

# RESOURCE ACCOUNTS 2008–09



# Management commentary to the Resource Accounts 2008–09

For the first time, the Department has this year prepared a combined Annual Report and Accounts, which is in line with best practice. Later this year we will publish an Autumn Performance Report, which will comprise the later position on those matters covered in the Performance and delivery section of this report.

## Basis of preparation of the Resource Accounts

The Department is responsible for two items of voted expenditure:

### Request for Resources 1 (RfR1)

Improving the quality of life through cultural and sporting activities. This covers the Department's own administration costs and the Grant-in-Aid allocated to our sponsored bodies.

### Request for Resources 2 (RfR2)

Broadening access to a rich and varied cultural and sporting life through home broadcasting and other services and activities. This covers the funds allocated to the BBC from the licence fee receipts collected by the TV Licensing Authority.

The annual report and financial statements of the Department's agency, The Royal Parks, which are consolidated within these accounts, are published separately and may be viewed at [www.royalparks.gov.uk](http://www.royalparks.gov.uk)

## Entities included within the Resource Accounts

These Consolidated Resource Accounts present the results for 2008–09 of:

- The Department for Culture, Media and Sport (DCMS)
- The Royal Parks (TRP)

The principal activities undertaken by the bodies in pursuit of the aims and objectives of the Department are summarised below, together with details on how to obtain further information on each entity.

### Body

The Department for Culture, Media and Sport (DCMS)

### Principal activities

The Department's main activity is to set government policy on a very wide range of cultural and leisure activities. The Department itself is small, spending only some £54m (£56m 2007–08) on its administration costs, which also support 10 advisory NDPBs, a Tribunal and various committees. The DCMS provides £2,623m (£1,822m in 2007–08) of Grant-in-Aid and other funding for The Royal Parks and the DCMS's sponsored bodies, which support and implement government policy in their particular fields. The DCMS also finances the BBC through its RfR2 grants.

### Body

The Royal Parks (TRP)

### Principal activities

TRP is responsible for managing eight Royal Parks: St James's, Green, Hyde, Regent's (with Primrose Hill), Greenwich, Richmond, Bushy and Kensington Gardens; and also Brompton Cemetery, Victoria Tower Gardens and Grosvenor Square Gardens. TRP is also responsible for maintaining nos. 10, 11, and 12 Downing Street gardens, Canning Green, St Margaret's Church Green, Poet's Green and the Longford River (except for the stretch in Hampton Court Park).

## Entities excluded

The public sector bodies that are outside the departmental accounting boundary, and for which DCMS had lead policy responsibility during the year ended 31 March 2009, are listed below together with their status. These bodies publish their own annual reports and accounts. The majority of them receive grants from the Department and those are listed in Note 2 to the Resource Accounts.

### Public corporations

Channel 4 Television Corporation

Historic Royal Palaces

Horse Race Totalisator Board (Tote)\* (see page 82)

Office of Communications (Ofcom) – shared with the Department for Business, Innovation and Skills (BIS)

### Public broadcasting authorities

British Broadcasting Corporation (BBC)

Sianel Pedwar Cymru (S4C)

### Executive Non-Departmental Public Bodies

Museums and galleries<sup>86</sup>

- British Museum
- Geffrye Museum
- Horniman Public Museum and Public Park Trust
- Imperial War Museum
- Museum of Science and Industry in Manchester
- National Gallery
- National Maritime Museum
- National Museum of Science and Industry

– National Museums Liverpool

– National Portrait Gallery

– Natural History Museum

– Royal Armouries

– Sir John Soane's Museum

– Tate Gallery

– Victoria and Albert Museum

– Wallace Collection

Libraries

– British Library

– Museums, Libraries and Archives Council

– Public Lending Right

Arts

– Arts Council of England

Architecture and the historic environment

– Commission for Architecture and the Built Environment

– English Heritage

– National Heritage Memorial Fund (including the Heritage Lottery Fund)

Tourism

– VisitBritain

Creative industries

– Design Council – shared with Department for Business, Innovation and Skills (BIS)

– UK Film Council

Sports

– Football Licensing Authority

– Sport England

– UK Sport

Olympics

– Olympic Delivery Authority\*\* (see page 82)

– Olympic Lottery Distributor

# Management commentary to the Resource Accounts 2008–09

## Gambling and the National Lottery

- [Big Lottery Fund](#)
- [Gambling Commission](#)
- [Horserace Betting Levy Board](#)
- [National Lottery Commission](#)

## Regional Cultural Consortia (RCCs)

- [Culture East Midlands](#)
- [Culture North East](#)
- [Culture Northwest](#)
- [Culture South East](#)
- [Culture South West](#)
- [Culture West Midlands](#)
- [Living East](#)
- [Yorkshire Culture](#)

The RCCs had all ceased operations by 31 March 2009 and their assets and liabilities have been transferred to the Department. Yorkshire Culture closed in October 2008, Culture North West in January 2009 and the remainder closed in March 2009. Each of the RCCs that requested one was provided with an indemnification prior to liquidation by the Department.

## Unclassified DCMS bodies

The following bodies receive a grant from the DCMS:

- Chatham Historic Dockyard
- Design Museum
- Greenwich Foundation for the Old Royal Naval College
- National Coal Mining Museum
- National Film and Television School
- National Football Museum
- People's History Museum
- Tyne and Wear Museums

The following bodies draw down Grant-in-Aid, similar to executive NDPBs:

- Churches Conservation Trust
- Royal Household

\* The Government announced in October 2008 that it had concluded it was not appropriate to pursue a sale of the Tote in the current market conditions. The Government intends for the Tote to be retained in public ownership for the medium-term, and brought to the market when conditions are likely to deliver value for the tax-payer and racing.

\*\* In addition to the Olympic Delivery Authority (ODA) and the Olympic Lottery Distributor, the Department also oversees the London Organising Committee of the Olympic Games (LOCOG) – this is a company limited by guarantee set up for the purposes of delivering the Olympic and Paralympic Games and is a body within the central government sector. It was established by a joint venture agreement between the Secretary of State for Culture, Media and Sport, the Mayor of London and the British Olympic Association. It is not funded by the Department.

The ODA is responsible for the delivery of the permanent venues and infrastructure for the Games. In 2008–09 the DCMS paid £957.9m Grant-in-Aid to the ODA. This was funded by the Department with contributions from CLG and the Department for Transport.

In addition to this Grant-in-Aid, the ODA also received £125m of funding from the Olympic Lottery Distributor. This payment is not recorded in the DCMS accounts but is shown separately in the accounts of the ODA and the Olympic Lottery Distributor.

The Greater London Authority funding of ODA amounted to £58.7m for 2008–09. The ODA also received a £50m grant from the London Development Agency (LDA) and £2.5m from Transport for London.

Expenditure on land acquisition and remediation by the LDA is accounted for in their accounts, and is not accounted for as government Olympic expenditure. The LDA will recover its expenditure from the receipts from land sales after the Games. The LDA is accountable to the Mayor of London and the Greater London Authority.

The Government has given guarantees to the International Olympic Committee (IOC) that it will act as the ultimate financial guarantor should there be a shortfall between Olympic costs and revenues, including any shortfall in LOCOG's budget.

LOCOG's budget of about £2bn is funded almost entirely from private sources such as domestic sponsorship, contributions from the IOC, ticket receipts and merchandise sales. Under the Host City Contract the UK Government contributes towards the cost of the Paralympic Games.

In spite of the challenging economic conditions LOCOG has already raised over two-thirds of the domestic sponsorship it needs to stage the Games.

In addition to these sponsored bodies, the Department is responsible for the operation of the National Lottery Distribution Fund (NLDF) and the Olympic Lottery Distribution Fund (OLDF); both are separately accounted for and are not consolidated in these accounts. The DCMS is also accountable for the Lottery Funds disbursed by the Lottery Distributing Bodies, some of which are also NDPBs. During 2008–09 the Good Causes received £1.3bn from the Lottery (2007–08 £1.3bn). The NLDF paid out £1.5bn, including the first transfer to the OLDF of £73m, (2007–08 £1.4bn). The Olympic Lottery Distributor received £139m, plus the £73m transfer from NLDF, and paid out £126m (received £151m and paid out £199m in 2007–08). The annual financial statements of the NLDF and the OLDF are published and available from TSO or via [http://www.culture.gov.uk/reference\\_library/publications/default.aspx](http://www.culture.gov.uk/reference_library/publications/default.aspx)

The Department supports a number of other bodies, which are listed in Note 2 to the Accounts. Advisory bodies, committees, self-financed public corporations, limited companies and lottery funded bodies are listed in Note 35.

## Financial commentary

The Department under spent its Estimate (funding) by 1.5 per cent i.e. £80m (£69m in 2007–08) and its Net Cash Requirement by £89m (£86m in 2007–08). As a result we did not breach our Parliamentary control totals. The variance to Estimate is made up of an overspend of £3.6m on Administration costs (staff and other costs incurred in the running of the Department) and an underspend of £83.8m on Programme costs. A detailed analysis can be found at Note 2 of the accounts.

The Department did not require a Supplementary Estimate during the year as the total voted by Parliament was sufficient to pay for the expected costs that it and its sponsored bodies incurred. A ministerial Written Statement was made at the time of the Winter Supplementary Estimates to increase the Administration budget and elements of the Programme budget accordingly. As no Supplementary Estimate was taken, the planned changes made by the Department are not reflected in the Estimates at Note 2, giving the erroneous appearance of a number of a large number of variances to plan.

To manage the risk associated with the unprecedented scale of the Olympic project and to enable the Government to deliver its obligation, funding was arranged against the likelihood of variability in demand from year to year. The underspend against the DCMS 2008–09 Estimate is attributable to the Olympic Budget. In 2008–09 the Olympic Delivery Authority (ODA) underspent their allocation by £160.1m (14.3 per cent). This funding is available for use in 2009–10, if necessary, subject to approval of the necessary Supplementary Estimate. The underspend is largely the result of savings and the programme is running on time and within budget. The International Olympic Committee has praised the progress that is being made.

Both the resource outturn and Net Cash requirement were under spent as a result of the ODA's outturn.

HM Treasury has given approval via the virements process for overspends in certain sectors to be offset by underspends in others.

# Management commentary to the Resource Accounts 2008–09

## Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	2008–09 £000	2007–08 £000
Net Resource Outturn (Estimates)	5,194,213	4,706,516
<i>Adjustments to remove:</i>		
Provision voted for earlier years	–	–
<i>Adjustments to additionally include:</i>		
Non-voted expenditure in the Operating Cost Statement	–	–
Consolidated Fund Extra Receipts in the OCS	(3,060,537)	(2,861,937)
Other adjustments	80,227	–
<b>Net Operating Cost (Accounts)</b>	<b>2,213,903</b>	<b>1,844,579</b>
<i>Adjustments to remove:</i>		
Capital grants to local authorities	(14,499)	(8,078)
Capital grants financed from the Capital Modernisation Fund	–	–
European Union income and related adjustments	–	–
Voted expenditure outside the budget	(2,961,020)	(2,856,110)
<i>Adjustments to additionally include:</i>		
Other Consolidated Fund Extra Receipts	2,976,151	2,861,902
Resource consumption of NDPBs	2,320,494	2,535,591
Unallocated resource provision	–	–
Other adjustments	894,743	867,878
<b>Resource Budget Outturn (Budget)</b>	<b>5,429,772</b>	<b>5,245,762</b>
<i>of which</i>		
Departmental Expenditure Limits (DEL)	1,626,110	1,601,137
Annually Managed Expenditure (AME)	3,803,662	3,644,625

The analysis of Resource Budget Outturn is based on provisional data from public bodies provided for the Public Expenditure Outturn White Paper<sup>B7</sup>.

### **Future financing**

The Department's expenditure limits for the current Spending Review period (2008–09 to 2010–11) are at: [http://www.culture.gov.uk/reference\\_library/media\\_releases/2157.aspx](http://www.culture.gov.uk/reference_library/media_releases/2157.aspx)

Central Government Main Supply Estimates were published in June 2009 and are at: [http://www.hm-treasury.gov.uk/main\\_supply\\_estimates\\_0910.htm](http://www.hm-treasury.gov.uk/main_supply_estimates_0910.htm)

### **Investment management strategy**

The Department has set up a new Investment Committee to strengthen the arrangements for reviewing and planning capital investment.

### **Policy on payment of suppliers**

The Department has signed up to the Prompt Payment Practice Code, and is committed to adhering to the Late Payment of Commercial Debts (Interest) Act 1998, by paying all invoices not in dispute within agreed contractual provisions or within 30 days of the presentation of a valid invoice (or delivery, if later). An analysis of payment performance during the 2008–09 financial year showed that 98.6 per cent of invoices (not in dispute) were paid within contract terms or 30 days (98.4 per cent in 2007–08).

In October 2008 the Prime Minister set a target that central government departments should pay all commercial invoices within 10 working days. The DCMS payment performance on this basis for January to March 2009 was 85.3 per cent.

### **Policy on cost allocation**

The Department has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

### **Pension liabilities**

Details of pension liabilities are in the Remuneration Report and Note 7a to the accounts.

### **Statement on preparedness and the potential impacts of the transition to international financial reporting**

The Chancellor announced in his 2007 Budget that, from 2008–09, the accounts of central government departments and entities in the wider public sector will be produced using International Financial Reporting Standards (IFRS), as interpreted for the public sector. HM Treasury later postponed this until 2009–10 but has set out trigger points for the move to IFRS. Some of the key dates are:

- Restate 31 March 2008 balances on IFRS basis and submit to the National Audit Office (NAO) by 30 September 2008
- Complete 2008–09 shadow accounts on IFRS basis by 10 September 2009
- Lay 2009–10 resource accounts before Parliament on an IFRS basis by 20 July 2010.

The Department established a working group to consider the implications of a change to IFRS, including an evaluation of the likely areas of impact on financial statements. Key stakeholders were consulted, including representatives from Internal Audit Services and TRP. The Audit Committee's opinion has been sought on the approach taken and the NAO has been separately consulted.

The Department exceeded the requirement set out by the Treasury and completed a full set of resource accounts on an IFRS basis by 30 September 2008. These were positively received and some further work was identified by the NAO in advance of completion of the 2008–09 shadow accounts. We expect to address these points before 10 September 2009.

It is not anticipated that the move to IFRS will have a significant impact on the Department's financial statements. There are no Public Finance Initiative (PFI) schemes in the Department's accounts; nevertheless, a significant amount of work has been completed to analyse the figures in the accounts. The Department expects to continue to meet the key dates in HM Treasury's timetable.

## Human capital management – DCMS core department

The DCMS fully endorses the work carried out by the Department of Trade and Industry's Task Force on Human Capital Management and the ensuing Accounting for People report published in October 2003<sup>88</sup>. The following five sections (on workforce size and composition; recruitment, retention and motivation of employees; training and the fit between skills and business needs; remuneration and leadership and succession planning) comprise the Department's report on human capital management.

### Workforce size and composition

The DCMS is a small government department with an almost wholly strategic function, where policy development, industry sponsorship and stewardship of the sponsored bodies form the core functions, with a small number of staff in support dealing with accommodation, HR, finance etc. The workforce reflects these tasks in grade structure and qualifications, with well over half (71 per cent, compared with 66 per cent in 2007–08) of staff employed at middle-management level (grade B/HEO/SEO) or higher. Almost two thirds (65 per cent), of staff are aged under 45, which shows a fall from three quarters of staff last year.

### Age profile of the Department

The profile is based on staff in post as at 31 March 2009 and excludes agency staff.

Age	<25	25–29	30–34	35–39	40–44	45–49	50–54	55+	Total
%	2	14	20	11	18	14	11	10	100

### Grade structure

The table excludes Ministers, Special Advisers and agency and casual staff.

Grade	Average number of staff based on full time equivalent during the year	
	2008–09	2007–08
Permanent Secretary	1.0	1.0
Senior Civil Service payband 3	2.5	3.0
Senior Civil Service payband 2	10.1	8.5
Senior Civil Service payband 1	25.6	22.3
Grade A (upper) (grade 6)	20.6	18.9
Grade A (grade 7)	94.1	89.9
Grade B (HEO/SEO)	154.7	162.7
HEOD (fast stream)	16.0	16.3
Grade C (EO)	98.1	117.7
Grade D (AO/AA)	36.5	51.3
Total	459.2	491.6

As the table shows, the Department's grade structure has continued to change. This has arisen partly from the award of the 2012 Olympics to London. The team members of GOE within DCMS reflect a richer grade mix than the rest of the Department. The staffing and grading of GOE was settled in the light of a review by the Office of Government Commerce and in consultation with the Treasury.



## Senior Civil Servants

Forty-four Senior Civil Servants (SCS) were in post at 31 March 2009.

## Recruitment, retention and motivation of employees

The Department has systems in place to ensure that recruitment is carried out on the basis of fair and open competition and selection on merit in accordance with the recruitment code laid down by the Civil Service Commissioners. These systems are subject to regular internal checks. Further details can be found at: [www.culture.gov.uk/working\\_with\\_us/recruitment](http://www.culture.gov.uk/working_with_us/recruitment)

During 2008–09 the Department appointed five new staff through external recruitment competitions as follows:

Grade	Male	Female	Total	Ethnic minority	Disabled
SCS	3	2	5	–	–

No other new staff were appointed through external recruitment.

Our annual performance appraisal system emphasises staff development by including personal development objectives alongside business delivery objectives and objectives concerned with developing staff or otherwise contributing to the learning of others. These objectives are agreed with the line manager as the basis for the assessment of performance for the period ahead. Performance is also assessed against DCMS core competencies.

To promote diversity and subject to business need, there is a wide range of flexible work options available to staff, including support for home working. Currently 21 people are working at home on a formal basis. However, many others work from home on an ad hoc basis with the support of their line managers. The DCMS participates in two centrally run schemes designed to develop talented minority ethnic and disabled civil servants and offers a range of targeted development opportunities for under-represented groups<sup>89</sup>. The DCMS offers subsidised places at the Westminster Holiday Playscheme and also has a Childcare Vouchers salary sacrifice scheme allowing staff to make savings on childcare costs. The DCMS also has an Employee Assistance Programme in place which incorporates a confidential counselling service.

# Management commentary to the Resource Accounts 2008–09

All staff are encouraged to take part in the Department's staff opinion surveys. The results are reported to the DCMS Board and the entire Department, and published on our website<sup>90</sup>.

There is an ongoing accommodation maintenance programme to ensure the Department's premises are in good repair and provide a comfortable environment in which to work. A range of initiatives have been pursued to promote health and well-being, including the provision of a fitness centre and facilities for cyclists.

