

Estimate Memorandum

Department for Digital, Culture, Media and Sport 2018-19 Main Estimate

Overall Summary

The Department for Digital, Culture, Media and Sport (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 department with substantial responsibilities. Our sectors make up more than 14% of the UK economy and our efforts enrich the lives of people across the country through their involvement in social action, digital, 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 memorandum provides the Select Committee with an overview of the spending plans for Main Estimate 2018-19 and how it compares to SR 2015.

Table 1. Compares the Final Outturn from 2016-17 to the provision for 2017-18 and the spending plans derived from SR2015.

Table 2. Illustrates how the planned figures for 2018-19 reconcile to those set out in Spending Review 2015.

Table 3. Compares Grant in Aid funding from 2016-17 against final provision for 2017-18 and plans data for 2018-19.

TABLE 1

	Final Outturn 2016-17	Main Estimate 2017-18	Supplementary Estimate 2017-18	Plans data 2018-19	Plans data 2019-20
Total Resource Departmental Expenditure Limit (DEL) excluding ring-fenced depreciation ¹	1,411,510	1,406,319	1,725,796	1,493,672	1,472,002
<i>of which:</i>					
-Administration Budget excluding depreciation	134,969	140,683	154,466	157,149	141,832
-Non-Voted Resource DEL ²	-49,645	-30,000	-34,000	0	0
Ring-fenced depreciation	138,292	171,995	171,995	186,293	198,854
Capital DEL ³	274,947	449,437	385,748	585,024	603,875
Resource Annually Managed Expenditure (AME) - voted	3,138,891	3,391,999	3,341,492	3,302,212	3,604,113
Capital AME - voted	140,954	171,326	325,635	343,708	170,000
Resource AME - non-voted	1,294,717	1,284,009	1,367,106	1,050,740	1,189,222
Capital AME - non-voted	503,897	496,540	427,041	221,139	447,593

¹ 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. The significant increase at the 2017-18 Supplementary was detailed in the Estimates Memorandum. This mainly relates to Ofcom Licence Fees and is detailed in the notes below

² In November 2017, the Statement of Principles was introduced between DCMS and Ofcom which altered the funding model for Spectrum Management. Under the new agreement, Ofcom now retain the WTA receipts up to the value of the Spectrum Management costs, with the remaining balance paid across to the Consolidated Fund. Therefore, in 2018/19 there is a nil return for the Spectrum Management receipts in the Main Estimate.

³ The year on year increase in Capital funding from 2017-18 reflects the investment in the Digital transformation programme.(£740m), plus the Budget Exchange of the Blythe House project and the re-profiling of Broadband Delivery UK to meet revised spending plans.

TABLE 2

£'000s

Total SR 2015 Baseline Resource DEL*	1,178,000
<i>of which:</i>	
Administration	143,000
Removal of GEO and EHRC funding – Machinery of Government (MOG) transfer to Department for Education	-16,182
Late SR adjustment – not included in baseline	-456
ICO funding not included in SR baseline	2,900
Budget Cover Transfer from Cabinet Office for National Technology Advisor	800
Data Protection Funding not included in SR baseline	821
Autumn Statement funding for Wentworth Woodhouse	305
MOG transfer from the Cabinet Office for Office for Civil Society	1,651
Capital to Administration switch relating to Blythe House	1,500
Programme to Administration switch for Discover England	13,900
Budget Exchange at 2017-18 Supplementary Estimate for Discover England	1,100
Autumn Budget addition for Digital Communications	4,300
Programme to Administration switch Data Ethics	1,500
Programme to Administration switch for UK Anti-Doping	250
Programme to Administration switch for Sports Grounds Safety Authority	1,000
Programme to Administration switch for costs relating to Music Hubs	760
Total Resource Administration Budget	157,149
Resource Programme	1,035,000
Removal of GEO and EHRC funding - MOG transfer to Department for Education	-14,652
ESA10 Re-classification of R&D costs to capital	-13,790
Budget Cover Transfer from Department for International Trade for the Cultural Protection Fund	10,000
MOG transfer from Cabinet Office for Office for Civil Society (OCS)	335,879
National Citizens Service (NCS) reduction following revised budget	-41,000
Autumn Statement funding for Wentworth Woodhouse	6,092
Autumn Statement funding for World Road Cycling	2,065
Autumn Statement funding for RSA school Pilot	300
Autumn Statement funding for Tech City	285
Capital to programme switch for The Royal Parks	865
Budget Cover Transfer to the Welsh Assembly for Lloyd George Museum	-27
Re-profile of Great Exhibition of the North funding from 2017-18	2,250
Programme to Administration switch for Discover England	-13,900
Autumn Budget addition for Tech Nation	2,790
Autumn Budget addition for Artificial Intelligence	1,000
Change in the Accounting Treatment for the OCS/NCS	11,120
For the Royal Armouries New Model	550
Capital to programme switch for Viewer Support Costs	11,300
Prosperity Fund for Digital Programme	2,500
Programme to Administration switch to ACE for costs relating to Music Hubs	-760
Programme to Administration switch for UK Anti-Doping	-250

