

## Estimate Memorandum

### Department for Culture, Media and Sport 2017-18 Main Estimate

#### Overall Summary

DCMS helps make Britain the world's most creative, digital and engaged nation; an exciting place to live, visit and do business. We support strong and resilient communities, providing opportunities for everyone. Wherever you live and whatever your background, we want your life to be enriched by what we (and the sectors we support) do.

DCMS is a small department with substantial responsibilities. Our sectors make up more than 13% of the UK economy and our efforts enrich the lives of people across the country through their involvement in social action, culture, the arts and sport. From its earliest origins in the Department of National Heritage with responsibilities for heritage, arts and culture, DCMS has grown to the department it is today. A department that focuses not just on the heritage that makes our united nation great, but also on the UK's future as a digital, global Britain with innovation, technology and creativity at its economic heart. Our efforts to build a stronger, fairer society are at the heart of everything we do, and teams in the Office for Civil Society, together with many others, help make this ambition a reality. This Main Estimate seeks the resources and cash to continue to make this possible, and to give our industries the framework to grow and make a real impact on people's lives.

This memorandum provides the Culture, Media and Sport Select Committee with an overview of the spending plans for Main Estimate 2017-18 and how it compares to SR 2015

**Table 1.** Compares the Final Provision from 2015-16 to the spending plans derived from SR2015.

**Table 2.** Illustrates how the planned figures for 2017-18 reconcile to those set out in Spending Review 2015.

**Table 3.** Compares Grant in Aid funding from SR2013 against final provision for 2016-17 and plans data for 2017-18.

**TABLE 1**

	Final Outturn 2015-16	Final Provision 2016-17	Plans data 2017-18	Plans data 2018-19	Plans data 2019-20
Total Resource Departmental Expenditure Limit (DEL) excluding ring-fenced depreciation <sup>1</sup>	1,104,179	1,471,543	1,406,319	1,461,062	1,460,862
<i>of which:</i>					
-Administration Budget excluding depreciation	149,987	146,665	140,683	148,239	132,872
-Ring-fenced depreciation	122,462	161,663	171,995	186,293	198,854
-Non-Voted Resource DEL	-52,139	-61,800	30,000	0	0
Capital DEL	342,848	353,822	449,437	529,275	580,775
Resource Annually Managed Expenditure (AME) - voted	3,177,658	3,478,176	3,391,999	3,661,584	3,604,113
Capital AME - voted <sup>2</sup>	43,147	141,462	171,326	197,000	170,000
Resource AME - non-voted	1,442,776	1,189,222	1,284,009	1,189,222	1,189,222
Capital AME - non-voted	453,717	469,631	496,540	447,593	447,593

<sup>1</sup> The increase in funding from 2016-17 onwards reflects the Machinery of Government adjustment moving the responsibility for the Office for Civil Society from Cabinet Office to DCMS. In addition it includes the re-classification of Research and Development Expenditure from Resource to Capital DEL.

<sup>2</sup> The significantly reduced Capital AME figure in 2015-16 reflects BBC income from the sale of assets remaining after the sale of Media City, scoring in this year. The year on year increase in Capital funding from 2017-18 reflects the investment in the Digital transformation programme. (£740m)

TABLE 2

£'000s

<b>Total SR 2015 Baseline Resource DEL*</b>	<b>1,176,000</b>
<i>of which:</i>	
<b>Administration</b>	<b>146,000</b>
Removal of GEO and EHRC funding – Machinery of Government (MOG) transfer to Department for Education	-17,540
ICO funding not included in SR baseline	2,900
Data Protection funding not included in SR Baseline	820
MOG transfer from the Cabinet Office for Office for Civil Society	1,647
Autumn Statement funding for Wentworth Woodhouse	56
Budget Cover Transfer from Cabinet Office for National Technology Advisor	800
Capital to Admin swap relating to Blythe House	1500
Programme to Administration swap Discover England	4,500
<b>Total Resource Administration Budget</b>	<b>140,683</b>
<b>Resource Programme</b>	<b>1,030,000</b>
Removal of GEO and EHRC funding - MOG transfer to Department for Education	-14,967
ESA10 Re-classification of R&D costs to capital	-13,790
Budget Cover Transfer from Department for International Trade for Cultural protection	6,000
Budget 2016 Addition – Hull City of Culture	2,500
Budget 2016 Addition – Cathedral Roofs	5,000
MOG transfer from Cabinet Office for Office for Civil Society	282,742
National Citizens Service (NCS) reduction following revised budget	-44,000
Autumn Statement 2016 Additions	12,525
Budget Exchange from 2016 Supplementary Estimate for Cathedral Roofs	3,000
Budget Exchange from 2016 Supplementary Estimate for NHMF Roof repairs	1,000
Programme to Administration swap Discover England	-4,500
Budget Cover Transfer to the Welsh Assembly for Lloyd George Museum	-27
Capital to programme switch for The Royal Parks	2,403
Reprofile of Great Exhibition of the North funding to 2018-19	-2,250
<b>Total Resource Programme Budget</b>	<b>1,265,636</b>
<b>Total SR 2015 Baseline Capital DEL</b>	<b>370,000</b>
ICO funding not included in SR baseline	850
ESA10 Re-classification of R&D costs to capital	13,790
Budget 2016 Addition – Arts projects	7,500
Budget 2016 Addition – 5 G Digital Infrastructure Investment Fund	25,000
Autumn Statement 2016 Additions	4,100
Budget Exchange from 2016 Supplementary Estimate for Blythe House	13,800
Budget Exchange from 2016 Supplementary Estimate for BDUK	18,300
Capital to Admin swap relating to Blythe House	-1,500
Capital to programme switch for The Royal Parks	-2,403
<b>Total Capital Budget</b>	<b>449,437</b>