Training programmes have also been run for first-aiders and fire wardens and a new health, safety and well-being policy was published.

## Training

In 2008–09 the DCMS central learning and development budget was £506k, which funded targeted learning and development programmes for its staff. These supported corporate effectiveness, legal compliance and personal and team effectiveness, offering learning and development activities in a range of modular formats that were delivered under contract by expert training suppliers. The programmes took account of wider government priorities such as Professional Skills for Government core skills. They were used to support the cultural development that was needed to build on the structural changes that had been introduced at the start of 2008–09 in order to meet the challenges highlighted by the Capability Review. Key elements of this were programme and project management, partnership and stakeholder working, leadership and management, analysis and use of evidence, and policy skills. These are crucial to the successful delivery of the DCMS work programme.

Directorates in the DCMS drew up learning and development plans matched to their short-, medium- and longer-term business needs and the requirements of their staff in addressing areas of deficit. These plans enabled the learning and development team to plan the content and provision of the curriculum and to advise on and deliver customised interventions for directorate teams.

In terms of delivery, the learning and development team offered bespoke team development workshops and a range of one-with-one support, such as interview preparation, psychometric feedback and personal and management development coaching. Learning activities outside the core programme included personal study for further or higher level qualifications, and professional qualifications that were funded when line managers approved the long-term benefit for the business. The Staff Management Agreement stipulated that staff should undertake at least five days of training and development a year.

## Remuneration

We seek to ensure that our pay system continues to support the business and that the pay we offer is sufficient to attract, retain and reward the right people.

We formally review the position annually and, while priorities can change, in recent years our key priorities have been:

- shortening our pay bands in line with our Equal Pay Action Plan to reduce our exposure to equal pay issues
- maintaining a reasonable level of Performance Pay and strengthening the link between performance and pay
- monitoring our 'competitors' so that we can continue to recruit and retain the right staff.

### **Leadership and succession**

SCS staff benefit from access to programmes at the National School for Government, executive coaching and action learning sets. The DCMS also nominated staff to the Top Management and High Potential programmes, which are aimed at high potential senior civil service staff, and to the Preparing for Top Management programme for Grade A and A (U) staff with the potential to join the SCS. In January 2009 the DCMS Board committed to a leadership programme aimed at all SCS staff and aspiring leaders in relevant roles that would support the transformation agenda.

### **Provision of information and consultation with employees**

The Department recognises the importance of fully involving employees in delivering its aims and objectives. In addition to frequent discussion and consultation with representatives of the relevant Trades Unions, the Department undertakes a staff opinion survey every other year, in which staff are asked to feed back their thoughts and feelings about working for the Department. The objectives are to check employee views across the Department and measure progress since the last survey. Focus groups are used to decide and implement actions based on the survey results in order to increase employee satisfaction and organisational performance.

We also have a Staff Management Agreement in place, which pulls together in one document the mutual responsibilities of staff and managers and the commitment to regular meetings at every level.

### **Employment of disabled persons**

The Department does not discriminate against staff or eligible applicants for posts on any grounds, including disability. Job application forms etc. are available in alternative formats, e.g. pdf, large print and audiotape.

The Department has been re-accredited with the 'Positive About Disabled People' Two Ticks symbol<sup>91</sup>, which re-affirms our commitment to ensuring equal opportunities for all.

We also work closely with the Employers' Forum on Disability over all disability issues including recruitment and reasonable adjustments.

The DCMS Disability Reference Group (DRG) met the Board in early 2009 to discuss the Department's progress on disability equality, described in the Secretary of State's Report published last December. The Board welcomed the DRG's assessment of the issues and endorsed the importance of involving disabled people in policy development.

## Equal opportunities and diversity

The Department is an equal opportunities employer. We do not discriminate against staff or eligible applicants for posts on the grounds of gender, marital status, race, colour, nationality, ethnic origin, religion, disability, age or sexual orientation. Every possible step will be taken to ensure that staff are treated equally and fairly and that decisions on recruitment, selection, training, promotion and career management are based solely on objective and job-related criteria. We will actively pursue arrangements for flexible working patterns and are committed to creating a culture where individual differences are valued and respected. The Department does not tolerate any form of discrimination, harassment or victimisation. We are committed to providing a working environment where no one is disadvantaged.

The Department has a programme of equal opportunities awareness training for all staff, which includes a session on disability legislation.

Our Equality Scheme sets out a range of actions to promote equality and diversity. This is a living document and we are in the process of updating the scheme as part of our annual review of progress. The Equality Impact Assessments we have completed are at: [http://www.culture.gov.uk/working\\_with\\_us/equality\\_and\\_diversity/default.aspx](http://www.culture.gov.uk/working_with_us/equality_and_diversity/default.aspx)

Having a diverse workforce makes good business sense and we have increased the percentage of women and ethnic minority staff in senior grades. We have developed a new Diversity and Equality Strategy covering 2008–11. This will support us in recruiting and keeping the best talent and will be linked to our new People Strategy, which is proposed for development in 2009–10.

As part of our preparatory work on the Secretary of State's Report on Disability Equality, we looked across our sectors and involved our new DRG in reviewing the progress we had made. The report was published in December 2008 and the DRG discussed their assessment of progress with our Board in February 2009. We will continue to work with the DRG to monitor progress.

We considered the recommendations from two reports on improving the diversity of the Boards of our public bodies. We have drawn up an Action Plan responding to these recommendations. The [Department's Annual Appointments plan<sup>92</sup>](#), published in April 2009, reports on progress.

The DCMS has commissioned a short-term, high-impact project which aims first to develop a strategic approach to equality and diversity linked to Departmental Strategic Objectives 1, 2 and 3, and secondly to produce a departmental high level action plan for how this work will be taken forward throughout the DCMS and its sponsored bodies.

## Sickness absence

Average days sickness absence per person employed by DCMS during the year ended 31 March 2009 was 4.2 days.

## The DCMS Board

The Board is committed to high standards of corporate governance and fully supports the Code on Corporate Governance in Central Government. Information on the Department's governance arrangements is included in the Statement on Internal Control (see page 105).

The DCMS governance structure was changed following the Department's Capability Review, published in March 2007, with the aim of making the Department's leadership "more decisive, corporate and visible."

The structure now consists of:

- 1** The Board – which focuses on priorities and strategic direction. It is chaired by the Permanent Secretary and membership comprises both directors general, four directors and four non-executive directors.
- 2** An Advisory Board – which contributes to the Board's decisions, drawing in external expertise from key strategic sponsored bodies and other DCMS partners to provide independent input, advice and collective challenge – and so improve the strategic management of the Department. It is chaired by the Permanent Secretary and membership comprises external representatives from key strategic partners (there were 11 during 2008–09), the non-GOE Director General, and four directors.

- 3 An Executive Committee – which decides the allocation of resources, supports the delivery of departmental priorities and is the mechanism for accountability on programme delivery and core departmental business. It meets fortnightly, is chaired by the Permanent Secretary and membership comprises both directors general, all directors, the Chief Executive of The Royal Parks, the Principal Private Secretary and the Head of HR.
- 4 A Corporate Services Committee – which provides governance in corporate services matters and manages the relationship between corporate services and the rest of the Department. It is chaired by the Corporate Services Director and membership comprises the non-GOE Director General, seven other directors and the Principal Private Secretary.
- 5 An Investment Committee – which is accountable to the Board for planning, approving and monitoring the Department’s capital spend, including all programmes or projects with investment costs of over £3m. It is chaired by the Finance Director and membership comprises two other directors, the head of procurement and a representative from the Office of Government Commerce.
- 6 An Audit Committee – which supports the Board in its responsibilities for risk, control and governance. It reports to the Board, which takes decisions based on the Committee’s advice. It has two non-executive directors (one of whom is chair) and five independent external members (three during 2008–09).

#### **Board evaluation**

The Board conducted an evaluation of the effectiveness of the new governance structure put in place after the 2007 Capability Review. Its findings were confirmed by the Capability re-Review in March 2009 that the new structure is working well but its operation could be improved. The Board has since developed an action plan to address the areas identified for further improvement.

The performance of individual executive board members is appraised using the Department’s appraisal and development review process. The Permanent Secretary discusses performance with the non-executive members bi-annually.

#### **Head of the Department and DCMS Board**

The Permanent Secretary is head of the Department and chairs the Board. Members of the DCMS Board during 2008–09 were:

##### **Jonathan Stephens**

Permanent Secretary

##### **Nicholas Holgate**

Chief Operating Officer (to October 2008)

##### **Andrew Ramsay**

Director General, Programmes and Partnerships

##### **Jeremy Beeton**

Director General, Government Olympic Executive

##### **Anita Charlesworth**

Director, Evidence and Analysis and Chief Scientific Adviser (from October 2008)

##### **David Roe**

Director, Corporate Services (from November 2008)

##### **Graham Turnock**

Director, Finance (Acting)  
(from December 2008 to March 2009)

##### **Jane Cooper**

Director, Strategic Communications (from February 2009)

##### **Simon Judge**

Director, Finance (from March 2009)

##### **Parminder Vir**

Non-Executive Member

##### **Liz Forgan**

Non-Executive Member (to January 2009)

##### **Darra Singh**

Non-Executive Member

# Management commentary to the Resource Accounts 2008–09

## **Appointment of Head of the Department and the DCMS Board**

The permanent Head of the Department and members of the DCMS Board are appointed on terms and conditions set out in the Civil Service Management Code. These members of staff have individual contracts of employment which specify the length of their appointment (if appropriate) and termination procedures.

## **Non-executive members**

Parminder Vir and Darra Singh OBE served as non-executive Board members throughout 2008–09; Dame Liz Forgan served until 31 January 2009. Since the year end, two more non-executives have been appointed: Alexis Cleveland and Ann Green.

The non-executive directors provide the DCMS Board and the Audit Committee with a broad range of skills and experience. They bring independent judgement on issues of strategy, performance and risk, through their contribution at Board and committee meetings. The Board considers that each non-executive director is independent in character and judgement.

## **Directorships and other significant interests**

No directorships or other significant interests were held by Board Members which may have conflicted with their management responsibilities.

## **Ministers**

The Ministers who had responsibility for the Department during the year were:

### **Rt Hon Andy Burnham MP**

Secretary of State

### **Rt Hon Margaret Hodge MBE MP**

Minister of State for Culture, Creative Industries and Tourism (to 6 October 2008)

### **Gerry Sutcliffe MP**

Parliamentary Under Secretary of State for Sport

### **Barbara Follett MP**

Parliamentary Under Secretary of State for Culture, Creative Industries and Tourism (from 6 October 2008)

### **Stephen Carter CBE**

Parliamentary Under Secretary of State (from 5 October 2008)

During the year, the Rt Hon Tessa Jowell MP was the dedicated Minister for the Olympics and Paymaster General, reporting directly to the Prime Minister. GOE, a directorate of the Department, reports to her in her capacity as the Minister for the Olympics through the Permanent Secretary of State for Culture, Media and Sport.

## **Ministers and Board Members Remuneration**

The details of Ministers' and Board Members' remuneration are set out in the Remuneration Report on page 97.

## Auditor

The Comptroller and Auditor General has been appointed under the Government Resources and Accounts Act 2000 to be the Auditor for the Department and bodies within the departmental accounting boundary.

The notional charge for these audit services was £172k, (£121k in 2007–08). This includes £91k for the DCMS (£84k in 2007–08) and £38k (£37k in 2007–08) for TRP. There is also a notional charge of £25k (£27k in 2007–08) for the audit of the Whole of Government Accounts. In addition, notional charges of £13k for the DCMS and £5k for TRP were made to review their preparations for the implementation of IFRS, including the re-stated 2007–08 balance sheet as required by the Treasury. No further services were provided.

### Disclosure of relevant audit information

So far as the Accounting Officer is aware, there is no relevant audit information of which the Department's auditors are unaware and the Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Department's auditors are aware of that information.

## Reporting of personal data related incidents

In the Cabinet Office's Interim Progress Report on Data Handling Procedures, published on 17 December 2007, Official Report, column 98WS, government made a commitment that departments will cover information risk management in their annual reporting:

"Government should commit to enhanced transparency with Parliament and the public about action to safeguard information and the results of that action. Departments should cover information assurance issues in their annual reports."

An incident is defined as any of the circumstances (loss, unauthorised disclosure, insecure disposal) set out in Table 2 on page 94.

Protected personal data is defined as data that meets the definition of the minimum scope of protected personal data or data that departments consider should receive a similar level of protection because it would put those affected at significant risk of harm or distress.

Incidents, the disclosure of which would in itself create an unacceptable risk of harm, may be excluded in accordance with the exemptions contained in the Freedom of Information Act 2000 or may be subject to the limitations of other UK information legislation.

# Management commentary to the Resource Accounts 2008–09

**Table 1: Summary of Protected Personal Data Related Incidents Formally Reported to the Information Commissioner’s Office In 2008–09**

**Statement on information risk**

In the Statement on Internal Control (SIC) the Accounting Officer states “Information risk now features more explicitly in all the Department’s risk management and assurance processes. DCMS holds only small quantities of personal information and I consider the overall level of risk to be low. Consequently, we have adopted a proportionate approach to the recommendations of the Data Handling Report. Work is continuing to identify Information Asset Owners for high risk personal information and to increase staff awareness through training. I have reminded all NDPBs and other Public Bodies that the Department sponsors of their responsibility for managing information risk.”

Date of incident (month)	Nature of incident	Nature of data involved	Number of people potentially affected	Notification steps
	None			
Further action on information risk		The Department will continue to monitor and assess its information risks in order to identify and address any weaknesses and ensure continuous improvement of its systems.		

**Table 2: Summary of Other Protected Personal Data Related Incidents in 2008–09**

Incidents deemed by the Data Controller not to fall within the criteria for report to the Information Commissioner’s Office but recorded centrally within the Department are set out in the table below. Small, localised incidents are not recorded centrally and are not cited in these figures.

Category	Nature of incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured government premises	–
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured government premises	–
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	–
IV	Unauthorised disclosure	–
V	Other	5



## Important events which have occurred since the year end

Since 31 March 2009, the following notable events have occurred:

- Ministerial changes

On 5 June 2009 the Rt Hon Ben Bradshaw MP took over from Andy Burnham as Secretary of State and on 8 June 2009 Siôn Simon MP assumed the role of Parliamentary Under Secretary of State for Creative Industries.

On 5 June 2009, Tessa Jowell became Minister for the Cabinet Office, the Olympics, London and Paymaster General.

- Digital Britain

On 16 June we published, along with BIS, the Digital Britain White Paper, setting out our strategic vision for ensuring that the UK remains at the leading edge of the global digital economy. The report provides actions and recommendations to promote and protect talent and innovation in our creative industries, and to modernise TV and radio frameworks; and it introduces policies to maximise the social and economic benefits from digital technologies. Key measures include improvements to our communications infrastructure, such as universal access to today's broadband services by 2012 and digital radio upgrade by the end of 2015, so that we can compete and lead globally. The White Paper also proposes: a three-year national plan to improve digital participation so that everyone can reap the benefits of digital Britain; a robust legal and regulatory framework to combat digital piracy; and a renewed commitment to public service content in the digital world, including a revised remit for Channel Four and support for news in the Nations, locally and in the regions.

Signed and approved

**Jonathan Stephens**  
Accounting Officer  
9 July 2009

# Remuneration report for DCMS core department

## Remuneration policy

Remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. The Review Body also advises the Prime Minister from time to time on: the pay and pensions of Members of Parliament and their allowances; Peers' allowances; and the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In reaching its recommendations, the Review Body has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits;
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the Review Body can be found at [www.ome.uk.com](http://www.ome.uk.com)

## Service contracts

Civil Service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code. The Code requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at [www.civilservicecommissioners.gov.uk](http://www.civilservicecommissioners.gov.uk)

## Salary and pension entitlements (audited information)

The following sections provide details of the remuneration and pension interests of the Ministers and most senior management (i.e. Board members) of the Department.

### i) Remuneration

Ministers	2008–09		2007–08	
	Salary (to nearest £	Benefits in kind £100)	Salary (to nearest £	Benefits in kind £100)
Rt Hon Andy Burnham MP <i>Secretary of State</i> (from 24 January 2008)	79,312	–	12,817 (76,904 full year equivalent)	–
Barbara Follett MP <i>Parliamentary Under Secretary of State</i> (from 6 October 2008)	12,855 (30,851 full year equivalent)	–	–	–
Gerry Sutcliffe MP <i>Parliamentary Under Secretary of State</i> (from 2 July 2007)	31,236	–	22,710 (30,280 full year equivalent)	–
Stephen Carter CBE <i>Parliamentary Under Secretary</i> (from 5 October 2008)	31,351 (75,242 full year equivalent)	–	–	–
Rt Hon Margaret Hodge MP <i>Minister of State</i> (from 2 July 2007 to 6 October 2008)	21,377 (40,646 full year equivalent)	–	26,595 (32,438 full year equivalent)	–

During the year Rt Hon Tessa Jowell MP was Minister for the Olympics and Paymaster General, working out of the Cabinet Office and reporting directly to the Prime Minister. Her remuneration is disclosed in the Cabinet Office resource accounts.

During the year Stephen Carter CBE was Minister for Communications, Technology and Broadcasting (jointly with the Department for Business, Enterprise and Regulatory Reform).

Salary paid to Andy Burnham includes salary arrears backdated to June 2007 reflecting salary changes in the current and previous reporting year.

Salary paid to Gerry Sutcliffe includes salary arrears backdated to April 2007 reflecting salary changes in the current and previous reporting year.

# Remuneration report for DCMS core department

Officials	2008–09		2007–08	
	Salary (to nearest £000)	Benefits in kind (£100)	Salary (to nearest £000)	Benefits in kind (£100)
Jonathan Stephens <i>Permanent Secretary</i>	160–165	–	145–150	6
Nicholas Holgate <i>Chief Operating Officer</i> (to 31 October 2008)	70–75 (115–120 full year equivalent)	–	105–110	–
Andrew Ramsay <i>Director General</i>	140–145	–	130–135	–
Jeremy Beeton† <i>Director General</i> (from 1 August 2007)	260–265	–	145–150 (220–225 full year equivalent)	–
Anita Charlesworth <i>Director</i> (from 1 October 2008)	30–35 (65–70 full year equivalent)	–	–	–
David Roe <i>Director</i> (to 4 June 2007 and from 1 November 2008)	35–40 (90–95 full year equivalent)	–	10–15 (85–90 full year equivalent)	–
Graham Turnock <i>Director</i> (from 1 December 2008 to 9 March 2009)	25–30 (80–85 full year equivalent)	–	–	–
Jane Cooper <i>Director</i> (from 1 February 2009)	10–15 (85–90 full year equivalent)	–	–	–
Simon Judge <i>Director</i> (from 9 March 2009)	5–10 (95–100 full year equivalent)	–	–	–

The information above relates to the Permanent Secretary and Board Members of the Department. Equivalent information relating to The Royal Parks, consolidated into the Department's resource accounts, is given in its separate accounts. The amounts include bonuses paid during the period of board membership, although these relate to performance in the previous year.