Programme to Administration switch for Sports Grounds Safety Authority	-1000
Other adjustments	-94
Total Resource Programme Budget	1,336,523
Total SR 2015 Baseline Capital DEL	360,000
ICO funding not included in SR baseline	850
ESA10 Re-classification of R&D costs to capital	13,790
Autumn Statement Digital Package for 5G and Local Full Fibre Networks	150,000
Autumn Statement funding for World Road Cycling	5,000
Autumn Statement funding for Rugby World Cup	2,000
Autumn Budget funding for Jodrell Bank	500
Budget Exchange from 2017 Supplementary Estimate for Blythe House	33,749
Budget Re-Profile from 2017 Supplementary Estimate for BDUK	31,100
Capital to Admin swap relating to Blythe House	-1,500
Capital to programme switch for The Royal Parks	-865
Capital to programme switch for Viewer Support Costs	-11,300
For the Royal Armouries New Model	1700
Total Capital Budget	585,024

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

Significant Areas of Funding

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 unique objects. By the end of the programme, Blythe House will be sold to generate a capital receipt back to HM Treasury.

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 their 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 2017-18

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 23rd November 2016 that the Government will invest over £1 billion by 2020-21 through the National Productivity Investment Fund. Of this, £740 million will be managed by DCMS and has been allocated to the Local Full Fibre Networks programme and the 5G Testbeds and Trials programme. The fund is designed to 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 Digital, 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.

Royal Armouries

The Department for Digital, Culture, Media and Sport (DCMS) and Royal Armouries (International) plc (RAI) have reached an agreement for the sale of RAI's shareholding to the DCMS, on behalf of the Royal Armouries (RA). The Royal Armouries Museum (RA) houses one of the oldest collections of arms and armour in the world and is the United Kingdom's oldest museum. Originally housed in the Tower of London from the 15th century it was the first museum in Britain. It moved to Leeds in 1996.

RAI assets include the cafe and catering arm, events business and carpark. The business will continue to trade and the offer will continue in its existing form, with all current bookings being honoured. By bringing both operations together (Royal Armouries and RAI) it will enable the museum to consolidate its position as one of the leading cultural and business tourism attractions in the North.

Ofcom Licence Fees (per 2017-18 Supplementary Estimate)

In 2015, Ofcom reset the Annual Licence Fees (ALFs) for the 900 & 1800 MHz bands following a Government direction. This meant that the fees being paid by the Mobile Network Operators (MNOs) increased from approximately £65m to £200m per annum. Following an appeal by BT/EE, the court of appeal ruled that in revising the fees Ofcom should have taken account of its own statutory duties as well as the Government direction. The court therefore quashed the decision that imposed the revised fees. Following judgment, the fees have reverted to the pre-existing levels. The estimate of £213m is to ensure that, should there be a need to cover any liabilities with regard to ALFs already paid at the higher rate, DCMS has sufficient funds in order to meet those liabilities without affecting the Department's ability to continue to deliver on its high profile programmes.

Impact of accounting standards IFRS 9 and IFRS 15

IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments come into effect from 1 April 2018. The Department is not ready to adopt these standards as part of the 2018-19 Main Estimate. Work is underway to adopt these standards within the 2018-19 Supplementary Estimate. The Department and ALBs are currently reviewing the impact of adoption of these standards and will seek appropriate budgetary cover where the effect is considered material.

Comparing the Grant in Aid funding of our Arm's length bodies in 2016-17 through to 2018-19

Table 3

£'000's

Arm's Length bodies that receive Grant in Aid	2016/17 Final Outturn	2017/18 Final Provision	2018/19 Plans	% (-) reduction (+) increase over 2017- 18
British Museum	53,569	53,473	42,046	-21.37
Natural History Museum	49,115	41,815	41,815	0.0
Imperial War Museum	32,136	25,347	23,634	-6.76
National Gallery	24,092	24,092	24,092	0.0
Royal Museums Greenwich	16,020	16,019	15,869	-0.94
National Museums Liverpool	20,050	19,761	19,761	0.0
National Portrait Gallery	6,637	9734	6,634	-31.85
Science Museum Group	43,343	46,903	40,428	-13.81
Tate Gallery	40,251	38,066	37,566	-1.31
Victoria & Albert Museum	40,257	37,726	37,176	-1.46
The Wallace Collection	2,711	3,711	2,711	-26.95
Sir John Soane's	1,983	1,012	1,012	0.0
Horniman Museum and Gardens	4,549	4,320	3,820	-11.57
Geffrye Museum	1,696	1,786	1,796	0.56
Royal Armouries	7,088	7,788	8,938	14.77
British Library	93,911	93,893	93,443	-0.48
Arts Council England	460,526	494,183	479,972	-2.88
Sport England	105,649	101,787	104,795	2.96
UK Sport	53,536	60,890	61,431	0.89
UKAD	6,096	6,046	7,998	32.29
Sports Grounds Safety Authority ²	0	1,542	1,601	3.83
Historic England	87,806	87,912	90,734	3.21
Churches Conservation Trust	2,749	2,738	2,604	-4.89
National Heritage Memorial Fund	35,250	5,489	5,000	-8.91
VisitBritain	56,972	60,458	56,818	-6.02
British Film Institute	23,965	23,587	20,878	-11.49
Ofcom ¹	72,295	123,039	106,300	-13.60
S4C ³	6,762	6,956	15,097	117.04
Information Commissioners Office	3,790	5,740	3,750	-34.67
British Broadcasting Corporation	3,156,700	3,185,400	3,255,500	2.20

¹ Includes £72m funding iro sale of the 700MHz band

² Since it is not material, SGSA has not been consolidated into the DCMS Group Accounts and the Grant-in-Aid has been reported as a Current Grant.