\*Please note the data in Table 2 excludes ring fenced depreciation

## **Significant Areas of Funding in SR 2015**

### **700MHz Spectrum clearance**

In the 2015 Spending Review it was announced the government will invest up to £550 million during this Spending Review period to make the 700 MHz spectrum band available for mobile broadband use. Clearance of the 700MHz band is expected to be completed by Jan 2022 at the latest.

### **Blythe House**

In the Spending Review it was announced the government will invest £150 million to support the British Museum, Science Museum and Victoria and Albert Museum to replace out of date museum storage at Blythe House with new world-class storage facilities to preserve, protect and make accessible over two million fragile and sensitive objects. Although a seven year programme, £140m of this spend falls within this Spending Review period. By the end of the programme, Blythe House will be sold to generate a capital receipt back to HM Treasury.

### **Broadband**

In the 2015 Spending Review the government confirmed its commitment to provide superfast broadband coverage to 95% of the UK by end 2017. Included in the Main Estimate for 2017-18 is capital expenditure of £110.0m for Phase 2 of the Superfast Broadband programme

### **Discover England Fund**

The £40m Discover England Fund announced in the Spending Review is designed to support the government's Five Point Plan for Tourism. The new fund is a boost for the UK's tourism industry and recognition from the government that the sector has been at the forefront of the UK's economic recovery. The Tourism Alliance estimates that the funds will boost tourism revenue by more than £600m over a three-year period, creating almost 4,000 new jobs across the country.

### **Official Development Assistance – Cultural Protection Fund**

The government published its strategy for Official Development Assistance (ODA), "UK Aid: tackling global challenges in the national interest," on 23 November 2015. This sets out how the government will make UK aid more effective in its interdependent objectives to tackle global challenges, reduce poverty and serve the national interest. As part of the ODA allocation process DCMS will receive £30m over the SR period for the Cultural Protection Fund. The Cultural Protection Fund is a government-backed scheme to protect cultural sites from the destructive forces of war and ISIL terrorists. It will create a team of local experts to assess, document and stabilise afflicted sites in Iraq, and help begin the process of reconstruction and preservation of some of the world's most precious cultural artefacts.

### **Tech North**

An additional £4 million has been allocated to Tech North. Established in 2015, Tech North is a government-funded initiative, funded via [Tech City UK](#). The specific goal of Tech North is to accelerate the development of the North's digital economy through the promotion and support of digital entrepreneurship.

Their remit is to attract talent, entrepreneurs and investment to the North of England specifically the seven cities of Hull, Leeds, Liverpool, Manchester, Newcastle, Sheffield and Sunderland. Working in collaboration and partnership with stakeholders across the North they aim is to address the challenges tech entrepreneurs face in accessing finance, support, mentorship and talent.

### **Office for Civil Society Machinery of Government Transfer**

On the 15 July 2016 in a written statement to the House of Commons, the Prime Minister confirmed that the responsibility for the Office for Civil Society was to move from the Cabinet Office to the Department for Culture, Media and Sport. The Prime Minister said the transfer will include responsibility for youth policy and the National Citizen Service. This change integrates OCS's work to grow a stronger civil society with DCMS's existing work to enrich lives. It also simplifies sponsorship responsibilities for the lottery distributors.

