurred because the Living with COVID-19 strategy (published in February 2022) significantly changed assumptions previously set at the 2021 Spending Review and required the department and UKHSA to reassess funding requirements to deliver this critical policy.

The department, including its Arms' Length Bodies (ALBs), adopts both medium-term and shorter-term approaches to planning as per the Government's functional standards for Finance. The multi-year Spending Review process acts as a mechanism for medium-term planning and forms part of the department's approach to managing

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public money. This provides certainty of provision of services for several years, whilst encouraging consideration of long-term value for money when making spending plans.

In the normal course of business, the department commences the annual business planning cycle before the end of the calendar year, building on the medium-term plan already set at the Spending Review. The business planning process runs across the department and its ALBs to provide early planning assumptions and determine priorities to work towards. Resources are allocated through this planning process and formalised in annual budgets as soon as it concludes.

UKHSA is currently progressing the development of its medium-term strategy to ensure it meets its future objectives and ensure that sufficient resources are allocated to deliver the government's priorities in as timely a way as possible. UKHSA plans to publish its Health Protection Services Strategy during the course of 2022.

The Department will continue to review UKHSA's funding requirements as part of its annual business planning cycle, ensuring that sufficient resources are allocated to deliver the government's priorities.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Shona Dunn', with a long horizontal flourish extending to the right.

Shona Dunn
Second Permanent Secretary