³ S4C were awarded advanced Grant in Aid funding of £10m to be paid between 2017/18 and 2019/20. The amount payable to S4C in 2018/19 is £8.355m. Subsequent reductions will be made over a 10 year period from 2020/21.

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.

Department for Digital, Culture, Media and Sport

Introduction

1 This Estimate covers expenditure by the Department for Digital, Culture, Media and Sport on support to museums, galleries and libraries; arts; sport; architecture and the historic environment; tourism, broadcasting and media; the digital economy and cyber security; gambling, licensing and horseracing; expenditure on the administration of the Department; on research and other surveys; on costs associated with the Commonwealth Games; the Office for Civil Society; and payments to the British Broadcasting Corporation (BBC) to finance television and sound broadcasting.

Part I

£

	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource	1,679,965,000	-	1,679,965,000
Capital	585,024,000	-	585,024,000
Annually Managed Expenditure			
Resource	3,302,212,000	1,050,740,000	4,352,952,000
Capital	343,708,000	221,139,000	564,847,000
Total Net Budget			
Resource	4,982,177,000	1,050,740,000	6,032,917,000
Capital	928,732,000	221,139,000	1,149,871,000
Non-Budget Expenditure	-		
Net cash requirement	5,549,965,000		

Amounts required in the year ending 31 March 2019 for expenditure by Department for Digital, Culture, Media and Sport on:

Departmental Expenditure Limit:

Expenditure arising from:

Funding for national and other museums and galleries, support for the British Library and other library and archive institutions and the Government Indemnity Scheme. Provision for the costs associated with the Blythe House programme.

Funding for the Royal Palaces, for national heritage and architecture and for historic buildings and ancient monuments and sites; funding for commemorations, memorials and ceremonial occasions and to repair and protect First World War memorials and burial sites across the UK and overseas. Funding for the Listed Places of Worship schemes and the VAT grant scheme for memorials.

Provision to support the Museums, Arts, Sports, Media and Culture bodies and schemes and for the promotion of tourism.

Funding for the administration and operating costs of the Department, and grants to other government departments.

Providing support for the UK Council for Child Internet Safety, including research programmes to underpin online safety policy activities. Funding for the operating costs of Data Protection.

Provision for the sponsorship of the creative industries; providing support for the transition to digital broadcasting; the Welsh Fourth Channel Authority; support for broadcasting, alcohol, gambling, film and video licensing, the expenses of the Gambling Commission and regulatory regimes and schemes.

Provision for the sponsorship of the Office of Communications, the Office of the Information Commissioner and Phone-paid Services Authority; costs associated with the sale or sharing of radio spectrum. Provision for development of telecommunications and internet policy, including through participation in international organisations, and bilateral and multilateral engagement.

Part I (continued)

Funding for age verification for online pornographic content, including the British Board of Film Classification as age verification regulator. Funding to support policy work on disinformation, including commissioning of external research projects to build evidence base.

Provision for the sponsorship of the digital economy including policy development and support to industry and the public sector; to support the delivery of the National Cyber Security Programme and to prosecute responsibilities concerning the security and resilience of the UK telecoms sector. Provision for work to make better use of public sector data.

Provision for research and surveys, and funding for UK membership of various international organisations.

Provision for the costs associated with the closure or restructure of organisations.

Provision for the costs associated with building a stronger civil society.

Funding to support delivery of the legacy from the 2012 Olympic and Paralympic games and associated non-cash costs.

Funding to support delivery of the Commonwealth Games 2022 and associated non-cash items.

Provision for the costs of Lord Leveson's inquiry, creation and support of the bodies created in response to the recommendations made by Lord Leveson and costs of an associated litigation.

Provision for the costs associated with ongoing legal cases.

Preparatory work in support of HM Government plans to exit the European Union; provision for costs associated with promoting trade, inward investment and global engagement.

Income arising from:

the activities of the Department and its sponsored bodies including proceeds from the sale of properties, assets and the early release of office leases; receipts by the Government Art Collection; recovery of commemorative and ceremonial costs; recovery of costs for repairs to listed buildings; fees and charges for licences and receipts from concessionaires and sponsors; repayment of voted loans from national museums and galleries.

Fees charged for Subject Access Requests under the Data Protection Act and receipts in relation to data protection enquiries.

Receipts associated with the sale of radio spectrum; contributions from other government departments toward the costs of joint schemes. Receipts from the private sector toward the 4G/TV Co-Existence Oversight Board. Receipts from other government departments, devolved administrations, local authorities and the private sector in respect of broadband and mobile communication infrastructure contracts.

Receipts from the National Lottery Distribution Fund to meet the cost of its administration by the Department and of the expenses of the Gambling Commission; receipts from the National Lottery operator's licence fees, recoveries from the issue of licensing certificates.

The receipts of Heritage items received under the Cultural Gifts scheme and passed to the Acceptance in Lieu panel.

Receipts associated with the legacy of the Olympic and Paralympic Games 2012.

Receipts associated with the closure or restructure of organisations.