Anita Charlesworth worked on a part time basis equivalent to 0.81 of a full time employee as from December 2008 (0.71 from October to December 2008). The salary disclosed as a full year equivalent is the full year salary for the part time work.

Graham Turnock was interim finance director to 9 March 2009.

Simon Judge was transferred to the Department on 9 March 2009 from the Ministry of Justice and was remunerated by the Ministry of Justice for month of March.

† Jeremy Beeton was appointed, in 2007, following an external competition supervised by the Civil Service Commissioners, on a fixed contract ending in 2012 after the Olympic and Paralympic Games. His remuneration, agreed with HM Treasury and the Cabinet Office, reflects his extensive experience in the construction industry and the unique challenge of delivering the Olympics to a fixed deadline. In addition to an annual salary he is additionally eligible for both an annual bonus scheme linked to achievement of specific annual performance targets, and a long term bonus scheme linked to achievement of specific, measurable performance targets in 2010, 2011 and 2012, with the first payment potentially arising in 2010–11. The amount paid in 2008–09 includes a bonus payment in respect of performance in the previous year.

The Finance Director for the Government Olympic Executive, David Goldstone, although not a member of the DCMS Board, was recruited and appointed on a similar basis with an annual salary in the range £180–185k and similar annual and long term bonus arrangements.

The remuneration of Non-Executive Board Members was as follows:

Name	Remuneration	
	2008–09 £000	2007–08 £000
Parminder Vir	5–10	5–10
Dame Liz Forgan (to 31 January 2009)	5–10	0–5
Darra Singh	–	–

Parminder Vir and Dame Liz Forgan received an annual salary of £7,500. The remuneration package did not include any pension entitlement or benefits in kind. Darra Singh received no remuneration but Ealing Council received compensation for his time under a service level agreement, also at £7,500 per annum.

### Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation.

# Remuneration report for DCMS core department

This report is based on payments made by the Department and thus recorded in these accounts. In respect of ministers in the House of Commons, departments bear only the cost of the additional ministerial remuneration; the salary for their services as an MP (£63,291 from 1 April 2008) and various allowances to which they are entitled are borne centrally. However, the arrangement for ministers in the House of Lords is different in that they do not receive a salary but rather an additional remuneration, which cannot be quantified separately from their ministerial salaries. This total remuneration, as well as the allowances to which they are entitled, is paid by the Department and is therefore shown in full in the figures above.

## Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument.

## ii) Pension Benefits

Ministers	Accrued pension at age 65 as at 31/3/09 £000	Real increase in pension at age 65 £000	CETV at 31/3/09 £000	CETV at 31/3/08* £000	Real increase in CETV £000
Rt Hon Andy Burnham MP <i>Secretary of State</i> (from 24 January 2008)	0-5	0-2.5	37	25	6
Barbara Follett MP <i>Parliamentary Under Secretary of State</i> (from 6 October 2008)	0-5	0-2.5	25	18	5
Gerry Sutcliffe MP <i>Parliamentary Under Secretary of State</i> (from 2 July 2007)	5-10	0-2.5	102	87	7
Stephen Carter CBE <i>Parliamentary Under Secretary</i> (from 5 October 2008)	0-5	0-2.5	9	0	6
Rt Hon Margaret Hodge MP <i>Minister of State</i> (from 2 July 2007 to 6 October 2008)	5-10	0-2.5	180	162	7

\* The figure may be different from the closing figure in last year's accounts. This is due to the CETV factors being updated to comply with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008.

During the year Rt Hon Tessa Jowell MP was Minister for the Olympics and Paymaster General, working out of the Cabinet Office and reporting directly to the Prime Minister. Her remuneration is disclosed in the Cabinet Office resource accounts.

During the year Stephen Carter CBE was Minister for Communications, Technology and Broadcasting (jointly with the Department for Business, Enterprise and Regulatory Reform).

### **Ministerial pensions**

Pension benefits for Ministers are provided by the Parliamentary Contributory Pension Fund (PCPF). The scheme is made under statute (the regulations are set out in Statutory Instrument SI 1993 No 3253, as amended).

Those Ministers who are Members of Parliament may also accrue a MP's pension under the PCPF (details of which are not included in this report). The arrangements for Ministers provide benefits on an 'average salary' basis, taking account of all service as a Minister. The accrual rate has been 1/40th since 15 July 2002 (or 5 July 2001 for those that chose to backdate the change) but Ministers, in common with all other members of the PCPF, can opt for a 1/50th accrual rate and a lower rate of employee contribution.

Benefits for Ministers are payable at the same time as MPs' benefits become payable under the PCPF or, for those who are not MPs, on retirement from ministerial office from age 65. Pensions are increased annually in line with changes in the Retail Prices Index. Members pay contributions of 6 per cent of their ministerial salary if they have opted for the 1/50th accrual rate or 10 per cent of salary if they have opted for the 1/40th accrual rate. There is also an employer contribution paid by the Exchequer representing the balance of cost as advised by the Government Actuary. This is currently 26.8 per cent of the ministerial salary.

The accrued pension quoted is the pension the Minister is entitled to receive when they reach 65, or immediately on ceasing to be an active member of the scheme if they are already 65.

### **The Cash Equivalent Transfer Value (CETV)**

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total ministerial service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **The real increase in the value of the CETV**

This is effectively the element of the increase in accrued pension funded by the Exchequer. It excludes increases due to inflation and contributions paid by the Minister and is worked out using common market valuation factors for the start and end of the period.

# Remuneration report for DCMS core department

Officials	Accrued pension at age as at 31/3/09 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31/3/09 £000	CETV at 31/3/08* £000	Real increase in CETV £000
Jonathan Stephens <i>Permanent Secretary</i>	50–55 plus lump sum of 150–155	0–5 plus lump sum of 0–5	867	791	11
Nicholas Holgate <i>Chief Operating Officer</i> (to 31 October 2008)	30–35 plus lump sum of 95–100	0–5 plus lump sum of 0–5	522	495	4
Andrew Ramsay <i>Director General</i>	60–65 plus lump sum of 181–185	0–5 plus lump sum of 0–5	1,334	1,226	22
Jeremy Beeton <i>Director General</i> (from 1 August 2007)	5–10	5–10	127	48	68
Anita Charlesworth <i>Director</i> (from 1 October 2008)	15–20 plus lump sum of 45–50	0–5 plus lump sum of 0–5	221	210	2
David Roe <i>Director</i> (to 4 June 2007 and from 1 November 2008)	25–30 plus lump sum of 85–90	0–5 plus lump sum of 0–5	518	469	14
Graham Turnock <i>Director</i> (from 1 December 2008 to 9 March 2009)	15–20 plus lump sum of 45–50	0–5 plus lump sum of 5–10	210	182	22
Jane Cooper <i>Director</i> (from 1 February 2009)	5–10	0–5	111	104	7
Simon Judge <i>Director</i> (from 9 March 2009)	–	–	–	–	–

\* The figure may be different from the closing figure in last year's accounts. This is due to the CETV factors being updated to comply with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008.

Simon Judge was remunerated by the Ministry of Justice and as his employment in the Department commenced within a month of the year end his pension details have not been disclosed.

The information above relates to the Permanent Secretary and Board Members of the Department. Equivalent information relating to The Royal Parks, consolidated into the Department's resource account, is given in its separate accounts.

There were no employer contributions to partnership pension accounts.



## Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (classic, premium or classic plus); or a 'whole career' scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with changes in the Retail Prices Index (RPI). Members who joined from October 2002 could opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5 per cent of pensionable earnings for classic and 3.5 per cent for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3 per cent of their pensionable earnings in that scheme year and, immediately after the scheme year end, the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3 per cent and 12.5 per cent (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted, is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos.

Further details about the Civil Service pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)

## Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Signed and approved

**Jonathan Stephens**  
Accounting Officer  
9 July 2009

# Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed the Department to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Department during the year.

The resource accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department and of its net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by HM Treasury including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

HM Treasury has appointed the Permanent Head of the Department as Accounting Officer of the Department. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in *Managing Public Money* published by HM Treasury.

# Statement on Internal Control

## Scope of responsibility

- 1** As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Department's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*.
- 2** I have designated the Chief Executive of The Royal Parks (TRP) as Accounting Officer for TRP. He is responsible for signing both TRP's own Annual Accounts, which are consolidated within the Department's Resource Accounts, and the associated Statement on Internal Control. I have also designated the Chief Executives of the NDPBs sponsored by the Department as NDPB Accounting Officers. As Departmental Accounting Officer I have responsibility for ensuring that: NDPBs' internal control systems comply with the requirement for propriety and good financial management; conditions attached to grant-in-aid conform to the terms of the Resource Estimate; and that there is an adequate statement of the financial relationship between the Department and each NDPB which is periodically reviewed.
- 3** There are additional arrangements in place to ensure effective internal control within the Olympic Delivery Authority (ODA) and the London Organising Committee of the Olympic Games (LOCOG).
  - Like other NDPBs, the ODA operates under a Management Statement and Financial Memorandum that has been approved by HM Treasury and the ODA has full and proper Internal Audit arrangements. DCMS is represented at meetings of the ODA's Audit Committee, as is the ODA's Head of Risk. DCMS is also represented at meetings of the ODA Board. ODA projects or variations to projects above a delegated limit only proceed with the prior approval of the Olympic Project Review Group, which includes members from relevant Government Departments, including DCMS and HM Treasury.
  - LOCOG is subject to separate arrangements that reflect its status as a private organisation and is the subject of a Joint Venture Agreement, signed by members of the Olympic Board, including DCMS. The Minister for the Olympics meets with the Chair of LOCOG monthly and I meet with the Chief Executive quarterly. DCMS is represented on the LOCOG Board.

## The purpose of the system of internal control

- 4** The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Department for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

## Capacity to handle risk

- 5** As Accounting Officer I acknowledge my overall responsibility for ensuring the Department is committed to high standards of corporate governance, including the effective management of risk throughout the Department.
- 6** The Department's risk management policy has been agreed by the DCMS Board and is currently being reviewed to ensure it reflects best risk management practice. It defines what is meant by risk and risk management, outlines the key principles underpinning the Department's approach to risk management, and identifies the DCMS Board's agreed risk appetite, the risk management process and the roles and responsibilities of staff. Risk Management Guidance is available to all staff. Both the Policy and the Guidance are available on the Department's intranet.
- 7** The Department has a Risk Improvement Manager and seeks to learn from good practice via the Risk Improvement Manager network and Internal Audit contacts in other bodies, results of internal audit reports and discussions with our NDPBs.
- 8** Risk management also features in departmental training courses and one-to-one training sessions on risk and assurance were available for new senior members of staff prior to the year-end assurance and risk reporting process.

# Statement on Internal Control

## The risk and control framework

- 9** Delivery plans and risk registers are in place, or are being developed, for each of the Department's Departmental Strategic Objectives (DSOs) and Public Service Agreement (PSA) targets. The DCMS Board is provided with quarterly reports to ensure effective monitoring of DSOs and PSAs, including the systematic tracking of progress and risks, and early warning of potential problems, with appropriate recommendations for early action. Progress against both PSAs and DSOs is reported publicly in the Autumn Performance Report.
- 10** Formal financial delegations for 2008–09 were issued to each Group Head by me, reinforcing the importance of the Assurance process in providing me with confidence when signing the Statement on Internal Control.
- 11** The Department has agreements with all its directly funded NDPBs setting out the Department's expectations, or the agreed strategy the NDPB will follow, in return for the public funds supplied. Detailed financial arrangements or accountability lines are also included. Bodies which distribute Lottery money have similar agreements relating to the framework within which they receive and distribute Lottery funds. NDPB Accounting Officers are appointed by the Department. In the light of the terms of their appointment, they are required to incorporate in their accounts a Statement on Internal Control, which gives an assurance that *Managing Public Money* and the agreements with the Department have been complied with.
- 12** The process to embed risk management within the Department's procedures continues to develop throughout the Department, although further improvement is required before we can say it is fully embedded in all our procedures. The Department uses a self-assessment approach for risk identification. As part of the business planning process we encourage teams to identify the risks to their team objectives, to evaluate these and to identify the necessary controls. Guidance is available to staff on the main types of risk that the Department could face. The Audit Committee and DCMS Board agreed a statement of the Department's risk appetite for seven primary groups of risk to be used as a guide to help calibrate the action we need to take in response to the risk. Each significant risk has a contingency plan that identifies the risk "trigger points", which give early warning of the risk materialising. All risks are assigned Risk Owners i.e. someone with sufficient authority to ensure the risk is addressed and that clear responsibility

to manage the risk is allocated to specific officers. Identified risks, and the agreed management of them, are recorded in formal risk registers, which are then kept under review. The Department recognises the need to keep its approach to risk management under review, especially in the light of structural changes, to ensure that processes reflect its risk-based approach. The Department has made recent enhancements to its risk management framework and policy. These new improved frameworks will be introduced during 2009–10.

- 13** An Assurance reporting process supplements the risk management process. It requires senior managers and Directors to report six-monthly on whether they have complied with the Department's risk and internal control procedures and identify the work undertaken to keep risk and internal control under review, up to date and appropriate. Assurance reports were produced during the year as required and, after due challenge about their completeness and clarity, a summary of performance has been reported to the Audit Committee. Any areas of concern that are identified are addressed, in line with the risk they pose. The process is continuing to evolve and the Department will give greater emphasis to stressing the importance of internal control procedures and ensuring that they are embedded within the organisation. The Department will address issues identified by Internal Audit Services, relating to improving control and the assurance framework, and increase the attention it pays to checking that outstanding agreed actions relating to identified internal control weaknesses are remedied promptly. Progress will be reviewed as part of the Audit Committee's remit.
- 14** The Department has established a strong, strategic relationship with the Office of Government Commerce (OGC) and an increasing number of high profile programmes and projects have been subject to Gateway reviews. We are continuing to improve our project management capability and the establishment of a separate Programmes Team has enhanced our capacity to scope projects effectively and then to efficiently plan and manage those that are selected to go ahead. Training in project working to a basic level remains mandatory for all staff and, as required, others undertake more advanced training. Appropriate people have also received OGC Gateway training during the year. Risk management will increasingly be embedded as an essential part of programme and project management.

- 15** The Department's Risk Management guidance covers the need for risk assessments in submissions to Ministers or the Board, to make it easier to form a judgement about the risk associated with a particular course of action.
- 16** Information risk now features more explicitly in all the Department's risk management and assurance processes. DCMS holds only small quantities of personal information and I consider the overall level of risk to be low. Consequently, we have adopted a proportionate approach to the actions management agreed in relation to the Data Handling Review. Work is continuing to identify Information Asset Owners for high risk personal information and to increase staff awareness through training. I have reminded all NDPBs and other Public Bodies that the Department sponsors of their responsibility for managing information risk.

**Review of effectiveness**

**17** As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Audit Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

**18** The key elements of the system of internal control are set out above and contribute to my review of the system's effectiveness. The following governance bodies also inform my view:

- The DCMS Board, which meets regularly to set the Department's long term strategy, direction and priorities. At present the Board comprises me, the Directors General, four Directors and four non-executive members (there were three non-executive members during 2008–09).
- The Executive Committee allocates resources for delivering departmental priorities. It is the mechanism for accountability on programme delivery and core departmental business. It comprises the executive members of the Board plus DCMS's Directors.

- The Audit Committee meets four times a year and supports me in my responsibilities for risk management, control and governance. The chairman sits on the Board, which takes decisions based on the advice received. At present, the Audit Committee comprises a non-executive chairman and five other non-executive members (there were three non-executive members during 2008–09). Others in attendance include the Finance Director, National Audit Office Directors and the Head of Internal Audit.
- Internal Audit Services (IAS) operates to Government Internal Audit Standards, and is provided by Communities and Local Government. IAS submits regular reports, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the arrangements for risk management, control and governance, together with actions for improvement, as agreed with management. For the year ended 31 March 2009, that opinion concluded that there were no significant control issues arising that require disclosure in this Statement.
- 19** Notwithstanding that opinion, I am conscious that last year saw considerable organisational change within the Department. That made it particularly important to ensure that the design and operation of internal controls still met the needs of the Department. I am satisfied that has been the case. However, I continue to attach importance to embedding our new risk management framework, to ensuring that the assurance process is improved and so to increasing the overall reliability of our internal controls.

Signed and approved

**Jonathan Stephens**  
Accounting Officer  
9 July 2009

# The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of the Department for Culture, Media and Sport for the year ended 31 March 2009 under the Government Resources and Accounts Act 2000. These comprise the Statement of Parliamentary Supply, the Consolidated Operating Cost Statement and Statement of Recognised Gains and Losses, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the Statement of Net Operating Costs by Departmental Strategic Objectives and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## **Respective responsibilities of the Accounting Officer and auditor**

The Accounting Officer is responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000. I report to you whether, in my opinion, the information which comprises the Public Service Agreements section and the Management Commentary, excluding the Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets, included in the Annual Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Department has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Department's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or to form an opinion on the effectiveness of the Department's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Forewords, Section 1 excluding the Public Service Agreements section, the Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets, and the Annexes. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

## **Basis of audit opinions**

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Department's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

## **Opinions**

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government Resources and Accounts Act 2000 and directions made thereunder by HM Treasury, of the state of the Department's affairs as at 31 March 2009, and the net cash requirement, net resource outturn, net operating cost, net operating costs applied to departmental strategic objectives, recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- information which comprises the Public Service Agreements section and the Management Commentary, excluding the Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets, included within the Annual Report, is consistent with the financial statements.

## **Opinion on Regularity**

In my opinion, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## **Report**

I have no observations to make on these financial statements.