### **National Technology Advisor**

Liam Maxwell, the Government's first National Technology Advisor, and his team moved from the Cabinet Office to DCMS during May 2016. His role will see him expand the government's relationships with the digital and technology industry to boost the UK's digital economy and provide world class public services for citizens. The role will drive forward the government's work on emerging technologies and harness leading industry expertise through a new council of experts. This will give the UK access to a global network of expertise which will attract investors and promote export opportunities.

### **Budget Exchange – Funding from 2016-17**

Budget Exchange is a mechanism that allows Departments to carry forward a forecast DEL underspend from one year to the next. It is intended that Budget Exchange will provide departments with flexibility to manage their budgets, while strengthening spending control and providing greater certainty in order to support effective planning. Under Budget Exchange, departments may surrender a forecast DEL underspend in advance of the end of the financial year (by means of a DEL reduction in the Supplementary Estimate) in return for a corresponding DEL increase in the following year, subject to a prudent limit. To ensure that the fiscal cost of Budget Exchange is manageable and that spending power is not allowed to accumulate over time, Budget Exchange is only permitted from one year to the next.

### **5G and Fibre (Digital Infrastructure Investment Fund)**

The Chancellor announced on 23<sup>rd</sup> November that the Government will invest over £1 billion by 2020-21 through the National Productivity Investment Fund, including £740 million targeted at supporting the market to roll out full-fibre connections and future 5G communications. This will bring faster and more reliable broadband for homes and businesses across the UK, boost the next generation of mobile connectivity and keep the UK in the forefront of the development of the Internet of Things.

### **The removal of The Royal Parks Executive Agency from DCMS Main Estimate**

On 15th March 2017 the Royal Parks Charity took over the role of managing the parks from The Royal Parks Agency – a former executive agency of the Department for Culture, Media and Sport (DCMS) and the Royal Parks Foundation whose roles included fundraising for the parks and providing educational opportunities. The parks are owned by the Crown with their responsibility resting with the Secretary of State for Culture, Media and Sport. The Royal Parks charity manages the parks on behalf of the government,

however it now receives less exchequer funding than it raises in commercial income and so has been reclassified and removed from the DCMS Supply Estimate

**Comparing the Grant in Aid funding of our Arm's length bodies in 2015-16 through to 2017-18**

**Table 3**

£'000's

Arm's Length bodies that receive Grant in Aid	2015/16 Final Outturn	2016/17 Final Provision	2017/18 Plans	% (-) reduction (+) increase over 2016- 17
British Museum	41,768	53,420	41,832	-21.69
Natural History Museum	42,065	51,540	41,815	-18.87
Imperial War Museum	23,870	29,386	25,347	-13.74
National Gallery	24,092	24,092	24,092	0.00
Royal Museums Greenwich	15,520	21,220	16,019	-24.51
National Museums Liverpool	19,761	20,050	19,761	-1.44
National Portrait Gallery	6,634	6,887	6,634	-3.67
Science Museum Group	40,378	43,253	41,128	-4.91
Tate Gallery	32,691	40,251	38,066	-5.43
Victoria & Albert Museum	37,176	40,257	37,326	-7.28
The Wallace Collection	2,791	2,711	2,711	0.00
Sir John Soane's	1,072	1,983	1,012	-48.97
Horniman Museums and Gardens	3,881	4,549	3,820	-16.03
Geffrye Museum	1,523	1,846	1,696	-8.13
Royal Armouries	7,103	7,088	7,088	0.00
British Library	93,043	93,911	93,443	-0.50
Arts Council England	468,991	477,315	489,059	2.46
Sport England	93,885	102,626	102,175	-0.44
UK Sport	38,583	45,695	50,530	10.58
UKAD	5,158	5,296	5,296	0.00
Sports Ground Safety Authority	1,002	1,430	720	-49.65
Historic England	90,191	87,856	87,912	0.06
Churches Conservation Trust	3,208	2,749	2,378	-13.50
National Heritage Memorial Fund	21,541	30,000	6,100	-79.67
VisitBritain	66,768	41,272	45,478	10.19
British Film Institute	22,225	23,965	23,587	-1.58
Ofcom <sup>1</sup>	60,078	135,002	107,300	-20.52
S4C	6,762	6,762	6,058	-10.41
Information Commissioners Office	3,731	3,750	3,750	0.00
National Lottery Commission	2,858	2,710	3,080	13.65

<sup>1</sup> Includes £72m funding iro sale of the 700MHz band

This memorandum has been prepared with reference to the guidance in the Estimates Manual issued by HM Treasury.

This memorandum has been approved by the DCMS Accounting Officer.