Receipts in respect of the costs awarded in the Floe Telecom Court Case.

Receipts from other Government departments.

Repayment of grants and repayment of loan principal and related interest.

Receipts associated with the Commonwealth Games 2022.

Part I (continued)

Annually Managed Expenditure:

Expenditure arising from:

Broadcasting, Media and other services and activities. Provisions, impairments and other AME expenditure from DCMS and its sponsored bodies.

Lottery grants.

Department for Digital, Culture, Media and Sport will account for this Estimate.

£

	Voted Total	Allocated in Vote on Account	Balance to complete or surrender
Departmental Expenditure Limit			
Resource	1,679,965,000	759,741,000	920,224,000
Capital	585,024,000	285,947,000	299,077,000
Annually Managed Expenditure			
Resource	3,302,212,000	1,526,400,000	1,775,812,000
Capital	343,708,000	77,097,000	266,611,000
Non-Budget Expenditure	-	-	-
Net cash requirement	5,549,965,000	2,454,402,000	3,095,563,000

Part II: Subhead detail

£'000

2018-19 Plans									2017-18 Provisions	
Resources						Capital			Resources	Capital
Administration			Programme			Gross	Income	Net	Net	Net
Gross	Income	Net	Gross	Income	Net					
1	2	3	4	5	6	7	8	9	10	11
Spending in Departmental Expenditure Limits (DEL)										
Voted expenditure										
173,716	-716	173,000	1,596,756	-89,791	1,506,965	585,024	-	585,024	1,931,791	385,748
<i>Of which:</i>										
A Support for the Museums and Galleries sector										
-	-	-	30,167	-	30,167	91,749	-	91,749	24,883	12,500
B Museums and Galleries sponsored ALBs (net)										
-	-	-	403,029	-	403,029	28,815	-	28,815	409,918	70,240
C Libraries sponsored ALBs (net)										
8,770	-	8,770	115,439	-	115,439	3,221	-	3,221	123,134	4,921
D Support for the Arts sector										
-	-680	-680	468	-78,129	-77,661	3,311	-	3,311	-74,271	305
E Arts and culture ALBs (net)										
17,573	-	17,573	430,335	-	430,335	33,334	-	33,334	435,102	60,864
F Support for the Sports sector										
-	-	-	14,124	-7,000	7,124	-	-	-	11,554	-
G Sport sponsored ALBs (net)										
14,909	-	14,909	119,067	-	119,067	42,765	-	42,765	147,470	38,765
H Ceremonial and support for the Heritage sector										
391	-36	355	33,494	-782	32,712	500	-	500	64,810	2,250
I Heritage sponsored ALBs (net)										
15,751	-	15,751	68,138	-	68,138	22,459	-	22,459	80,964	23,184
J Tourism sponsored ALBs (net)										
42,232	-	42,232	15,100	-	15,100	186	-	186	60,042	1,166
K Support for the Broadcasting and Media sector										
-	-	-	35,835	-1,000	34,835	252,502	-	252,502	261,705	72,943
L Broadcasting and Media sponsored ALBs (net)										
12,900	-	12,900	30,285	-	30,285	106,057	-	106,057	78,256	91,879
M Administration and Research										
61,190	-	61,190	4,053	-	4,053	125	-	125	69,224	562
N Support for Horseracing and the Gambling sector										
-	-	-	-	-2,880	-2,880	-	-	-	-3,440	-
O Gambling Commission(net)										
-	-	-	3,223	-	3,223	-	-	-	3,907	561
P Office for Civil Society										
-	-	-	293,999	-	293,999	-	-	-	236,041	5,608
<i>Olympics - legacy programmes</i>										
-	-	-	-	-	-	-	-	-	2,492	-

Part II: Subhead detail (continued)

£'000

2018-19 Plans									2017-18 Provisions	
Resources						Capital			Resources	Capital
Administration			Programme							
Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	Net	Net
1	2	3	4	5	6	7	8	9	10	11
Non-voted expenditure										
-	-	-	-	-	-	-	-	-	-34,000	-
<i>Of which:</i>										
<i>Spectrum Management Receipts</i>										
-	-	-	-	-	-	-	-	-	-34,000	-
173,716	-716	173,000	1,596,756	-89,791	1,506,965	585,024	-	585,024	1,897,791	385,748
Spending in Annually Managed Expenditure (AME)										
Voted expenditure										
-	-	-	3,302,212	-	3,302,212	343,708	-	343,708	3,341,492	325,635
<i>Of which:</i>										
Q British Broadcasting Corporation(net)										
-	-	-	3,258,566	-	3,258,566	323,708	-	323,708	3,282,036	305,635
R Channel Four Television										
-	-	-	-	-	-	20,000	-	20,000	-	20,000
S Provisions, Impairments and other AME spend										
-	-	-	43,644	-	43,644	-	-	-	59,456	-
T Levy bodies										
-	-	-	2	-	2	-	-	-	-	-
Non-voted expenditure										
-	-	-	1,050,740	-	1,050,740	221,139	-	221,139	1,367,106	427,041
<i>Of which:</i>										
V Lottery Grants										
-	-	-	1,050,740	-	1,050,740	221,139	-	221,139	1,367,106	427,041
Total Spending in AME										
-	-	-	4,352,952	-	4,352,952	564,847	-	564,847	4,708,598	752,676
Total for Estimate										
173,716	-716	173,000	5,949,708	-89,791	5,859,917	1,149,871	-	1,149,871	6,606,389	1,138,424
<i>Of which:</i>										
Voted Expenditure										
173,716	-716	173,000	4,898,968	-89,791	4,809,177	928,732	-	928,732	5,273,283	711,383
Non Voted Expenditure										
-	-	-	1,050,740	-74,524	1,050,740	221,139	-	221,139	1,333,106	427,041