Amyas C E Morse

Comptroller and Auditor General  
National Audit Office  
151 Buckingham Palace Road  
London SW1W 9SS  
16 July 2009

# Consolidated Resource Accounts

## Statement of Parliamentary Supply

### (i) Summary of Resource Outturn 2008–09

Request for Resources	Note	2008–09 Estimate			2008–09 Outturn			2008–09 Net Total outturn compared with Estimate Saving/ (excess) £000	2007–08 Outturn Net total £000
		Gross Expenditure £000	A in A £000	Net Total £000	Gross Expenditure £000	A in A £000	Net Total £000		
1: DCMS Administration & Programme	2	2,747,599	444,569	2,303,030	2,677,762	444,569	2,233,193	69,837	1,850,406
2: BBC Home Broadcasting	2	2,971,400	–	2,971,400	2,961,020	–	2,961,020	10,380	2,856,110
<b>Total Resources</b>	<b>3</b>	<b>5,718,999</b>	<b>444,569</b>	<b>5,274,430</b>	<b>5,638,782</b>	<b>444,569</b>	<b>5,194,213</b>	<b>80,217</b>	<b>4,706,516</b>
Non-operating cost A-in-A			4,850			4,850		–	14

### (ii) Net cash requirement 2008–09

	Note	Estimate £000	Outturn £000	2008–09 Net total outturn compared with Estimate Saving/ (excess) £000	2007–08 Outturn £000
Net Cash Requirement	4	5,265,269	5,176,229	89,040	4,693,683

### (iii) Summary of income payable to the Consolidated Fund

In addition to Appropriations in Aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics).

	Note	Forecast 2008–09 £000		Outturn 2008–09 £000	
		Income	<i>Receipts</i>	Income	<i>Receipts</i>
<b>Total</b>	<b>5</b>	<b>2,971,590</b>	<b>2,971,590</b>	<b>3,060,537</b>	<b>3,056,378</b>

Explanations of variances between Estimate and outturn are given in Note 2 and in the Management Commentary.

The notes on pages 115 to 163 form part of these accounts.



## Consolidated Operating Cost Statement

for the year ended 31 March 2009

	Note	2008–09		2007–08	
		£000	£000	£000	£000
<b>Administration costs</b>					
Staff costs	7	28,047		26,040	
Other administration costs	8	26,379		29,671	
<b>Gross administration costs</b>			54,426		55,711
Operating income	10		(1,601)		(1,285)
<b>Net administration costs</b>			52,825		54,426
<b>Programme costs</b>					
<b>Request for Resources 1</b>					
Programme staff costs	7	4,459		4,049	
Other programme costs	9	2,618,877		1,818,267	
Less: income	10	(463,782)		(26,371)	
			2,159,554		1,795,945
<b>Request for Resources 2</b>					
Programme costs	9	2,961,020		2,856,110	
Less: income	10	(2,959,496)		(2,861,902)	
			1,524		(5,792)
<b>Net Operating Costs</b>	3,11		2,213,903		1,844,579

All income and expenditure are derived from continuing operations.

## Statement of Recognised Gains and Losses

for the year ended 31 March 2009

	2008–09	2007–08
	£000	£000
Net gain/(loss) on revaluation of tangible fixed assets	(1,484)	2,419
Net gain/(loss) on revaluation of asset held for sale	–	58,400
Release of donated asset reserve	(68)	(59)
Receipt of donated assets	1,691	4,046
<b>Total</b>	<b>139</b>	<b>64,806</b>

The notes on pages 115 to 163 form part of these accounts.

# Consolidated Resource Accounts

## Consolidated Balance Sheet

as at 31 March 2009

	Note	31 March 2009		31 March 2008	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	12b		67,778		68,745
Intangible assets	13		89		70
			67,867		68,815
Debtors falling due after more than one year	15		–		2,000
			67,867		70,815
<b>Current assets</b>					
Asset held for sale	16	–		85,000	
Stocks	17	–		27	
Debtors	18	74,625		12,148	
Cash at bank and in hand	19	23,867		34,022	
			98,492		131,197
Creditors (amounts falling due within one year)	20	(105,943)		(51,956)	
Net current assets			(7,451)		79,241
Total assets less current liabilities			60,416		150,056
Provisions for liabilities and charges	21		(1,457)		(2,215)
			58,959		147,841
<b>Taxpayers' equity</b>					
General Fund	22		33,579		38,769
Revaluation Reserve	23a		17,156		102,471
Donated Asset Reserve	23b		8,224		6,601
			58,959		147,841

The notes on pages 115 to 163 form part of these accounts.

Signed and approved

**Jonathan Stephens**  
Accounting Officer  
9 July 2009

## Consolidated Cash Flow Statement

for year ended 31 March 2009

	Note	2008–09 £000	2007–08 £000
Net cash outflow from operating activities	24a	(2,199,432)	(1,818,702)
Capital expenditure, financial investment, and sale proceeds	24b, 24c	79,581	(9,746)
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities		–	–
Payments of amounts due to the Consolidated Fund		(3,008,521)	(2,843,143)
Financing	24d	5,118,217	4,673,000
<b>Increase/(decrease) in cash in the period</b>	<b>24e</b>	<b>(10,155)</b>	<b>1,409</b>

The notes on pages 115 to 163 form part of these accounts.

## Consolidated Statement of Net Operating Costs by Departmental Strategic Objectives

for the year ended 31 March 2009

	Gross £000	2008–09 Income £000	Net £000
DSO 1	779,469	(22,374)	757,095
DSO 2	741,019	(1,738)	739,281
DSO 3	166,969	(7,825)	159,144
DSO 4	990,305	(433,446)	556,859
BBC	2,961,020	(2,959,496)	1,524
<b>Net Operating Costs</b>	<b>5,638,782</b>	<b>(3,424,879)</b>	<b>2,213,903</b>

DCMS Strategic Objectives for 2008–09 were as follows:

DSO1 Opportunity Encourage more widespread enjoyment of culture, media and sport

DSO2 Excellence Support talent and excellence in culture, media and sport

DSO3 Economic Impact Realise the economic benefits of the department's sectors

DSO4 Olympics and sport for young people Deliver a successful and inspirational Olympic and Paralympic Games that provide for a sustainable legacy and get more children and young people taking part in high quality PE and sport.

Further details are in note 25.

# Consolidated Resource Accounts

## Comparative figures for the year ended 31 March 2008

The Department's objectives changed from 1 April 2008 and it would not be appropriate to restate the prior year comparative to this year's objective. The figures and objectives for 2007–08 are shown below.

	Gross £000	2007–08 Income £000	Net £000
Objective 1	186,943	(3,488)	183,455
Objective 2	1,114,930	(11,353)	1,103,577
Objective 3	144,415	(11,472)	132,943
Objective 4	149,907	(3)	149,904
Objective 5	281,832	(1,340)	280,492
BBC	2,856,110	(2,861,902)	(5,792)
<b>Net Operating Costs</b>	<b>4,734,137</b>	<b>(2,889,558)</b>	<b>1,844,579</b>

Figures for the BBC grant and associated licence fee income from Request for Resources 2 are shown separately because of their materiality. They relate to the Department's Objective 2.

DCMS Objectives for 2007–08 were as follows:

- Objective 1 To further enhance access to culture and sport for children and give them the opportunity to develop their talents to the full and enjoy the benefits of participation
- Objective 2 To increase and broaden the impact of culture and sport, to enrich individual lives, strengthen communities and improve the places where people live, now and for future generations
- Objective 3 To maximise the contribution that the tourism, creative and leisure industries can make to the economy
- Objective 4 To modernise delivery by ensuring our sponsored bodies are efficient and work with others to meet the cultural and sporting needs of individuals and communities
- Objective 5 To host an inspirational, safe and inclusive Olympic Games and Paralympic Games and leave a sustainable legacy for London and the UK

The notes on pages 115 to 163 form part of these accounts.

# Notes to Departmental Resource Accounts

## 1 Statement of Accounting Policies

These financial statements have been prepared in accordance with the *2008–09 Government Financial Reporting Manual* (FReM) issued by HM Treasury. The accounting policies contained in the FReM follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

In addition to the primary statements prepared under UK GAAP, the FReM also requires the Department to prepare two additional primary statements. The Statement of Parliamentary Supply and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement. The consolidated Statement of Operating Cost by Departmental Strategic Objectives and supporting notes analyse the Department's income and expenditure by the objectives agreed with Ministers.

Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Department for the purpose of giving a true and fair view has been selected. The Department's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

A separate note has been disclosed for the Core Department fixed assets but in the opinion of the Accounting Officer the difference between the Core Department and the Consolidated Accounts is not material for separation in the other notes.

### 1.1 Accounting convention

These accounts and notes have been prepared under the historical cost convention modified to account for the revaluation of fixed assets, and stock where material.

## 1.2 Basis of consolidation

These accounts comprise a consolidation of the Core Department, its supply-financed agency The Royal Parks (TRP), ten advisory NDPBs and one tribunal NDPB. These entities fall within the departmental boundary as defined in the FReM (chapter 2.4).

The following are the bodies included by accounting for funds paid through expenses:

- Advisory Committee on Historic Wreck Sites (English Heritage are responsible for the secretariat)
- Advisory Committee on the Government Art Collection
- Advisory Committee on National Historic Ships
- Advisory Council on Libraries
- VisitEngland (formerly England Marketing Advisory Board)
- Legal Deposit Advisory Panel
- Public Lending Right Advisory Committee (funded through the Public Lending Right)
- Reviewing Committee on the Export of Works of Art (MLA are responsible for the secretariat)
- Spoliation Advisory Panel
- Treasure Valuation Committee (British Museum are responsible for the secretariat)
- Horserace Betting Levy Appeal Tribunal for England and Wales (Tribunal).

Transactions between entities included in the consolidation are eliminated.

### 1.3 Intangible fixed assets

These relate to licences to use software that have been developed by third parties, and are valued at cost. Expenditure on intangible fixed assets with a cost exceeding £5,000 is capitalised.

# Notes to Departmental Resource Accounts

## 1.4 Tangible fixed assets

Title to the freehold land and buildings shown in the accounts is held as follows:

- i. Property on the Departmental estate;
- ii. Property held by CLG in the name of the Secretary of State.

Tangible fixed assets are carried at valuation in existing use. Depreciated historic cost is used as a proxy for current value where the difference is not material.

For DCMS as an entity, freehold land and buildings are restated to current value every five years using professional valuations in accordance with FRS 15. The freehold land was last valued professionally as at 31 March 2006. Assets have not been restated using appropriate indices because the modified historic costs are not materially different to the historic costs, therefore the historic costs have been shown in the Balance Sheet. The Royal Parks properties are revalued as part of a five year rolling programme, using a methodology in line with the FReM. From 1 April 2007 TRP changed its policy on government index revaluations. It considers that these revaluations do not have a material effect and as allowed under FRS15 has discontinued government index revaluations for assets that are not physically revalued. These assets are shown at their 31 March 2007 current cost less depreciation.

The minimum level for capitalisation of a tangible fixed asset is £5,000. Amounts capitalised include staff costs incurred to bring assets into being for the future benefit of the Department.

The Department and TRP have a number of non-operational heritage assets held for their historic and cultural associations alone. In accordance with the FReM these non-operational heritage assets have been valued at nil.

Most of The Royal Parks land, historic and heritage assets, other than buildings are given nil value.

In accordance with the FReM, additions to the Government Art Collection, as from 1 April 2000, are recognised in the Balance Sheet. The purchase price will normally provide a reliable basis for valuation.

## 1.5 Depreciation and amortisation

Freehold land, and Collections are not depreciated, since they have unlimited or very long estimated useful lives.

Depreciation is provided at rates calculated to write off the value of freehold buildings and other tangible and intangible fixed assets by equal instalments over their estimated useful lives. Assets in the course of construction are not depreciated until the asset is brought into use.

Asset lives are in the following ranges:

Land and buildings	up to 100 years
Dwellings	up to 100 years
Leasehold improvements	the term of the lease
Equipment and computers	3–10 years
Fixtures and fittings	3–20 years
Intangible assets	2 years

## 1.6 Donated assets

Donated tangible fixed assets are capitalised at their current value on their receipt, and this value is credited to the donated asset reserve. Donated assets are revalued, depreciated and subject to impairment in the same way as other fixed assets. Revaluations will be taken to the donated asset reserve. Each year, an amount equal to the depreciation charge on the asset and any impairment will be released from the donated asset reserve to the Operating Cost Statement.

## 1.7 Research

Expenditure on research is treated as an operating cost in the year in which it is incurred.

## 1.8 Operating income

Operating income is income which relates to the operating activities of the Department. It comprises fees and charges for services provided to external customers and public sector repayment work. It includes both operating income appropriated-in-aid of the Estimate and income to the Consolidated Fund authorised by HM Treasury to be treated as operating income. Operating income is stated net of VAT.

## 1.9 Administration and programme expenditure

The Operating Cost Statement is analysed between administration and programme income and expenditure. Administration costs reflect the costs of running the Department. These include both administrative costs and associated operating income. Income is analysed in the notes between that which, under the administrative cost-control regime, is allowed to be offset against gross administrative costs in determining the outturn against the administrative cost limit, and that operating income which is not.

The classification of expenditure and income as administration or programme follows the definitions set by HM Treasury.

Programme costs are those resource costs outside the Administration Cost controls.

Spending in the Other Current column of Note 2 includes programme staff costs; depreciation and cost of capital on assets used for programme expenditure purposes and other disbursements by the Department to third parties for the delivery of projects and the management of grant programmes.

Spending included in the column headed Grants in Note 2 includes payments of Grant-in-Aid to NDPBs and other regularly funded bodies (which funds both resource and capital DEL spending by those bodies), and specific grants to other bodies.

## 1.10 Grants payable

Government Grant-in-Aid paid is recorded as expenditure on an annual basis in relation to the grant drawn down by the grantee from the DCMS.

Government Grants paid or payable are recorded as expenditure on an annual basis in relation to the grant payable to the grantee from the DCMS.

## 1.11 BBC licence fee income

The Department has an Agreement with the BBC that provides for the payment of grant funding to the BBC. The Agreement states that the Secretary of State shall pay to the BBC sums equal to the net Licence Revenue. The grant paid is therefore the lower of:

- licence fee income paid to the Consolidated Fund, less the DCMS management charge; or
- the amount voted by Parliament.

Licence Revenue is due by licence fee payers to the BBC, which is then payable by the BBC to the Consolidated Fund. DCMS acts as an agent of the Consolidated Fund in collecting Licence Revenue from the BBC's collecting agents and remitting it to the Fund. In recognition of the Department's cash management responsibilities, a debtor is raised in these accounts for cash collected by the BBC's agents and not yet paid to the DCMS.

## 1.12 Capital charge

A charge, reflecting the cost of capital utilised by the Department, is included in operating costs. The charge is calculated at the real rate set by HM Treasury (currently 3.5 per cent) on the average carrying amount of all assets less liabilities, except for:

- a tangible and intangible fixed assets where the cost of capital charge is based on opening values, adjusted pro rata for in-year:
  - additions at cost
  - disposals as valued in the opening balance sheet (plus any subsequent capital expenditure prior to disposal)
  - impairments at the amount of the reduction of the opening balance sheet value (plus any subsequent capital expenditure)
  - depreciation of tangible and amortisation of intangible fixed assets
- b donated assets, cash balances with the Office of the Paymaster General and amounts due to or from the Consolidated Fund where the charge is nil
- c additions to heritage collections.

# Notes to Departmental Resource Accounts

## 1.13 Foreign exchange

Revenue and expenditure incurred in foreign currencies which are not covered by a forward contract are translated at the rate of exchange ruling on the date of the transaction.

## 1.14 Taxation

The Department is registered for VAT, which is accounted for in accordance with SSAP 5. Irrecoverable VAT is charged to the relevant expenditure in the operating cost statement.

## 1.15 Pensions

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which are described in the Remuneration Report and at note 7. The defined benefit elements of the scheme are unfunded and non-contributory except in respect of dependants' benefits. The Department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the Department recognises the contributions payable for the year.

## 1.16 Early departure costs

The Department is required to meet the cost of benefits beyond the normal PCSPS benefits in respect of employees who retire early. The Department provides in full for this cost when the early retirement programme has been announced and is binding on the Department. The Department may, in certain circumstances, settle some or all of its liability in advance by making a payment to the Paymaster General's account at the Bank of England for the credit of the Civil Superannuation Vote. The amount provided is shown net of any such payments.

## 1.17 Operating leases

Operating lease rentals are charged to the operating cost statement in equal amounts over the lease term.

## 1.18 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with FRS 12, the Department discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote but which have been reported to Parliament in accordance with the requirements of Managing Public Money.

These comprise:

- items over £250k (or lower where required by statute) that do not arise in the normal course of business and which are reported to Parliament by Departmental Minute prior to the Department entering into the arrangement
- all items (where they arise in the normal course of business) over £250k (or lower where required by specific statute or where material in the context of the resource accounts) which are required by the FReM to be noted in the resource accounts.

## 1.19 Financial Instruments

The Department accounts for financial instruments in accordance with FRS 25 Financial Instruments: Presentation, FRS 26 Financial Instruments: Recognition and Measurement and FRS 29: Financial Instruments. Trade debtors are recognised at carrying value, reduced by appropriate allowances for estimated irrecoverable amounts. Trade creditors are short term and are stated at carrying value in recognition that these liabilities fall due within one year. No prior year adjustment is required as a result of the implementation of these FRSs.