Part II: Resource to cash reconciliation

£'000

	2018-19 Plans	2017-18 Provisions	2016-17 Outturn
Net Resource Requirement	6,032,917	6,606,389	6,251,854
Net Capital Requirement	1,149,871	1,138,424	1,079,256
Accruals to cash adjustments	-360,944	-567,611	-318,072
<i>Of which:</i>			
<i>Adjustment for ALBs:</i>			
Remove voted resource and capital	-5,159,507	-5,278,000	-5,029,194
Add cash grant-in-aid	4,615,599	4,595,214	4,712,770
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-3,075	-2,983	-3,967
New provisions and adjustments to previous provisions	-	-	920
Departmental Unallocated Provision	-	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-	-	1,308
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	186,039	118,158	-
Use of provisions	-	-	91
Removal of non-voted budget items	-1,271,879	-1,760,147	-1,933,233
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-1,271,879	-1,760,147	-1,933,233
Net Cash Requirement	5,549,965	5,417,055	5,079,805

Part III: Note A - Statement of Comprehensive Net Expenditure & Reconciliation Table

£'000

	2018-19 Plans	2017-18 Provisions	2016-17 Outturn
Gross Administration Costs	173,716	203,582	139,815
<i>Less:</i>			
Administration DEL Income	-716	-32,844	-2,530
Net Administration Costs	173,000	170,738	137,285
Gross Programme Costs	6,644,635	7,214,699	6,821,627
<i>Less:</i>			
Programme DEL Income	-89,791	-92,837	-155,098
Programme AME Income	-	-	-65,065
Non-budget income	-20,000	-80,000	-150,000
Net Programme Costs	6,534,844	7,041,862	6,451,464
Total Net Operating Costs	6,707,844	7,212,600	6,588,749
<i>Of which:</i>			
Resource DEL	1,679,965	1,897,791	1,536,809
Capital DEL	458,606	243,561	-6,355
Resource AME	4,352,952	4,708,598	4,715,045
Capital AME	236,321	442,650	493,241
Non-budget	-20,000	-80,000	-149,991
<i>Adjustments to include:</i>			
Departmental Unallocated Provision (resource)	-	-	-
Consolidated Fund Extra Receipts in the budget but not in the SoCNE	-	-	-
<i>Adjustments to remove:</i>			
Capital in the SoCNE	-694,927	-686,211	-486,886
Grants to devolved administrations	-	-	-
Non-Budget Consolidated Fund Extra Receipts in the SoCNE	20,000	80,000	150,000
Other adjustments	-	-	-9
Total Resource Budget	6,032,917	6,606,389	6,251,854
<i>Of which:</i>			
Resource DEL	1,679,965	1,897,791	1,549,802
Resource AME	4,352,952	4,708,598	4,702,052
<i>Adjustments to include:</i>			
Grants to devolved administrations	-	-	-
Prior period adjustments	-	-	-
<i>Adjustments to remove:</i>			
Consolidated Fund Extra Receipts in the resource budget	-	34,000	49,645
Other adjustments	-	-34,000	-49,645
Total Resource (Estimate)	6,032,917	6,606,389	6,251,854

Part III: Note B - Analysis of Departmental Income

£'000

	2018-19 Plans	2017-18 Provision	2016-17 Outturn
Voted Resource DEL	-90,507	-91,681	-149,594
<i>Of which:</i>			
Administration			
Sales of Goods and Services	-	-205	-3
<i>Of which:</i>			
M Administration and Research	-	-205	-3
Other Grants	-716	-715	-40
<i>Of which:</i>			
D Support for the Arts sector	-680	-680	-
H Ceremonial and support for the Heritage sector	-36	-35	-
K Support for the Broadcasting and Media sector	-	-	-40
Other Income	-	-	-1,127
<i>Of which:</i>			
<i>The Royal Parks</i>	-	-	-145
M Administration and Research	-	-	-982
Taxation	-	-	-1,360
<i>Of which:</i>			
<i>The Royal Parks</i>	-	-	-1,360
Total Administration	-716	-920	-2,530
Programme			
Sales of Goods and Services	-2	-2	-19,682
<i>Of which:</i>			
D Support for the Arts sector	-2	-2	-14
<i>The Royal Parks</i>	-	-	-19,668
Interest and Dividends	-	-	-2,137
<i>Of which:</i>			
P Office for Civil Society	-	-	-2,137
Other Grants	-86,909	-87,319	-115,568
<i>Of which:</i>			
D Support for the Arts sector	-78,127	-78,144	-78,144
F Support for the Sports sector	-7,000	-7,392	-7,000
H Ceremonial and support for the Heritage sector	-782	-783	-1,117
K Support for the Broadcasting and Media sector	-1,000	-1,000	-960
<i>Olympics - legacy programmes</i>	-	-	-28,347
Other Income	-2,880	-3,440	-7,156
<i>Of which:</i>			
H Ceremonial and support for the Heritage sector	-	-	-55
<i>The Royal Parks</i>	-	-	-3,914
K Support for the Broadcasting and Media sector	-	-	-273
N Support for Horseracing and the Gambling sector	-2,880	-3,440	-2,496
<i>Olympics - legacy programmes</i>	-	-	-263
P Office for Civil Society	-	-	-155