## 2 Analysis of net resource outturn by section 2008–09

2008–09	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
<b>Request for Resources 1</b>							
<b>A. Museums Galleries and Libraries</b>							
National Coal Mining Museum			2,731		2,731	2,731	–
Tyne & Wear Museums			2,362		2,362	2,362	–
Wolfson – Museums and Galleries			2,360		2,360	2,000	(360)
ISB8 Eye on the Future			908		908	759	(149)
Design Museum			414		414	414	–
Peoples History Museum			168		168	168	–
National Football Museum			103		103	103	–
ISB7 Staffordshire Libraries			66		66		(66)
Strategic Commissioning				(2,000)	(2,000)		2,000
Other Museums and Galleries		403	100	(25)	478	200	(278)
		<b>403</b>	<b>9,212</b>	<b>(2,025)</b>	<b>7,590</b>	<b>8,737</b>	<b>1,147</b>
<b>B. Arts</b>							
Take It Away Instrument Scheme (via Arts Council)			707		707		(707)
Government Art Collection		697		(345)	352	353	1
ISB8 The Artsmad House			473		473	310	(163)
ISB8 Stagetext			399		399	297	(102)
Own Art (Arts Purchase Plan) (via Arts Council)			393		393		(393)
RESPECT Youth Music Mentoring			340		340		(340)
Youth Dance England			250	(250)			–
ISB8 South Bank Grey Water			266		266	236	(30)
ISB Lifetime Health			189		189	318	129
ISB8 Soundsense			179		179	165	(14)
ISB8 Sefton CreatAlternatives			66		66	70	4
Euclid			50		50	50	–
Creative Partnerships		26	36	(2,537)	(2,475)		2,475
Find Your Talent				(2,306)	(2,306)		2,306
Other Arts Support		63	166		229	449	220
		<b>786</b>	<b>3,514</b>	<b>(5,438)</b>	<b>(1,138)</b>	<b>2,248</b>	<b>3,386</b>

# Notes to Departmental Resource Accounts

2008–09	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
<b>C. Sports</b>							
Free Swimming		2	10,038		10,040		(10,040)
UK School Games			490		490	250	(240)
World Anti Doping Agency			378		378	400	22
Children's Play		164	350		514	500	(14)
Sporting and Cultural Champions			327		327	1,000	673
Wembley		20	119		139	20	(119)
Dancelinks			100		100	150	50
Enlarged Partial Agreement			98	(25)	73	78	5
British Chess Federation			60		60	60	–
ISB9 Merseyside Youth Pilot			16		16		(16)
Other Sports Support		81			81	24	(57)
		<b>267</b>	<b>11,976</b>	<b>(25)</b>	<b>12,218</b>	<b>2,482</b>	<b>(9,736)</b>
<b>D. Architecture and Historic Environment</b>							
RNC Greenwich			2,200		2,200	1,500	(700)
ISB8 The Great and the Good			708		708	424	(284)
Chatham Historic Dockyard			300		300	300	–
VAT Relief on Memorials		157	233		390	5,000	4,610
Ceremonial Services		386		(25)	361	1,110	749
State Visits		290			290	360	70
Humanitarian Assistance Unit		277			277	250	(27)
World Cultural Convention			129		129	130	1
Remembrance		110		(4)	106	95	(11)
Trooping Colour		79			79	47	(32)
Other Events		58			58	41	(17)
Other Heritage Support		98	74		172	305	133
		<b>1,455</b>	<b>3,644</b>	<b>(29)</b>	<b>5,070</b>	<b>9,562</b>	<b>4,492</b>
<b>E. Listed Places of Worship</b>							
Listed Places of Worship		240	16,107		16,347	15,250	(1,097)
		<b>240</b>	<b>16,107</b>		<b>16,347</b>	<b>15,250</b>	<b>(1,097)</b>
<b>F. The Royal Parks</b>							
Royal Parks Agency		19,363			19,363	20,459	1,096
Consolidation adjustment		15,984		(12,943)	3,041	0	(3,041)
		<b>35,347</b>		<b>(12,943)</b>	<b>22,404</b>	<b>20,459</b>	<b>(1,945)</b>

2008–09	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
<b>G. Tourism</b>							
Grants to the GLA			1,900		1,900	1,900	–
Other Tourism			330		330		(330)
		0	2,230		2,230	1,900	(330)
<b>H. Broadcasting and Media</b>							
National Film and Television School			2,978		2,978	2,978	–
OFCOM Media Literacy			559		559	1,059	500
Audiovisual Eureka			213		213	393	180
OFCOM Community Radio			455		455		(455)
Community Media			45		45		(45)
Film Club				(3,100)	(3,100)		3,100
Other Film and Broadcasting		94			94	156	62
		94	4,250	(3,100)	1,244	4,586	3,342
<b>I. Creative Economy</b>							
Creative Economy programme		1,683			1,683	3,000	1,317
		1,683			1,683	3,000	1,317
<b>J. Administration and Research</b>							
Administration	54,426			(1,299)	53,127	49,258	(3,869)
Participation Survey 'Taking Part'		2,459		(680)	1,779	1,764	(15)
Participation Survey 'Active People'		1,150		(388)	762		(762)
Tote Sale		1,163			1,163		(1,163)
Research and Other Services		982	40	(273)	749	1,660	911
Land sale		(19)			(19)		19
	54,426	5,735	40	(2,640)	57,561	52,682	(4,879)
<b>K. National Lottery Commission</b>							
Income from NLDF and OLDF				(6,342)	(6,342)	(6,269)	73
				(6,342)	(6,342)	(6,269)	73
<b>L. Olympics</b>							
Estimate income						(438,300)	(438,300)
ODA funding from CLG				(337,000)	(337,000)		337,000
ODA funding from DfT				(75,027)	(75,027)		75,027
Other Olympic		(24)	(43)		(67)		67
		(24)	(43)	(412,027)	(412,094)	(438,300)	(26,206)
<b>Gambling, Licensing and Horse Racing</b>							
Gambling Appeals Tribunal		58			58		(58)
		58			58	0	(58)

# Notes to Departmental Resource Accounts

2008–09	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
<b>M. Regional Cultural Consortiums</b>							
Living East			245		245	215	(30)
Culture East Midlands			303		303	215	(88)
Culture North East			263		263	215	(48)
Culture North West			399		399	215	(184)
Culture South East			360		360	215	(145)
Culture South West			308		308	215	(93)
West Midlands Life			294		294	215	(79)
Yorkshire Culture			166		166	215	49
ISB8 Cultural Opportunities Sustainable Communities			74		74		(74)
			<b>2,412</b>		<b>2,412</b>	<b>1,720</b>	<b>(692)</b>
<b>N. Museums Galleries and Libraries</b>							
Museum Libraries and Archives Council			16,271		16,271	16,121	(150)
British Museum			50,943		50,943	50,875	(68)
Natural History Museum			52,887		52,887	51,195	(1,692)
Imperial War Museum			23,888		23,888	23,588	(300)
National Gallery			26,369		26,369	26,869	500
National Maritime Museum			19,570		19,570	19,570	–
NM Liverpool			22,488		22,488	22,488	–
National Portrait Gallery			7,693		7,693	7,693	–
NM Science & Industry			39,158		39,158	39,158	–
Tate Gallery			61,385		61,385	46,784	(14,601)
Victoria & Albert Museum			44,860		44,860	44,234	(626)
Wallace Collection			4,228		4,228	4,228	–
Royal Armouries			8,264		8,264	8,264	–
British Library			106,947		106,947	106,904	(43)
Public Lending Right			7,388		7,388	7,432	44
MSI Manchester			4,788		4,788	4,803	15
Sir John Soane's Museum			1,339		1,339	1,276	(63)
Horniman Museum			4,757		4,757	4,756	(1)
Geffrye Museum			1,748		1,748	1,748	–
Strategic Commissioning			4,968		4,968	2,700	(2,268)
Renaissance and Other Regional Funds			46,215		46,215	46,215	–
			<b>556,154</b>		<b>556,154</b>	<b>536,901</b>	<b>(19,253)</b>

2008–09	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
<b>O. Arts</b>							
Arts Council England			436,531		436,531	398,905	(37,626)
Music Rehearsal Spaces			72		72		(72)
			<b>436,603</b>		<b>436,603</b>	<b>398,905</b>	<b>(37,698)</b>
<b>P. Sports</b>							
Sport England			130,163		130,163	133,163	3,000
UK Sport			72,201		72,201	50,551	(21,650)
Football Licensing Authority			1,231		1,231	1,321	90
			<b>203,595</b>		<b>203,595</b>	<b>185,035</b>	<b>(18,560)</b>
<b>Q. Architecture and Historic Environment</b>							
CABE			4,790		4,790	4,690	(100)
English Heritage			129,358		129,358	128,858	(500)
Churches Conservation Trust			3,162		3,162	3,100	(62)
National Heritage Memorial Fund			10,000		10,000	10,000	–
Royal Household – Occupied Palaces			16,107		16,107	16,107	–
Royal Household – Other			2,415		2,415	0	(2,415)
Seachange (paid to CABE)			15,000		15,000	15,000	–
Support to Local Authorities						10,000	10,000
			<b>180,832</b>		<b>180,832</b>	<b>187,755</b>	<b>6,923</b>
<b>R. Tourism</b>							
VisitBritain			49,900		49,900	47,900	(2,000)
Regional Development Agencies			3,512		3,512	3,512	–
			<b>53,412</b>		<b>53,412</b>	<b>51,412</b>	<b>(2,000)</b>
<b>S. Broadcasting and Media</b>							
Film Council			30,064		30,064	36,014	5,950
British Film Institute						6,000	6,000
S4C (Welsh Fourth Channel)			98,440		98,440	98,112	(328)
			<b>128,504</b>		<b>128,504</b>	<b>140,126</b>	<b>11,622</b>
<b>T. National Lottery Commission</b>							
National Lottery Commission			6,342		6,342	6,339	(3)
			<b>6,342</b>		<b>6,342</b>	<b>6,339</b>	<b>(3)</b>

# Notes to Departmental Resource Accounts

2008–09	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
<b>U. Gambling, Licensing and Horse Racing</b>							
Gambling Commission			608		608	500	(108)
			<b>608</b>		<b>608</b>	<b>500</b>	<b>(108)</b>
<b>V. London 2012</b>							
Olympic Delivery Authority			957,900		957,900	1,118,000	160,100
			<b>957,900</b>		<b>957,900</b>	<b>1,118,000</b>	<b>160,100</b>
<b>Request for Resources 1 Total</b>	<b>54,426</b>	<b>46,044</b>	<b>2,577,292</b>	<b>(444,569)</b>	<b>2,233,193</b>	<b>2,303,030</b>	<b>69,837</b>
<b>Request for Resources 2</b>							
<b>A. Home Broadcasting</b>							
BBC			2,961,020		2,961,020	2,971,400	10,380
<b>Request for Resources 2 Total</b>			<b>2,961,020</b>		<b>2,961,020</b>	<b>2,971,400</b>	<b>10,380</b>
<b>DCMS Grand Total</b>	<b>54,426</b>	<b>46,044</b>	<b>5,538,312</b>	<b>(444,569)</b>	<b>5,194,213</b>	<b>5,274,430</b>	<b>80,217</b>

The gross resource outturn on Request for Resources 1 of £2,677,762k (£1,878,027k in 2007–08), as shown in the Statement of Parliamentary Supply, comprises the total of administration costs, other current costs and grants.

Programme expenditure on Request for Resources 1 of £2,623,336k (£1,822,343k in 2007–08) includes programme staff costs, which are shown in the Operating Cost Statement as separate items. This represents the Other Current and Grants columns in the estimates.

An explanation of variances between Estimate and Outturn and more information can be found in the Management Commentary.

### **Key to Request for Resources and Sections**

The different types of expenditure within Note 2 are shown in the vertical columns of the table and correspond to the Estimate. All voted resource expenditure is shown on an accruals basis.

The 'Admin' and 'Other current' columns show direct expenditure by the Department and its agencies and other bodies within the resource accounting boundary.

The 'Grants' column shows grants and transfers to bodies outside the Department's accounting boundary.

These three columns include amounts in respect of the current consumption of assets, but do not include the amounts associated with the acquisition of capital items by the Core Department.

The Sections represented by letters A to V represent the analysis of each Request for Resources for HM Treasury control purposes and Parliamentary approval, and therefore do not correspond to the analysis by departmental objectives. Following the Resource Estimates analysis:

- Sections A to L of Request for Resources 1 are classed as Spending In Departmental Expenditure Limits (DEL) and as Central Government Spending
- Sections M to V of Request for Resources 1 and Section A of Request for Resources 2 are classed as Non-Budget – Other Spending outside Departmental Expenditure Limits (DEL).

Public expenditure data for the public bodies listed in these sections is recorded from their gross income and expenditure rather than the Grant-in-Aid shown here.

# Notes to Departmental Resource Accounts

## 2 Analysis of Net Resource Outturn by section 2007–08

2007–08	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
<b>Request for Resources 1</b>							
<b>A. Museums, Galleries and Libraries</b>							
ISB8 Eye on the Future (SBC)	0	0	504	0	504	679	175
Design Museum	0	0	503	0	503	503	0
Tyne & Wear Museums	0	0	2,326	0	2,326	2,326	0
National Coal Mining Museum	0	0	2,809	0	2,809	2,809	0
National Football Museum	0	0	100	0	100	100	0
People's History Museum	0	0	164	0	164	164	0
Strategic Commissioning (voted)	0	32	0	0	32	0	(32)
Wolfson Museums and Galleries	0	0	1,484	0	1,484	2,000	516
European Museum Forum	0	0	3	0	3	0	(3)
ISB7-Staffordshire Libraries	0	0	112	0	112	102	(10)
Other Museums and Galleries Support	0	115	0	0	115	0	(115)
Libraries Support	0	0	0	(35)	(35)	0	35
IDEA Cultural Services in Local Government	0	0	165	0	165	165	0
Capital of Culture 2008	0	300	0	0	300	300	0
	<b>0</b>	<b>447</b>	<b>8,170</b>	<b>(35)</b>	<b>8,582</b>	<b>9,148</b>	<b>566</b>
<b>B. Arts</b>							
Arts Support	0	283	59	0	342	440	98
Poet Laureate	0	0	5	0	5	0	(5)
Live Shakespeare Project	0	0	1,493	(1,493)	0	0	0
ISB8 Mission Models Money	0	0	30	0	30	250	220
ISB8 Lifetime Health Isle of Wight	0	0	290	0	290	279	(11)
ISB8 The Artsmad House	0	0	227	0	227	233	6
ISB8 Stagetext	0	0	113	0	113	257	144
ISB8 Soundsense	0	0	173	0	173	185	12
ISB8 Sefton Creat. Alternatives	0	0	67	0	67	70	3
ISB8 South Bank Grey Water	0	0	0	0	0	154	154
Own Art (Arts Purchase Plan)	0	0	366	0	366	621	255
Take It Away Instrument Scheme	0	0	625	0	625	625	0
Government Art Collection Catalogue	0	30	0	0	30	0	(30)
Government Art Collection	0	409	0	(14)	395	355	(40)
Euclid	0	0	50	0	50	50	0
RESPECT Youth Music Mentoring	0	0	382	0	382	333	(49)
Youth Music 'Music Start'	0	0	993	(1,000)	(7)	0	7
	<b>0</b>	<b>722</b>	<b>4,873</b>	<b>(2,507)</b>	<b>3,088</b>	<b>3,852</b>	<b>764</b>



2007–08	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
<b>C. Sports</b>							
British Chess Federation	0	0	60	0	60	60	0
Other sports support	0	0	110	(50)	60	70	10
Dance links PESSCL Project	0	0	200	0	200	200	0
World Anti-Doping Agency WADA	0	0	339	0	339	339	0
Commonwealth Advisory (CABOS)	0	0	0	0	0	1	1
Wembley Monitoring Costs	0	75	0	0	75	75	0
Enlarged Partial Agreement (EPAS)	0	0	56	0	56	55	(1)
ISB7 Sporting Equals	0	0	900	0	900	900	0
ISB9 Merseyside Youth Pilot	0	0	49	0	49	65	16
Volunteering Grants – Step into sport	0	0	0	0	0	7	7
Wembley	0	0	472	0	472	0	(472)
Children's Play	0	0	502	0	502	500	(2)
Sporting and Cultural Champions	0	0	333	0	333	334	1
UK School Games (Legacy Trust)	0	0	6,000	0	6,000	3,000	(3,000)
Northern Ireland Sports Institute	0	0	3,000	0	3,000	3,000	0
	<b>0</b>	<b>75</b>	<b>12,021</b>	<b>(50)</b>	<b>12,046</b>	<b>8,606</b>	<b>(3,440)</b>
<b>D. Architecture and Historic Environment</b>							
Trooping the Colour	0	50	0	0	50	47	(3)
Remembrance	0	88	0	0	88	95	7
State visits	0	172	0	0	172	360	188
Other events	0	13	0	0	13	41	28
Ceremonial overheads	0	350	0	(19)	331	360	29
Ceremonial services and Humanitarian Assistance Unit (HAU)	0	119	0	0	119	0	(119)
HAU London Bombings	0	171	0	0	171	0	(171)
HAU Tsunami	0	1	0	0	1	0	(1)
HAU Communities and Publicity Project	0	6	0	0	6	0	(6)
HAU Regional Tours	0	16	0	0	16	0	(16)
World Heritage Committee	0	14	0	0	14	15	1
World Cultural Convention	0	0	125	0	125	130	5
Chatham Historic Dockyard	0	0	300	0	300	300	0
Other Heritage Support	0	100	36	(18)	118	251	133
ISB8 The Great and the Good	0	0	246	0	246	396	150
Royal Naval College Greenwich	0	0	1,500	0	1,500	1,500	0
VAT Relief on Memorials	0	152	703	0	855	5,000	4,145
	<b>0</b>	<b>1,252</b>	<b>2,910</b>	<b>(37)</b>	<b>4,125</b>	<b>8,495</b>	<b>4,370</b>

# Notes to Departmental Resource Accounts

2007-08	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
<b>E. Listed Places of Worship</b>							
Listed Places of Worship	0	232	14,725	0	14,957	15,250	293
	<b>0</b>	<b>232</b>	<b>14,725</b>	<b>0</b>	<b>14,957</b>	<b>15,250</b>	<b>293</b>
<b>F. The Royal Parks</b>							
Royal Parks Agency	0	32,004	0	(11,142)	20,862	19,992	(870)
	<b>0</b>	<b>32,004</b>	<b>0</b>	<b>(11,142)</b>	<b>20,862</b>	<b>19,992</b>	<b>(870)</b>
<b>G. Tourism</b>							
Tourism Section 4 Grants	0	70	0	0	70	0	(70)
Tourism Strategy Fund	0	15	0	0	15	63	48
Grants to the GLA	0	0	1,900	0	1,900	1,900	0
	<b>0</b>	<b>85</b>	<b>1,900</b>	<b>0</b>	<b>1,985</b>	<b>1,963</b>	<b>(22)</b>
<b>H. Broadcasting and Media</b>							
Film Support	0	295	0	0	295	156	(139)
National Film and Television School	0	0	2,988	0	2,988	2,900	(88)
Audiovisual Eureka	0	147	0	0	147	393	246
OFCOM – media literacy and community radio	0	0	1,025	0	1,025	1,059	34
Community Media	0	0	35	0	35	0	(35)
Gaelic TV	0	0	250	0	250	0	(250)
	<b>0</b>	<b>442</b>	<b>4,298</b>	<b>0</b>	<b>4,740</b>	<b>4,508</b>	<b>(232)</b>
<b>I. Administration and Research</b>							
Administration	55,711	0	0	(1,284)	54,427	53,704	(723)
Participation survey	0	2,957	0	(680)	2,277	2,296	19
Other programme	0	881	0	(4)	877	2,297	1,420
Security	0	0	380	0	380	0	(380)
	<b>55,711</b>	<b>3,838</b>	<b>380</b>	<b>(1,968)</b>	<b>57,961</b>	<b>58,297</b>	<b>336</b>

2007–08	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
<b>J. National Lottery Commission</b>							
NLC – Income from NLDF	0	0	0	(10,341)	(10,341)	(14,000)	(3,659)
	<b>0</b>	<b>0</b>	<b>0</b>	<b>(10,341)</b>	<b>(10,341)</b>	<b>(14,000)</b>	<b>(3,659)</b>
<b>K. Gambling, Licensing and Horse Racing</b>							
Gambling Fee Income	0	0	0	(1,177)	(1,177)	(1,835)	(658)
Gambling Appeals Tribunal	0	4	0	0	4	0	(4)
	<b>0</b>	<b>4</b>	<b>0</b>	<b>(1,177)</b>	<b>(1,173)</b>	<b>(1,835)</b>	<b>(662)</b>
<b>L. Olympics (voted programmes)</b>							
Olympic Board Secretariat	0	262	381	(364)	279	1,153	874
Olympics – other programme costs	0	180	0	0	180	2,162	1,982
	<b>0</b>	<b>442</b>	<b>381</b>	<b>(364)</b>	<b>459</b>	<b>3,315</b>	<b>2,856</b>
<b>M. Regional Cultural Consortiums</b>							
Living East	0	0	230	0	230	230	0
Culture East Midlands	0	0	243	0	243	243	0
CEM ISB8 Cultural Opportunities Sustainable Communities	0	0	285	0	285	285	0
Culture North East	0	0	220	0	220	220	0
Culture North West	0	0	230	0	230	230	0
Culture South East	0	0	260	0	260	260	0
Culture South West	0	0	230	0	230	230	0
West Midlands Life	0	0	223	0	223	223	0
Yorkshire Culture	0	0	230	0	230	230	0
Rounding difference	0	0	(2)	0	(2)	(2)	0
	<b>0</b>	<b>0</b>	<b>2,149</b>	<b>0</b>	<b>2,149</b>	<b>2,149</b>	<b>0</b>

# Notes to Departmental Resource Accounts

2007-08	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
<b>N. Museums, Galleries and Libraries</b>							
Museums Libraries and Archives Council	0	0	14,743	0	14,743	14,634	(109)
British Museum	0	0	44,898	0	44,898	44,823	(75)
Natural History Museum	0	0	45,165	0	45,165	45,165	0
Imperial War Museum	0	0	22,177	0	22,177	22,177	0
National Gallery	0	0	25,597	0	25,597	25,566	(31)
National Maritime Museum	0	0	18,491	0	18,491	18,411	(80)
NM Liverpool	0	0	22,326	0	22,326	21,826	(500)
National Portrait Gallery	0	0	7,038	0	7,038	7,038	0
NM Science and Industry	0	0	38,484	0	38,484	38,484	0
Tate Gallery	0	0	45,929	0	45,929	45,929	0
Victoria & Albert Museum	0	0	42,262	0	42,262	42,520	258
Wallace Collection	0	0	4,156	0	4,156	4,156	0
Royal Armouries	0	0	8,917	0	8,917	8,461	(456)
British Library	0	0	106,480	0	106,480	105,921	(559)
Public Lending Right	0	0	7,488	0	7,488	7,682	194
Legal Deposit Advisory Panel	0	37	0	0	37	0	(37)
Museum of Science & Industry Manchester	0	0	4,171	0	4,171	4,171	0
Museum of London	0	0	8,809	0	8,809	8,809	0
Sir John Soane's Museum	0	0	1,339	0	1,339	1,072	(267)
Horniman Museum	0	0	4,350	0	4,350	4,350	0
Geffrye Museum	0	0	1,956	0	1,956	1,956	0
Strategic Commissioning	0	0	4,424	0	4,424	4,700	276
Museums reserve	0	0	240	0	240	12,157	11,917
Renaissance and other regional funds	0	0	45,000	0	45,000	45,000	0
Government Indemnity Scheme	0	0	58	0	58	150	92
Framework for the Future	0	7	1,950	0	1,957	1,900	(57)
Museums unallocated Grant-in-Aid (GiA)	0	0	0	0	0	4,445	4,445
Cross-sectoral unallocated (GiA)	0	0	0	0	0	(13,000)	(13,000)
MGL cross sector unallocated (GiA)	0	0	0	0	0	5,764	5,764
	<b>0</b>	<b>44</b>	<b>526,448</b>	<b>0</b>	<b>526,492</b>	<b>534,267</b>	<b>7,775</b>
<b>O. Arts</b>							
Arts Council England	0	0	422,610	0	422,610	422,255	(355)
	<b>0</b>	<b>0</b>	<b>422,610</b>	<b>0</b>	<b>422,610</b>	<b>422,255</b>	<b>(355)</b>

2007–08	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
<b>P. Sports</b>							
Sport England	0	0	113,296	0	113,296	113,296	0
UK Sport	0	0	67,305	0	67,305	67,305	0
Football Licensing Authority	0	0	1,261	0	1,261	1,261	0
Lee Valley Athletics Centre	0	0	(7)	0	(7)	0	7
Unallocated sports GiA	0	0	0	0	0	11,111	11,111
	<b>0</b>	<b>0</b>	<b>181,855</b>	<b>0</b>	<b>181,855</b>	<b>192,973</b>	<b>11,118</b>
<b>Q. Architecture and Historic Environment</b>							
CABE	0	0	4,690	0	4,690	4,690	0
English Heritage	0	0	136,636	0	136,636	136,883	247
Churches Conservation Trust	0	0	3,062	0	3,062	3,000	(62)
National Heritage Memorial Fund	0	0	10,002	0	10,002	10,002	0
Royal Household – occupied palaces	0	0	17,378	0	17,378	16,107	(1,271)
AHED Unallocated GiA	0	0	0	0	0	4,701	4,701
	<b>0</b>	<b>0</b>	<b>171,768</b>	<b>0</b>	<b>171,768</b>	<b>175,383</b>	<b>3,615</b>
<b>R. Tourism</b>							
VisitBritain	0	0	50,650	0	50,650	50,650	0
Regional Development Agencies	0	0	3,600	0	3,600	3,600	0
	<b>0</b>	<b>0</b>	<b>54,250</b>	<b>0</b>	<b>54,250</b>	<b>54,250</b>	<b>0</b>
<b>S. Broadcasting and Media</b>							
Film Council	0	0	25,110	0	25,110	25,110	0
S4C (Welsh Fourth Channel)	0	0	92,817	0	92,817	94,311	1,494
	<b>0</b>	<b>0</b>	<b>117,927</b>	<b>0</b>	<b>117,927</b>	<b>119,421</b>	<b>1,494</b>
<b>T. National Lottery Commission</b>							
National Lottery Commission	0	0	10,341	0	10,341	14,001	3,660
National Lottery unallocated GiA	0	0	0	0	0	82	82
	<b>0</b>	<b>0</b>	<b>10,341</b>	<b>0</b>	<b>10,341</b>	<b>14,083</b>	<b>3,742</b>

# Notes to Departmental Resource Accounts

2007-08	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
<b>U. Gambling, Licensing and Horse Racing</b>							
Gambling Commission	0	0	3,039	0	3,039	4,220	1,181
Gambling – unallocated GiA	0	0	0	0	0	108	108
	<b>0</b>	<b>0</b>	<b>3,039</b>	<b>0</b>	<b>3,039</b>	<b>4,328</b>	<b>1,289</b>
<b>W. Culture Online</b>							
Culture Online	0	6,781	0	0	6,781	6,975	194
	<b>0</b>	<b>6,781</b>	<b>0</b>	<b>0</b>	<b>6,781</b>	<b>6,975</b>	<b>194</b>
<b>V. London 2012 (ODA GiA)</b>							
Olympic Delivery Authority	0	0	235,903	0	235,903	275,451	39,548
	<b>0</b>	<b>0</b>	<b>235,903</b>	<b>0</b>	<b>235,903</b>	<b>275,451</b>	<b>39,548</b>
<b>Request for Resources 1 Total</b>	<b>55,711</b>	<b>46,368</b>	<b>1,775,948</b>	<b>(27,621)</b>	<b>1,850,406</b>	<b>1,919,126</b>	<b>68,720</b>
<b>Request for Resources 2</b>							
A. Home Broadcasting							
BBC	0	0	2,856,110	0	2,856,110	2,856,110	0
<b>Request for Resources 2 Total</b>	<b>0</b>	<b>0</b>	<b>2,856,110</b>	<b>0</b>	<b>2,856,110</b>	<b>2,856,110</b>	<b>0</b>
<b>DCMS Grand Total</b>	<b>55,711</b>	<b>46,368</b>	<b>4,632,058</b>	<b>(27,621)</b>	<b>4,706,516</b>	<b>4,775,236</b>	<b>68,720</b>

### 3 Reconciliation of outturn to net operating cost and administration budget

#### (a) Reconciliation of net resource outturn to net operating cost

	Note	Outturn £000	Supply Estimate £000	2008–09 Outturn compared with Estimate saving/ (excess) £000	2007–08 Outturn £000
Net Resource Outturn	2	5,194,213	5,274,430	80,217	4,706,516
Non-supply income (CFERs)	5	(2,980,310)	(2,971,590)	8,720	(2,861,937)
<b>Net operating cost</b>		<b>2,213,903</b>	<b>2,302,840</b>	<b>88,937</b>	<b>1,844,579</b>

#### (b) Outturn against final Administration Budget

	Budget £000	2008–09 Outturn £000	2007–08 Outturn £000
Gross Administration Budget	55,539	54,426	55,711
Income allowable against the Administration Budget	–	(1,601)	(1,285)
<b>Net outturn against final Administration Budget</b>	<b>55,539</b>	<b>52,825</b>	<b>54,426</b>

The figure of £55,539k is taken from the Spring Supplementary estimates and New Estimates Part II for the year ending 31 March 2009 HC 240.

An explanation of variances between Estimates and outturn and more information can be found in the Management Commentary.

# Notes to Departmental Resource Accounts

## 4 Reconciliation of resources to cash requirement

	Note	Estimate £000	Outturn £000	2008–09 Net total outturn compared with Estimate saving/ (excess) £000	2007–08 Outturn £000
<b>Resource Outturn</b>	2	5,274,430	5,194,213	80,217	4,706,516
<i>Capital:</i>					
Acquisition of fixed assets		4,850	5,496	(646)	9,760
Investments		–	–	–	–
<i>Non-operating A-in-A:</i>					
Proceeds of fixed asset disposals		(4,850)	(4,850)	–	(14)
<i>Accruals adjustments:</i>					
Non-cash items		(9,161)	(9,896)	735	(105,501)
Changes in working capital other than cash		–	(7,492)	7,492	82,735
Changes in debtors falling due after more than one year		–	(2,000)	2,000	–
Decrease/(Increase) in provisions	21	–	758	(758)	187
<b>Net cash requirement</b>		<b>5,265,269</b>	<b>5,176,229</b>	<b>89,040</b>	<b>4,693,683</b>

An explanation of variances between Estimate and outturn and more information can be found in the Management Commentary.



## 5 Analysis of income payable to the Consolidated Fund

In addition to appropriations in aid (A-in-A), the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics).

	Note	Forecast 2008–09 £000		Outturn 2008–09 £000	
		Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income and receipts – excess A-in-A		–	–	20,803	<i>15,887</i>
Other operating income and receipts not classified as A-in-A:					
RfR1		–	–	11	<i>11</i>
RfR2		2,971,590	<i>2,971,590</i>	2,959,496	<i>2,960,253</i>
	6(a)	2,971,590	<i>2,971,590</i>	2,980,310	<i>2,976,151</i>
Non-operating income and receipts – excess A-in-A	6(b)	–	–	80,227	<i>80,227</i>
Other non-operating income and receipts not classified as A-in-A – RfR 1		–	–	–	–
Other amounts collectable on behalf of the Consolidated Fund		–	–	–	–
Excess cash surrenderable to the Consolidated Fund		–	–	–	–
<b>Total income payable to the Consolidated Fund</b>		<b>2,971,590</b>	<b><i>2,971,590</i></b>	<b>3,060,537</b>	<b><i>3,056,378</i></b>

## 6 (a) Reconciliation of income recorded within the Operating Cost Statement to operating income payable to the Consolidated Fund

	Note	2008–09 £000	2007–08 £000
Operating income		3,424,879	2,889,558
Adjustments for transactions between RfRs		–	–
<b>Gross income</b>	10	<b>3,424,879</b>	<b>2,889,558</b>
Income authorised to be appropriated-in-aid		(444,569)	(27,621)
<b>Net operating income payable to the Consolidated Fund</b>	5	<b>2,980,310</b>	<b>2,861,937</b>

## 6 (b) Non operating income – Excess A-in-A

	Note	2008–09 £000	2007–08 £000
Proceeds on disposal of fixed assets		85,077	–
A-in-A		(4,850)	–
<b>Non operating income payable to the Consolidated Fund</b>	5	<b>80,227</b>	<b>–</b>

# Notes to Departmental Resource Accounts

## 7 Consolidated staff numbers and related costs

### (a) Staff costs:

	2008–09 £000						2007–08 £000
	Total	Perma- nently employed staff	Inward Secondees	Temporary Staff	Ministers	Special Advisers	Total
Wages and Salaries	26,188	21,700	406	3,716	210	156	23,978
Social Security Costs	1,879	1,827	16	–	19	17	1,828
Other pension costs	4,439	4,378	31	–	–	30	4,283
<b>Total net costs</b>	<b>32,506</b>	<b>27,905</b>	<b>453</b>	<b>3,716</b>	<b>229</b>	<b>203</b>	<b>30,089</b>
Of which:							
Core Department	28,047	23,873	453	3,289	229	203	26,040

This consolidated note includes DCMS staff costs of £28,047k (2007–08 £26,040k) shown in Administration Costs and TRP staff costs of £4,459k (2007–08 £4,049k) shown in Programme Costs.

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Department is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary valued the scheme as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office, Civil Superannuation at: [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)

For 2008–09, employers' contributions of £5,033k were payable to the PCSPS (£4,802k in 2007–08) at one of four rates in the range 17.1 per cent to 25.5 per cent of pensionable pay, based on salary bands (the rates in 2007–08 were between 17.1 per cent to 25.5 per cent). The Scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2009–10, the rates will be in the range 16.7 per cent to 24.3 per cent. The contribution rates are set to meet the cost of the benefits accruing during 2008–09 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account – a stakeholder pension with an employer contribution. Employers' contributions of £18k (£36k in 2007–08) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3 per cent to 12.5 per cent of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay.

In addition, employer contributions of £1,538k, 0.8 per cent (£6k, 0.8 per cent in 2007–08) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £4,175 (2007–08 £nil) by the Core Department and £nil (2007–08 £1k) by TRP.

Contributions prepaid at the balance sheet date were £nil (2007–08 £nil).

No individuals retired early on ill-health grounds (seven early retirements in 2007–08); the total additional annual pension granted to them amounted to £nil.

### (b) Staff numbers

The allocation of staff to objectives has been estimated on the basis of allocating staff in proportion to gross costs for RfR1. In practice, staff may be working on multiple objectives at any one time and will not be assigned purely in proportion to cost. In this period, the GOE which is responsible for most of DSO4 consisted of 94.8 full-time equivalent staff.

Objective	2008–09					
	Total	Permanently employed staff	Inward Secondees	Temporary Staff	Ministers	Special Advisers
DSO 1	239.6	213.9	1.3	22.6	1.3	0.5
DSO 2	149.7	136.6	1.2	10.2	1.2	0.5
DSO 3	43.2	38.1	0.3	3.5	0.8	0.5
DSO 4	185.4	171.5	1.6	11.8	–	0.5
<b>Total</b>	<b>617.9</b>	<b>560.1</b>	<b>4.4</b>	<b>48.1</b>	<b>3.3</b>	<b>2.0</b>
Of which: core department	499.8	459.1	4.3	31.1	3.3	2.0

The total average number of staff includes 128 staff employed by TRP (99 in 2007–08), of which six are senior managers. The figure of 128 TRP staff is the average number of staff employed in the year and includes 17 temporary staff and seven contract workers.

Staff employed by TRP have been allocated to objectives in the same proportion as its expenditure. DCMS staff have been allocated in proportion to the allocation of gross costs for RfR 1.

The Department's objectives changed from 1 April 2008 and it would not be appropriate to restate the prior year comparatives to this year's objectives.

# Notes to Departmental Resource Accounts

Objective	2007–08 Total
Objective 1	71.5
Objective 2	386.6
Objective 3	40.0
Objective 4	41.6
Objective 5	76.9
<b>Total</b>	<b>616.60</b>

Of which:  
core department 517.60

The DSOs and Objectives are described in the consolidated statement of the net operating costs by departmental strategic objectives.

## 8 Other Administration Costs

	2008–09 £000	2007–08 £000
Rentals under operating leases	6,295	6,517
Interest charges	–	–
<i>Non cash items:</i>		
Depreciation and Amortisation	3,875	3,115
Auditors remuneration and expenses	91	84
Other audit services	13	–
Auditors remuneration for Whole of Government Accounts	25	27
Cost of Capital Charge	732	2,447
(Profit)/Loss on disposal of fixed assets	(13)	(140)
Provisions	(218)	452
Early retirement costs	–	603
<i>Other Expenditure:</i>		
Building services	4,514	5,463
IT maintenance and support	3,389	3,245
Consultancy	1,220	1,163
Professional services	2,574	2,695
Other	3,882	4,000
<b>Total</b>	<b>26,379</b>	<b>29,671</b>

The audit fee of £91k is notional; no payment is made in respect of audit costs. There is an additional fee of £25k in respect of Whole of Government Accounts (2007–08 £27k) and £13k in respect of the audit of the IFRS restated balance sheet (2007–08 £nil). No payment is made to the auditors for non-audit work. All expenditure, including the administration expenditure of The Royal Parks Agency is part of the consolidated programme costs (note 9).