Part III: Note B - Analysis of Departmental Income *(continued)*

£'000

	2018-19 Plans	2017-18 Provision	2016-17 Outturn
Taxation	-	-	-2,521
<i>Of which:</i>			
Ceremonial and support for the Heritage sector	-	-	-698
<i>The Royal Parks</i>	-	-	-1,780
N Support for Horseracing and the Gambling sector	-	-	-43
Total Programme	-89,791	-90,761	-147,064
Voted Resource AME	-	-	-65,065
<i>Of which:</i>			
Programme			
Interest and Dividends	-	-	-357
<i>Of which:</i>			
T Levy bodies	-	-	-357
Other Income	-	-	-14,812
<i>Of which:</i>			
T Levy bodies	-	-	-14,812
Taxation	-	-	-49,896
<i>Of which:</i>			
T Levy bodies	-	-	-49,896
Total Programme	-	-	-65,065
Total Voted Resource Income	-90,507	-91,681	-214,659

Part III: Note B - Analysis of Departmental Income (continued)

£'000

	2018-19 Plans	2017-18 Provision	2016-17 Outturn
Voted Capital DEL	-	-	-11,799
<i>Of which:</i>			
Programme			
Other Grants	-	-	-8,034
<i>Of which:</i>			
D Support for the Arts sector	-	-	-35
<i>The Royal Parks</i>	-	-	-1,564
<i>Olympics - legacy programmes</i>	-	-	-6,435
Repayments	-	-	-3,765
<i>Of which:</i>			
P Office for Civil Society	-	-	-3,765
Total Programme	-	-	-11,799
Voted Capital AME	-	-	-3,099
<i>Of which:</i>			
Programme			
Repayments	-	-	-3,099
<i>Of which:</i>			
T Levy bodies	-	-	-3,099
Total Programme	-	-	-3,099
Total Voted Capital Income	-	-	-14,898

Part III: Note C - Analysis of Consolidated Fund Extra Receipts

In addition to income retained by the Department the following income is payable to the Consolidated Fund:

£'000

	2018-19 Plans		2017-18 Provisions		2016-17 Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Income in budgets surrendered to the Consolidated Fund (resource)	-	-	-34,000	-34,000	-49,645	-49,645
Income in budgets surrendered to the Consolidated Fund (capital)	-	-	-	-	-	-
Non-budget amounts collectable on behalf of the Consolidated Fund (in the SoCNE)	-20,000	-20,000	-80,000	-80,000	-150,000	-150,000
Non-budget amounts collectable on behalf of the Consolidated Fund (NOT in the SoCNE)	-	-168,700	-	-249,100	-	-312,511
Total	-20,000	-188,700	-114,000	-363,100	-199,645	-512,156

Detailed description of CFER sources

£'000

	2018-19 Plans		2017-18 Provisions		2016-17 Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Departmental Expenditure Limit						
Spectrum Management Receipts	-	-	-34,000	-34,000	-49,645	-49,645
Annually Managed Expenditure						
Non-Budget						
Wireless Telegraphy Act Licence Fees	-	-168,700	-	-249,100	-	-312,511
BBC contribution to broadband infrastructure and services	-20,000	-20,000	-80,000	-80,000	-150,000	-150,000
Total	-20,000	-188,700	-114,000	-363,100	-199,645	-512,156

Part III: Note D - Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following individuals are responsible for the expenditure within this Estimate:

Accounting Officer: Sue Owen

In accordance with Chapter 3 of Managing Public Money (issued by the Treasury), the following individuals have been appointed as Accounting Officers of the department's ALBs.

ALB Accounting Officers:

Dr Hartwig Fischer	British Museum
Sir Michael Dixon	Natural History Museum
Diane Lees CBE	Imperial War Museum
Dr Gabriele Finaldi	National Gallery
Dr Kevin Fewster, AM, FRSA	Royal Museums Greenwich
Louise Parnell	National Museums Liverpool
Dr Nicholas Cullinan	National Portrait Gallery
Ian Blatchford FCMA FSA	Science Museums Group
Dr Maria Balshaw CBE	Tate Group
Dr Tristram Hunt FRHistS	Victoria and Albert Museum
Dr Xavier Bray	Wallace Collection
Dr Bruce Boucher	Sir John Soane's Museum
Janet Vitmayer CBE	Horniman Museum and Gardens
Sonia Solicari	Geffrye Museum
Dr Edward Impey FSA FRHistS	Royal Armouries
Roly Keating	British Library
Darren Henley	Arts Council England
Jennie Price	Sport England
Liz Nicholl OBE	United Kingdom Sports Council
Nicole Sapstead	UK Anti-Doping
Karen Eyre-White	Sports Grounds Safety Authority (SGSA)
Duncan Wilson OBE	Historic England
Crispin Truman	Churches Conservation Trust
Ros Kerslake	National Heritage Memorial Fund
Sally Balcombe	Visit Britain
Amanda Nevill	British Film Institute
Sharon White	Ofcom
Ian Jones	S4C
Elizabeth Denham	Information Commissioners Office
Sarah Harrison	The Gambling Commission

Alan Delmonte

Horsereading Betting Levy Board

Dawn Austwick

Big Lottery Fund

Sue Owen has personal responsibility for the proper presentation of the department's resource accounts and their transmission to the Comptroller & Auditor General, and is also responsible for the use of public money and stewardship of assets.