## 9 Programme costs

	2008–09 £000	2007–08 £000
<b>RfR 1 Programme costs</b>		
Current grants and other current expenditure	2,585,464	1,787,768
Capital grants and other capital expenditure	27,887	18,942
Provision for early departure	194	291
Early retirement costs – TRP	99	45
Provision for pension contributions – TRP	–	298
<i>Non-Cash Items – DCMS:</i>		
Depreciation	–	5,653
(Profit)/Loss on disposal of land and buildings	(19)	–
(Profit)/Loss on disposal of fixed assets	57	1,201
<i>Non-Cash Items – TRP:</i>		
Depreciation and Amortisation	3,740	2,305
Notional income (transfer from donated asset reserve)	(68)	(59)
Auditors remuneration and expenses	38	37
Other audit services	5	–
Cost of Capital Charge	1,385	1,504
(Profit)/Loss on disposal of TRP fixed assets	95	282
	<b>2,618,877</b>	<b>1,818,267</b>
<b>RfR 2 Programme costs</b>	<b>2,961,020</b>	<b>2,856,110</b>
	<b>5,579,897</b>	<b>4,674,377</b>

## 10 Income

Operating Income analysed by classification and activity, is as follows:

	2008–09 Total £000	2007–08 Total (restated) £000
<b>Request for Resources 1</b>		
Administrative income:		
Rental income from external tenants	1,059	655
Lottery Distribution Funds – recovery of the Department's costs in administering the funds	257	294
EU Refunds	14	7
Fast stream conference	31	–
Rate rebates	33	76
Govt. Olympic Executive	204	75
Legal fee recovered	–	60
Other income	3	118
<b>Total RfR1 administrative Income</b>	<b>1,601</b>	<b>1,285</b>

# Notes to Departmental Resource Accounts

	2008–09 Total £000	2007–08 Total £000 (restated)
<b>RfR1 programme income:</b>		
NLDF – Reimbursement of Grant-in-Aid to the National Lottery Commission for lottery regulation	4,625	9,315
Fees for licence issued by NLC	40	–
Fee income receivable from the Gambling Commission	–	1,177
Grant recoveries	–	18
OLDF – Reimbursement of Grant-in-Aid to the National Lottery Commission for lottery regulation	1,677	1,026
The Royal Parks: income from concessionaires, fees and charges, grants and sponsorship	12,877	10,925
The Royal Parks: services	66	217
Active People project	412	–
Ceremonials	18	19
Joint research	272	–
Artwork	275	–
Libraries support	25	–
Government Art Collection	70	4
Strategic communications	2,000	–
“Find Your Talent”	2,306	–
Creative Partners	2,537	–
Youth Dance	250	50
Film Club	3,100	–
Live Shakespeare project	–	1,493
British Library Tour	–	35
Fees for licences issued by the Football Licensing Authority	9	9
Olympic Games capital grants	432,530	–
Recovery of Olympic costs	11	364
English Heritage – Participation survey	80	80
Sport England – Participation survey	600	600
Recovery of Youth Music costs	–	1,000
Other income	2	39
<b>Total RfR1 Programme Income</b>	<b>463,782</b>	<b>26,371</b>
<b>Total RfR1 Administrative and Programme Income</b>	<b>465,383</b>	<b>27,656</b>
<b>Request for Resources 2</b>		
RfR2– BBC Licence fees received	2,957,353	2,859,002
– receivable	2,143	2,900
<b>Total RfR2 Programme Income</b>	<b>2,959,496</b>	<b>2,861,902</b>
<b>Total income</b>	<b>3,424,879</b>	<b>2,889,558</b>

The prior year other income categories have been re-analysed to separately show rate rebates, GOE, Ceremonial and Youth dance.

## BBC

Under section 365 of the Communications Act 2003, the BBC is responsible for receiving television licence fees and for their recovery. In 2008–09 an estimated £195.9m of licence fee revenue (compared with £181.9m for 2007–08) remained uncollected because of licence fee evasion. The increase reflects a combination of an increase in the evasion rate (up from 5.1 per cent as at March 2008 to 5.3 per cent as at March 2009) and an increase in the number of households. Evasion is calculated by estimating the number of households and other premises with a television, and comparing this to the number of licences in force as at March each year. Measures are being taken by the BBC to tackle evasion, so far as it considers them practical and cost effective.

## Non-operating income appropriated in aid

The Department received sale proceeds of £85,078k for the sale of fixed assets (£14k in 2007–08).

## 11 Analysis of net operating cost by spending body

	Estimate £000	2008–09 Outturn £000	2007–08 Outturn £000
<b>Spending body:</b>			
Core Department	66,705	57,561	49,489
The Royal Parks Agency	20,459	22,404	29,805
Non-departmental public bodies	2,044,549	1,969,101	1,710,130
Other central government	118,049	117,441	27,440
Local authorities	18,114	13,529	3,924
Other bodies	35,154	32,343	29,583
<b>Net Operating Cost – RfR 1</b>	<b>2,303,030</b>	<b>2,212,379</b>	<b>1,850,371</b>
BBC – for Home Broadcasting	2,971,400	2,961,020	2,856,110
BBC licence fees received	(2,971,590)	(2,957,353)	(2,859,002)
– receivable	–	(2,143)	(2,900)
<b>Net Operating Cost – RfR 2</b>	<b>(190)</b>	<b>1,524</b>	<b>(5,792)</b>
<b>Net Operating Cost – DCMS</b>	<b>2,302,840</b>	<b>2,213,903</b>	<b>1,844,579</b>

# Notes to Departmental Resource Accounts

## 12 Tangible Fixed Assets

### (a) Core Department

	Land and Buildings £000	Equipment and Computers £000	Fixtures and Fittings £000	Collections £000	Total £000
<b>Cost and valuation</b>					
At 1 April 2008	10,656	12,554	4,455	5,778	33,443
Additions	764	2,326	189	268	3,547
Disposals	(34)	(66)	(2,331)	–	(2,431)
<b>At 31 March 2009</b>	<b>11,386</b>	<b>14,814</b>	<b>2,313</b>	<b>6,046</b>	<b>34,559</b>
<b>Depreciation</b>					
At 1 April 2008	2,201	7,258	2,862	–	12,321
Charged in year	818	2,732	374	–	3,924
Disposals	–	(66)	(2,320)	–	(2,386)
<b>At 31 March 2009</b>	<b>3,019</b>	<b>9,924</b>	<b>916</b>	<b>–</b>	<b>13,859</b>
<b>Net Book Value</b>					
<b>At 31 March 2009</b>	<b>8,367</b>	<b>4,890</b>	<b>1,397</b>	<b>6,046</b>	<b>20,700</b>
At 31 March 2008	8,455	5,296	1,593	5,778	21,122



**(b) Consolidated**

	Land and buildings £000	Dwellings £000	Equipment and computers £000	Fixtures and fittings £000	Collections £000	Assets under construc- tion £000	Total £000
<b>Cost and valuation</b>							
At 1 April 2008	90,559	5,481	13,255	8,846	5,778	184	124,103
Additions	1,056	823	2,331	188	268	2,494	7,160
Disposals	(206)	–	(73)	(2,558)	–	–	(2,837)
Transfers from assets under construction	102	–	–	–	–	(102)	–
Revaluation	(2,555)	6,027	–	–	–	–	3,472
<b>At 31 March 2009</b>	<b>88,956</b>	<b>12,331</b>	<b>15,513</b>	<b>6,476</b>	<b>6,046</b>	<b>2,576</b>	<b>131,898</b>
<b>Depreciation</b>							
At 1 April 2008	41,746	305	7,443	5,864	–	–	55,358
Charged in year	2,904	207	2,794	598	–	–	6,503
Disposals	(110)	–	(71)	(2,516)	–	–	(2,697)
Revaluations	(967)	5,923	–	–	–	–	4,956
<b>At 31 March 2009</b>	<b>43,573</b>	<b>6,435</b>	<b>10,166</b>	<b>3,946</b>	<b>–</b>	<b>–</b>	<b>64,120</b>
<b>Net book value</b>							
<b>At 31 March 2009</b>	<b>45,383</b>	<b>5,896</b>	<b>5,347</b>	<b>2,530</b>	<b>6,046</b>	<b>2,576</b>	<b>67,778</b>
<b>At 31 March 2008</b>	<b>48,813</b>	<b>5,176</b>	<b>5,812</b>	<b>2,982</b>	<b>5,778</b>	<b>184</b>	<b>68,745</b>
<b>Asset financing:</b>							<b>£000</b>
Owned							67,778
Finance leased							–
<b>Net book value at 31 March 2009</b>							<b>67,778</b>
<b>Analysis of tangible fixed assets</b>							<b>£000</b>
The net book value of tangible fixed assets comprises:							
Core Department 2009							20,700
Agencies 2009							47,078
Core Department 2008							21,122
Agencies 2008							47,623

# Notes to Departmental Resource Accounts

## Notes

### Modified Historic Cost Accounting

Modified Historic Cost Accounting has not been used in the accounts of the Core Department because, in the opinion of the Accounting Officer, the effect would be immaterial.

### Additions to donated assets

The Royal Parks agency received donated assets to the value of £1,691k in the year.

### Land to the north of the British Library

The sale was completed on 13 June 2008. Sale proceeds were £85,019k.

### Revaluations

The figure for revaluations represents a revaluation of TRP assets of £3,472k.

### Windsor properties

During the year 21 Park Street was sold for £58,000. The freeholds of the remaining three properties in Windsor are held in the name of the Secretary of State.

The net book value of land and buildings comprises:

	2008–09 £000	2007–08 £000
Freehold	38,471	46,903
Leasehold – short	6,912	1,910
	<b>45,383</b>	<b>48,813</b>

### Non-operational Heritage Assets

The non-operational Heritage Assets held by the Department are valued at nil, because: there is no market for assets of this type; the market value would not be a true reflection of the value of the asset to the nation's heritage; the asset, if lost, could not be replaced or reconstructed. Purchased additions to the Government Art Collection have been included at cost in the Department's asset register as from 1st April 2000. This is in accordance with the Financial Reporting Manual, which requires that where additions are made to collections, when the main collections existing at 31 March 2000 are not capitalised, purchase price information will normally provide a reliable basis for capitalisations.

**Other non-operational Heritage Assets are:**

Apsley House: this is valued at nil because the Department believes that any valuation of the property would not give a true reflection of its value to the nation's heritage, given that it houses the Wellington Museum and many other artefacts and memorabilia associated with the first Duke of Wellington when he lived there. Apsley House and its collection are a 'set piece' and to place a value on only part of it would not be appropriate and would not give a true representation of the value of the whole. As of 1 April 2004 the management and maintenance of Apsley House was transferred to English Heritage.

Wellington Arch and Marble Arch: the management responsibility was transferred to English Heritage on 1 April 1999.

Osborne House: the management responsibility for the whole of the estate rests with English Heritage and is funded from English Heritage's grant-in-aid.

Trafalgar Square: management responsibility was transferred to the Greater London Authority on 1 October 2000.

Fifty eight statues in London: management responsibility for 47 statues was transferred to English Heritage on 1 April 1999; responsibility for nine statues in Trafalgar Square was transferred to the Greater London Authority on 1 October 2000, leaving the DCMS retaining responsibility for two statues.

**Blythe House**

Blythe House is currently occupied by the British Museum, Science Museum and the Victoria and Albert Museum. The freehold title is held in the name of the Secretary of State for the Environment, although ministerial responsibility for all museum estate issues has transferred to the Secretary of State for Culture, Media and Sport. Each of the institutions holds a share in this property. Their shares were separately professionally valued by Knight Frank or Gerald Eve at a combined value of £18.4m as at 31 March 2009. In accordance with Financial Reporting Standard (FRS5) 'Reporting the Substance of Transactions', the share is disclosed in each of the balance sheets of the three occupying museums. The combined valuation of Blythe House in the balance sheets of the three museums, including mechanical and electrical installations for their own fit-out purposes, is £18.4m as at 31 March 2009.

**Somerset House**

The Somerset House Trust, a private company limited by guarantee and a registered charity, was established in 1997 to conserve and develop Somerset House and the open spaces around it to the public. DCMS is the accountable department for managing the Government's freehold interest in Somerset House and ensuring the Somerset House Trust fulfils the terms of its lease which it holds until 2125.

**Apethorpe Hall**

Apethorpe Hall was bought by the Secretary of State under a compulsory purchase order and transferred to English Heritage during 2006–07.

**The Royal Parks**

Land and buildings are valued in accordance with the accounting policy described at Note 1.4. Grant, Mills & Wood, Surveyors and Valuers, a member of the Royal Institute of Chartered Surveyors, undertook the professional valuation of property for 2008–09, in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

Depreciation has not been charged on freehold land, which is stated at a valuation of £20k plus £3k for land purchased in 1999–2000.

Freehold buildings with an opening valuation of £2,421k, opening depreciation of £1,544k, and in year depreciation of £63k are included in the above table. The net book value of these buildings was £877k at 31 March 2008 and £814k at 31 March 2009.

TRP has a 99-year lease on Pembroke Lodge in Richmond Park of which 82 years remained unexpired at 31 March 2009. The property is included in land and buildings at a gross current realisable cost of £3,677k (2007–08 £3,712k).

# Notes to Departmental Resource Accounts

## 13 Intangible fixed assets

	Software licences £000
<b>Cost and valuation</b>	
At 1 April 2008	1,647
Additions	27
Disposals	–
At 31 March 2009	1,674
<b>Amortisation</b>	
At 1 April 2008	1,577
Charged in year	8
Disposals	–
At 31 March 2009	1,585
<b>Net Book Value</b>	
At 31 March 2009	89
At 31 March 2008	70

	Software licences £000
<b>Analysis of intangible fixed assets</b>	
The net book value of intangible fixed assets comprises:	
Core Department 2009	89
Agencies 2009	–
Core Department 2008	70
Agencies 2008	–

## 14 Financial assets

The Department has no fixed asset investments with a carrying value.

The bid for the 2012 Olympic and Paralympic Games was undertaken as a joint venture between the Secretary of State, the Mayor of London and the British Olympic Association.

Under the terms of the joint venture agreement, the company, London 2012 Ltd, was limited by guarantee and formed as the vehicle for the successful Olympic bid, London 2012 Ltd. It has ceased operations. London 2012 Ltd's intellectual property and its operational assets have been transferred to the LOCOG, a separate company limited by guarantee, which carries on its business under the name London 2012.

The Secretary of State is one of the members of LOCOG, his functions are exercised concurrently by the Minister for the Olympics. The other members of the company are the Greater London Authority (GLA) and the BOA. Further information about the 2012 Olympic and Paralympic Games can be found in the London 2012 website [www.london2012.com](http://www.london2012.com)

## 15 Long Term debtors

	2008–09 £000	2007–08 £000
Proceeds due on surrender of lease of Fortress House	–	2,000

In 2005–06 the Department recognised a total of £12m income arising from the surrender of the Government's civil estate lease on Fortress House. This was being paid in stages as the landlord's redevelopment of the site proceeded. The final payment was made this year, which was earlier than scheduled.

## 16 Asset held for sale

	2008–09 £000	2007–08 £000
Land to the north of the British Library	–	85,000

The sale was completed on 13 June 2008.

## 17 Stock

	2008–09 £000	2007–08 £000
Goods for resale (TRP)	–	27

# Notes to Departmental Resource Accounts

## 18 Debtors

### (a) Analysis by type

	2008–09 £000	2007–08 £000
Amounts falling due within one year:		
Trade debtors	5,365	1,992
Deposits and advances	210	176
VAT	972	1,750
Amounts due from the consolidated fund	61,129	217
BBC licence fees collected	2,143	2,900
Other debtors	440	2,455
Pre-payments and accrued income	4,366	2,658
	<b>74,625</b>	<b>12,148</b>

In accordance with the Financial Reporting Manual, the amount due to HM Customs and Excise for VAT on outputs is netted off the debtor for input VAT recoverable on contracted out services. The BBC licence fees collected will be due to the Consolidated Fund once the debts are collected. Included within debtors is the amount £4,916k which will be due to the consolidated fund once the debt is collected.

### (b) Intra-government balances

	Debtors: amounts falling due within one year £000	Debtors: amounts falling due after more than one year £000
Balances with other central government bodies	67,611	–
Balances with local authorities	410	–
Balances with NHS Trusts	–	–
Balances with public corporations and trading funds	2,332	–
<b>Subtotal: Intra-government balances</b>	<b>70,353</b>	<b>–</b>
Balances with bodies external to government	4,272	–
<b>At 31 March 2009</b>	<b>74,625</b>	<b>–</b>
Balances with other central government bodies	4,562	–
Balances with local authorities	314	–
Balances with NHS Trusts	–	–
Balances with public corporations and trading funds	2,900	–
<b>Subtotal: Intra-government balances</b>	<b>7,776</b>	<b>–</b>
Balances with bodies external to government	4,372	2,000
<b>At 31 March 2008</b>	<b>12,148</b>	<b>2,000</b>

Intra-government balances are defined as balances between the Department and other bodies within the accounting boundary set for the Whole of Government Accounts (WGA). This note provides analysis of material debtor balances between the Department and other Government bodies. Creditor balances are reported in note 20(b).

## 19 Cash at bank and in hand

	2008–09 £000	2007–08 £000
Balances as at 1 April	34,022	32,613
Net Cash (outflow)/Inflow:	(10,155)	1,409
<b>Balances at 31 March</b>	<b>23,867</b>	<b>34,022</b>

The Office of HM Paymaster General (OPG) provides a current account banking service. The following balances are held at 31 March:

	2008–09 £000	2007–08 £000
Balances at OPG	23,703	34,039
Overdraft at OPG	–	(12)
Commercial banks and cash in hand	164	(5)
	<b>23,867</b>	<b>34,022</b>

## 20 Creditors' amounts falling due within one year

### (a) Analysis by type

	2008–09 £000	2007–08 £000
Tax and social security	558	521
Trade creditors	2,324	2,377
Other creditors	1,793	547
Accruals and deferred income	17,901	14,260
Consolidated Fund extra receipts due to be paid to the Consolidated Fund		
– received	60,421	31,351
– receivable	2,143	2,900
Excess operating A-in-A due to Consolidated Fund		
– received	15,887	–
– receivable	4,916	–
Total of amounts due to the Consolidated Fund	83,367	34,251
	<b>105,943</b>	<b>51,956</b>

# Notes to Departmental Resource Accounts

The amount of £2,143k (in 2007–08 – £2,900k) relates to the BBC licence fees receivable. These will be due to the Consolidated Fund when received.