In discharging these responsibilities, particular regard is given to:

- observing any accounting and disclosure requirements (including any Accounts Direction) and applying suitable accounting policies on a consistent basis;
- making judgements and estimates on a reasonable basis;
- stating whether applicable accounting standards, as set out in the Financial Reporting Manual (FRM), or an organisation's version of it, have been followed, and explain any material departures in the accounts; and
- preparing the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for regularity and propriety of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are also set out in Chapter 3 of Managing Public Money.

In accordance with Managing Public Money requirements, the relationship between the Principal Accounting Officer and Additional Accounting Officer(s) together with their respective responsibilities, is set out in writing. Similarly, the relationship between the Principal Accounting Officer and the ALB Accounting Officer(s) is set out in writing.

Part III: Note E - Arm's Length Bodies (ALBs)

£'000

Section in Part II: Subhead Detail	Body	Resources	Capital	Grant-in-aid
B	British Museum	64,342	2,603	42,046
B	Imperial War Museum	23,978	2,156	23,634
B	National Gallery	24,909	3,660	24,092
B	National Museums Liverpool	21,466	1,495	19,761
B	Natural History Museum	48,215	6,300	41,815
B	Royal Museums Greenwich	17,994	2,075	15,869
B	Science Museum Group	49,877	3,051	40,428
B	Tate	76,040	2,440	37,566
B	Victoria and Albert Museum	45,673	1,903	37,176
B	Museum and Galleries (subgroup)	30,535	3,132	24,911
C	British Library	124,209	3,221	93,443
E	Arts Council England	447,908	33,334	479,972
G	Sports Ground Safety Authority	1,627	-	1,601
G	Sport England	67,764	39,931	104,795
G	UK Anti Doping	8,108	-	7,998
G	UK Sport	56,477	2,834	60,931
I	Historic England	81,419	17,309	90,734
I	Churches Conservation Trust	2,366	250	2,604
I	National Heritage Memorial Fund	104	4,900	5,000
J	VisitBritain	57,332	186	56,818
L	British Film Institute	22,976	1,007	20,878
L	Ofcom	8,100	104,200	106,300
L	S4C	7,309	-	15,097
L	Information Commissioner's Office	4,800	850	3,750
O	The Gambling Commission	343	-	-
O	National Lottery Commission	2,880	-	2,880
Q	BBC	3,258,566	323,708	3,255,500
S	Imperial War Museum	6,000	-	-
S	National Gallery	25	-	-
S	National Museums Liverpool	1,000	-	-
S	Natural History Museum	2,635	-	-
S	Royal Museums Greenwich	2,200	-	-
S	Science Museum Group	5,090	-	-
S	Museum and Galleries (subgroup)	4,215	-	-
S	British Library	-1,050	-	-
S	Arts Council England	82	-	-
S	Sport England	2,309	-	-
S	UK Sport	4,396	-	-
S	Historic England	2,075	-	-
S	VisitBritain	3,478	-	-
S	British Film Institute	10,520	-	-
S	Ofcom	-369	-	-
S	Information Commissioner's Office	9	-	-
S	National Lottery Commission	1,029	-	-

T Phone-paid Services Authority

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Total	4,598,962	560,545	4,615,599
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Part III: Note G - Expenditure resting on the sole authority of the Supply and Appropriation Act

The following subheads contain provision sought under the sole authority of Part I of the Estimate and of the confirming Supply and Appropriation Act

Section in Part II: Subhead Detail	Service	£'000
Section G	United Kingdom Anti Doping	8,108
Section H	Listed Places of Worship	17,035
Section K	BDUK 700 MHZ Viewer Support	21,300
Section P	Life Chances Fund	2,606
Section P	Grants issued by the Office for Civil Society	5,000

Part III: Note K - Contingent Liabilities

Nature of liability	£'000
<p>Indemnities have been granted by the Secretary of State for Culture, Media and Sport under the National Heritage Act 1980 (as amended by the Museums and Galleries Act 1992). The Act covers a museum, art gallery, library or other similar institution in the United Kingdom which has as its purpose or one of its purposes the preservation for the public benefit of a collection of historic, artistic or scientific interest. The following indemnities are in force:</p>	
Institution	
British Library	770,000
British Museum	1,208,495
English Heritage	2,332
Horniman Museum	310
Imperial War Museum	77,000
National Gallery	3,500,263
Royal Museums Greenwich	106,000
National Museums Liverpool	237,000
National Museums Northern Ireland	104,700
National Portrait Museum	242,370
Natural History Museum	44,222
Royal Armouries	15,803
Science Museum Group	198,433
Sir John Soane's Museum	24,054
South Bank Centre	23,999
Tate	8,285,571
Victoria and Albert Museum	385,000
Wallace Collection	16,500
Other non DCMS bodies	3,489,008
Indemnities granted in respect of works of art on loan from the Royal Collection.	2,434,213
Indemnity scheme for items on loan to the Government Art Collection.	2,390
Guarantee for the 'Borrowing facility for Historic Royal Palaces'.	4,000
Liability connected with the Olympic East Village sale to Qatari Diar Delancy for any communal areas service charge shortfall, capped at £3m.	3,000
Liability for potential clawback in relation to European Regional Development Fund funding for two broadband projects.	2,500
The Department has agreed to underwrite UK Sport up to £25m each year for 3 years (17-18 to 19-20) if there is a shortfall in lottery income.	50,000
The Horserace Betting Levy Board has guaranteed payments by the British Horseracing Authority of certain contributions to the British Horseracing Authority Scheme.	33,900

Part III: Note K - Contingent Liabilities (*continued*)

Nature of liability	£'000
Potential payment by Sport England to the Football Association in the event of termination of the Management Agreement for Lilleshall National Sports Centres.	500
Lottery Distribution Bodies have contingent liabilities relating to future grant payments. The figures will be recalculated as part of the year end accounts.	Unquantifiable
Remote contingent liability for leaving the EU in accordance with Article 50. Any subsequent changes in legislation, regulation and funding arrangements are subject to the outcome of the negotiations.	Unquantifiable
HMG guarantee for EU funding streams as announced in August and October 2016. DCMS' responsibility covers Creative Europe, Europe for Citizens and Connecting Europe Facility (Telecoms).	Unquantifiable
Indemnity given to the Arts Council England and the Southbank Centre Limited for certain liabilities owed by Shirayama Shokusan Company Limited for potential costs in replacing the proposed new Jubilee Gardens.	Unquantifiable
Government guarantee (Telecommunications Act 1984) in respect of certain liabilities of BT, applicable only in insolvent winding-up. The contingent liability is approximately the size of the BT pension scheme deficit - the last triennial actuarial valuation of the pension scheme as at 30 June 2014 valued the deficit at £7bn.	Unquantifiable
Upon dissolution of the Olympic Delivery Authority (ODA), the following contingent liabilities passed to DCMS: <ol style="list-style-type: none"> 1. Contingent liability of up to £10m for one third of the cost of constructing new railway sidings at Lea Interchange. 2. Indemnity to Lee Valley Regional Park Authority (LVRPA) against costs incurred for pollution / contamination from ODA's construction of the Lee Valley White Water Canoe Centre. 3. Potential reimbursement to LVRPA of certain claw back liabilities payable to funders of the Lee Valley Hockey and Tennis Centre at Eton Manor. 	Unquantifiable
Contingent liability in respect of the 4G mobile signal rollout at 800MHz by four licensees, EE, 3, Telephonica O2 and Vodafone. Licensees were required to fund up to £180m to provide a mitigation assistance scheme to the public whose primary Digital Terrestrial Television services were affected by the 4G rollout in 800MHz. The licence states that any expenditure over the £180m threshold would be met by the government.	Unquantifiable
The British Library agreed to underwrite any liability with their supplier above £5m for their Newspaper Digitisation Project in relation to copyright infringement / defamation claims.	Unquantifiable
Liabilities of the Olympic Delivery Authority (now transferred to the Department) for rectification of certain defects in the buildings constructed by Stratford Village Development Partnership.	Unquantifiable

Part III: Note K - Contingent Liabilities (*continued*)

Nature of liability	£'000
Contingent liabilities in respect of the Cultural Property (Armed Conflicts) Act 2017 for: 1. additional costs of imprisonment / legal costs incurred by the Ministry of Justice under the legislation 2. potential liability for compensation which may be payable to buyers of 'good faith' that forfeit any cultural property	Unquantifiable
The Department has agreed to underwrite the UCI Road World Championship 2019 if there is a shortfall in revenue.	Unquantifiable
The core Department retains responsibility for the cost of historic liabilities of The Royal Parks above £100k. There is an unquantifiable contingent liability in respect of an incident in one of The Royal Parks which cannot yet be quantified.	Unquantifiable
The British Museum is contesting a case relating to the withdrawal of charitable relief against business rates on elements of the Bloomsbury site.	Unquantifiable
Tate Gallery holds a contingent liability to provide guarantees to and on behalf of the Tate Foundation, to borrow up to £55m for cash flow support towards Tate Gallery's major capital projects and to satisfy donor requirements.	Unquantifiable
Contingent liabilities in respect of the Commonwealth Games 1. UK government will fund 75% of the public sector cost of delivering the Commonwealth Games in 2022, after commercial income has been taken into account, and Local Government will fund the remaining 25% of the public sector cost. 2. As part of the bidding process to host the Games, the Commonwealth Games Federation required a series of guarantees from central and local government. This is a common part of bidding to host a major sporting event, and important to the success of any UK bid. 3. As part of this the UK government guaranteed to financially underwrite the organisation and delivery of the Games. As such, it will meet any potential financial shortfall of the Organising Committee (a Non-Departmental Public Body, to be established from April 2018). 4. A range of measures will be established to ensure that public money is managed appropriately. An underwrite agreement between the Department and the Organising Committee will govern the circumstances and conditions under which the underwrite may be called upon.	Unquantifiable