## (b) Intra-government balances

	Debtors: amounts falling due within one year £000	Debtors: amounts falling due after more than one year £000
Balances with other central government bodies	91,905	–
Balances with local authorities	574	–
Balances with NHS Trusts	–	–
Balances with public corporations and trading funds	–	–
<b>Subtotal: Intra-government balances</b>	<b>92,479</b>	<b>–</b>
Balances with bodies external to government	13,464	–
<b>At 31 March 2009</b>	<b>105,943</b>	<b>–</b>
Balances with other central government bodies	36,092	–
Balances with local authorities	344	–
Balances with NHS Trusts	–	–
Balances with public corporations and trading funds	–	–
<b>Subtotal: Intra-government balances</b>	<b>36,436</b>	<b>–</b>
Balances with bodies external to government	15,520	–
<b>At 31 March 2008</b>	<b>51,956</b>	<b>–</b>

## 21 Provisions for liabilities and charges

	Early departure costs £000	Other £000	Total £000
Balance at 1 April 2008	1,301	914	2,215
Provided in the year	516	–	516
Provisions not required written back	–	(338)	(338)
Provisions utilised in the year	(569)	(367)	(936)
<b>Balance at 31 March 2009</b>	<b>1,248</b>	<b>209</b>	<b>1,457</b>



### (a) Early departure costs

The Department and its agency meet the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to PCSPS over the period between early departure and normal retirement date. The Department provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments. The provisions have not been discounted as the difference would be immaterial.

### (b) Other

There is also a provision in TRP accounts for injury compensation claims of £209k.

The dilapidation provision for Oceanic House has been written back in DCMS accounts as it is no longer required.

## 22 General Fund

The General Fund represents the total assets less liabilities of each of the entities within the accounting boundary, to the extent that the total is not represented by other reserves and financing items.

	2008–09 £000	2007–08 £000
Balance at 1 April	38,769	46,369
Net Parliamentary Funding:		
Drawn down	5,118,000	4,673,000
Deemed	–	20,466
Net financing from the Contingencies Fund	–	–
Year end adjustments:		
Supply Debtor/(Creditor) – current year	61,129	217
Net Transfer from Operating Activities:		
Net Operating Cost	(2,213,903)	(1,844,579)
CFERS repayable to Consolidated Fund	(3,057,637)	(2,861,937)
Non cash charges:		
Cost of capital	2,117	3,951
Auditors' remuneration	172	148
Transfer from revaluation reserve on sale of land	83,500	–
Transfer from revaluation reserve – TRP	1,432	1,134
<b>Balance at 31 March</b>	<b>33,579</b>	<b>38,769</b>

Included in CFERS repayable to Consolidated Fund is an amount of £2,143k receivable in respect of BBC licence fees (2008 – £2,900k).

# Notes to Departmental Resource Accounts

## 23 Reserves

### (a) Revaluation reserve

The revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments (excluding donated assets).

	2008-09 £000	2007-08 £000
Balance at 1 April	102,471	43,234
Disposals	(83,500)	–
Arising on revaluation during the year	(383)	60,371
Transferred to General Reserve	(1,432)	(1,134)
<b>Balance at 31 March</b>	<b>17,156</b>	<b>102,471</b>

### (b) Donated asset reserve

The donated asset reserve reflects the net book value of assets donated to the Department or its agencies.

	2008-09 £000	2007-08 £000
Balance at 1 April	6,601	2,614
Additions in year	1,691	4,046
Depreciation charged in year	(68)	(59)
<b>Balance at 31 March</b>	<b>8,224</b>	<b>6,601</b>

## 24 Notes to the Consolidated Cash Flow Statement

### (a) Reconciliation of operating cost to operating cash flows

	Note	2008–09		2007–08	
		£000	£000	£000	£000
Net operating cost	11	(2,213,903)		(1,844,579)	
Adjustments for non-cash transactions:	8, 9				
Depreciation		7,615		11,073	
Audit fee		147		121	
Whole Govt Accounts audit		25		27	
Cost of capital		2,117		3,951	
(Profit)/Loss on disposal land		(19)		–	
(Profit)/Loss on disposal of other assets		(23)		1,343	
Transfer to asset held for sale		–		85,000	
Revaluation of assets		102		–	
Donated asset		–		4,046	
Notional income		(68)		(59)	
Rounding adjustment		–		(1)	
			9,896		105,501
Movement in working capital other than cash:					
Decrease /(Increase) in debtors over 1 year		2,000		–	
(Increase)/Decrease in asset held for sale		–		(85,000)	
Decrease /(Increase) in stock		27		(10)	
(Increase)/Decrease in debtors		(62,477)		956	
Less movements in debtors relating to items not passing through the OCS		60,912		(217)	
(Decrease)/Increase in creditors		53,987		4,617	
Movement in creditor due to Consolidated Fund		–		18,793	
Less movements in creditors relating to items not passing through the OCS		(49,116)		(20,466)	
Other movements on reserves		–		1,890	
(Decrease)/Increase in provisions	21	(758)		(187)	
			4,575		(79,624)
<b>Net cash outflow from operating activities</b>			<b>(2,199,432)</b>		<b>(1,818,702)</b>

# Notes to Departmental Resource Accounts

## (b) Analysis of capital expenditure and financial investment

	Note	2008–09 £000	2007–08 £000
Tangible fixed asset additions	12	(5,469)	(5,693)
Intangible fixed asset additions	13	(27)	(21)
Donated assets		–	(4,046)
		(5,496)	(9,760)
Proceeds of disposal of fixed assets		85,077	14
<b>Net cash receipts / (outflow) from investing activities</b>		<b>79,581</b>	<b>(9,746)</b>

## (c) Analysis of capital expenditure and financial investment by Request for Resources

	Capital expenditure £000	Loans etc £000	A-in-A £000	Net total £000
Request for Resources 1	(5,496)	–	85,077	79,581
Request for Resources 2	–	–	–	–
Net movement in debtors/creditors	–	–	–	–
<b>Total 2008–09</b>	<b>(5,496)</b>	<b>–</b>	<b>85,077</b>	<b>79,581</b>
<b>Total 2007–08</b>	<b>(9,760)</b>	<b>–</b>	<b>14</b>	<b>(9,746)</b>

## (d) Analysis of financing

	Note	2008–09 £000	2007–08 £000
From the Consolidated Fund (Supply) – current year		5,118,000	4,673,000
From the Consolidated Fund (Supply) – prior year		217	–
From the Consolidated Fund (non-Supply)		–	–
Advances from the Contingencies Fund		–	–
Repayments to the Contingencies Fund		–	–
<b>Net financing</b>		<b>5,118,217</b>	<b>4,673,000</b>

## (e) Reconciliation of net cash requirement to increase/(decrease) in cash

	Note	2008–09 £000	2007–08 £000
Net cash requirement		(5,176,229)	(4,693,683)
From the Consolidated Fund (Supply) – current year	24(d)	5,118,000	4,673,000
From the Consolidated Fund (Supply) – prior year	24(d)	217	–
From the Consolidated Fund (Supply) – prior year – correction		2,900	–
Amounts due to the Consolidated Fund – received in a prior year and paid over	20	(31,351)	(12,146)
Amounts due to the Consolidated Fund – received and not paid over	20	76,308	31,351
Amounts due to the Consolidated Fund – receivable	20	–	2,900
Consolidation adjustment		–	(13)
<b>Increase/(decrease) in cash</b>		<b>(10,155)</b>	<b>1,409</b>

## 25 Notes to the consolidated statement of net operating costs by departmental strategic objectives

Programme Grants and Other Current expenditures have been allocated as follows:

	2008–09 £000
DSO 1	763,628
DSO 2	725,957
DSO 3	163,575
DSO 4	970,176
<b>RFR1 Total</b>	<b>2,623,336</b>
<b>RFR2 Total</b>	<b>2,961,020</b>
<b>Total</b>	<b>5,584,356</b>

The Department's objectives changed from 1 April 2008 and it would not be appropriate to restate the prior year comparatives to this year's objectives.

	2007–08 £000
Objective 1	181,398
Objective 2	1,081,856
Objective 3	140,131
Objective 4	145,460
Objective 5	273,471
<b>RFR1 Total</b>	<b>1,822,316</b>
<b>RFR2 Total</b>	<b>2,856,110</b>
<b>Total</b>	<b>4,678,426</b>

The Department's NDPBs were responsible for attributing the Grant-in-Aid received from the Department by departmental objectives. The Department issued guidance for this purpose. The analysis was subject to review by the Internal Auditors of major NDPBs, and within DCMS.

In order for many of the NDPBs to apportion the monies fairly it was necessary for them to make certain assumptions on their interpretation of the DCMS objectives. If NDPBs had made different assumptions then a different allocation could have been made. It is possible that there could be inconsistencies in allocations made by different NDPBs. The Department feels that these possible inconsistencies are immaterial.

The DCMS sponsor divisions were required to attribute their programme expenditure by objective.

# Notes to Departmental Resource Accounts

## Capital employed by departmental strategic objectives

	2008–09 £000
DSO 1	40,150
DSO 2	7,980
DSO 3	5,120
DSO 4	5,709
	<b>58,959</b>
	2007–08 £000
Objective 1	14,716
Objective 2	87,769
Objective 3	11,369
Objective 4	11,801
Objective 5	22,186
	<b>147,841</b>

The majority of the DCMS's capital is employed for administration purposes, with the exception of the capital employed by TRP. Capital employed by TRP has therefore been allocated to objectives in the same proportion as its expenditure. The remainder of the consolidated capital employed has been allocated in proportion to gross administration cost.

## 26 Capital commitments

	2008–09 £000	2007–08 £000
Contracted capital commitments at the balance sheet date for which no provision has been made:		
DCMS	–	247
TRP	554	2,210
	<b>554</b>	<b>2,457</b>

## 27 Commitments under leases

### (a) Operating leases

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the lease expires.

	2008–09 £000	2007–08 £000
Obligations under operating leases comprise:		
Land and buildings:		
Expiry within 1 year	–	–
Expiry after 1 year but not more than 5 years	1,840	580
Expiry thereafter	4,620	5,871
	<b>6,460</b>	<b>6,451</b>
Other:		
Expiry within one year	–	–
Expiry after 1 year but not more than 5 years	477	314
Expiry thereafter	–	57
	<b>477</b>	<b>371</b>

### (b) Finance leases

The Department has no material finance leases.

## 28 Commitments under PFI contracts

The DCMS has no material commitments to report.

## 29 Other financial commitments

The Department has no other financial commitments.

# Notes to Departmental Resource Accounts

## 30 Financial instruments

*FRS25 Financial Instruments: Presentation, FRS 26 Financial Instruments: Recognition and Measurement and FRS 29 Financial Instruments: Disclosure* have been applied for the first time in 2008–09. FRS 29 requires disclosures that allow users of the accounts to evaluate the significance of financial instruments for the entity's financial position and performance, and the nature and extent of risks arising from financial instruments during the period. Because DCMS's activities are predominantly non-trading, and because of the way in which government departments are financed, DCMS is not exposed to the degree of financial risk faced by business entities. Financial instruments play an extremely limited role in creating or changing the risk than would be typical of the listed companies to which the FRS applies. DCMS has very limited powers to borrow or invest surplus funds, financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the department in undertaking its activities.

The Department is financed by resources voted annually by Parliament and it is therefore not exposed to significant liquidity risks.

The Department has no finance leases or loans. It holds no cash balances other than balances held in the Office of Paymaster General account, and the MASS account (a commercial bank account operated by TRP as part of its income generating operations). Its financial assets and liabilities carry either nil or fixed rates of interest, and DCMS is not therefore exposed to significant interest-rate risk.

The Department has minimal dealings in foreign currency and any debtors or creditors arising from foreign currency transactions are short-term. In this respect the Department is not subject to currency fluctuation risk.

## 31 Contingent Assets

At 31 March 2006 a contingent asset was disclosed relating to London 2012 Ltd. As stated in Note 35 below, London 2012 Ltd is in liquidation. An amount of £133k could be repayable to the Department subject to the results of the liquidation.

## 32 Contingent liabilities disclosed under FRS 12

### The Royal Parks

TRP has a number of outstanding claims for compensation for personal injury. A provision has been made where there is likely to be a settlement; no provision has been made where the outcomes are uncertain. The provision is disclosed in the accounts of TRP.



### 33 Contingent liabilities not required to be disclosed under FRS 12 but included for parliamentary reporting and accountability purposes

#### (a) Quantifiable

The Department has entered into the following quantifiable contingent liabilities by offering guarantees, indemnities or by giving letters of comfort. None of these is a contingent liability within the meaning of FRS 12, since the likelihood of a transfer of economic benefits in settlement is too remote.

They therefore fall to be measured following the requirements of FRS 26. Managing Public money requires that the full potential costs of such contracts be reported to parliament. These costs are reproduced in the table below.

	1 April 2008 £m	Increase in year £m	Liabilities crystallised in year £m	Obligation expired in year £m	31 March 2009 £m	Amount reported to Parliament by Depart- mental Minute £m
<b>Guarantees</b>						
Borrowing facility for Historic Royal Palaces	4.0				4.0	N/A
<b>Indemnities</b>						
Government Indemnity Scheme	4,139.5	490.8			4,630.3	4,630.3
Artworks on loan to the Government Art Collection	2.5				2.5	2.5
Artworks on loan from the Royal Collection	208.6	119.9			328.5	328.5
<b>Totals</b>	<b>4,354.6</b>	<b>610.7</b>			<b>4,965.3</b>	<b>4,961.3</b>

The Department reported £4,961.3m of contingent liabilities as at 31 March 2009 (£4,354.6m at 31 March 2008) in its annual return to HM Treasury relating to the bodies it sponsors. This included: statutory liabilities under the Government Indemnity Scheme of £4,630.3m (£4,139.5m at 31 March 2008) which indemnifies private lenders to museums, galleries and other institutions when mounting exhibitions or taking long-term loans for either study or display; non-statutory liabilities for indemnities granted in respect of works of art on loan from the Royal Collection of £328.5m (£208.6m at 31 March 2008); £2.5m for items on loan to the Government Art Collection (£2.5m at 31 March 2008). The rise and fall in liabilities in these indemnity schemes is driven by the number and value of the works of art on loan, which changes from year to year.

The Government Indemnity Scheme excludes loans to Scottish and Welsh museums, the indemnities for which are issued in the name of the Scottish and Welsh Ministers respectively.

# Notes to Departmental Resource Accounts

## **(b) Unquantifiable**

The Department has entered into the following unquantifiable contingent liabilities by offering guarantees, indemnities or by giving letters of comfort. None of these is a contingent liability within the meaning of FRS 12, since the likelihood of a transfer of economic benefits in settlement is too remote.

### **Non-statutory**

Unquantifiable level of compensation to be paid in the event that a temporary right of way in Bushy Park is revoked.

Deed of indemnity between Royal Armouries and British Waterways Board relating to the condition of the site of the Royal Armouries Museum in Leeds.

DCMS and Sport England have each given undertakings to grant an indemnity to the bank acting as Security Trustee for the English National Stadium Project in certain specified circumstances.

There is an indemnity covering any potential claims against former Royal Parks Constabulary staff.

## **Olympic and Paralympic Games**

The Government has given guarantees to the International Olympic Committee that it will act as the ultimate financial guarantor should there be a shortfall between Olympic costs and revenues. These will include any shortfall in the budget of LOCOG. The Government has put in place a public sector funding package of £9.3bn, mainly for the Olympic Delivery Authority for the construction of infrastructure and venues necessary for the Olympic and Paralympic Games. The public sector funding package includes contingency provision of over £2bn. The Government has said that it expects to remain within the £9.3bn public sector funding package and publishes regular updates of progress of activity and spend against it. Government also has a PSA target (PSA22) on the Olympics in 2012 that makes it responsible for securing a lasting legacy from the Games across the UK. This is a shared endeavour across government and there is a range of central and local government partners who will contribute to and share the cost associated with successfully realising a positive legacy from the Games.

### **Digital Switchover**

The Digital Switchover Help Scheme was presented to Parliament on 4 May 2007.

Schedule 1, paragraph 1 (2) of the Revised Digital Switchover Help Scheme Agreement (Cm 7523) states: "In the event that there is a cost overrun above £603m, this will not be at the expense of the BBC's programmes, services or other resources." The precise mechanism for achieving this, should the need arise or be anticipated, will be determined at the appropriate time.

## 34 Losses and special payments

	2008–09 £000	2007–08 £000
Total of 16 cases (10 in 2007–08)	114	317

### Details

No case exceeded £250k in 2008–09 or in 2007–08.

## 35 Related-party transactions

A Register of Interests is maintained which is made available on request.

The Department for Culture, Media and Sport is the parent Department of TRP. In addition it sponsors the institutions set out in Note 2, and is responsible for the following Lottery funded bodies that are regarded as related parties, some of which are also Exchequer funded:

- Arts Council of England
- Big Lottery Fund
- National Heritage Memorial Fund (including Heritage Lottery Fund)
- Olympic Lottery Distributor
- Sport England
- UK Sport
- UK Film Council

These bodies are regarded as related parties with which the Department has had various material transactions during the year.

A non-executive director, Liz Forgan, was also a board member of the National Heritage Memorial Fund, the Heritage Lottery Fund and a trustee of the British Museum. Liz Forgan ceased to be a director on 31 January 2009 and has taken up a post as Chair of the Arts Council.

Ann Green was appointed non-executive director in April 2009. She is Chair of the Royal Armouries.

# Notes to Departmental Resource Accounts

During the year the Department had no material transactions with the following self-financing Public Broadcasting Authority that is also regarded as a related party because of the Secretary of State's right to appoint board members:

- Channel Four Television Corporation

The following non-executive advisory NDPBs and Committees are regarded as related parties as they receive funds from the Department:

- Advisory Committee on Historic Wreck Sites
- Advisory committee on National Historic Ships
- Advisory Committee on the Government Art Collection
- Advisory Council on Libraries
- Legal Deposit Advisory Council
- VisitEngland (expenses met by VisitBritain's financial resources)
- Public Lending Right Advisory Committee (funded by Public Lending Right)
- Reviewing Committee on the Export of Works of Art
- Spoliation Advisory Panel
- Theatres Trust (funded by English Heritage)
- Treasure Valuation Committee

The following tribunal is regarded as a related party:

- The Horserace Betting Levy Appeal Tribunal for England and Wales.

The Royal Parks Foundation, a registered charity established by TRP to support its work, is regarded as a related party.

London 2012 Ltd is a related party since the former Secretary of State was a member of the company. London 2012 Ltd (a company limited by guarantee) was created to organise the UK bid for the Olympic and Paralympic games in 2012. Having successfully achieved that objective it is now in liquidation.

DCMS also entered into material related party transactions with other related parties during the year, as set out below.

Related party	Nature of transaction	Income 2008–09 £000	Expenditure 2008–09 £000	Relationship
London Borough of Ealing (LBE)	Grant paid in respect of the Free Swimming programme		93	Darra Singh, non-executive DCMS Board member, is Chief Executive of LBE
London Borough of Islington (LBI)	Grant paid in respect of the Free Swimming programme		56	Mrs Singh, wife of Darra Singh, worked for LBI

No Minister, Board member, key manager or other related parties has undertaken any material transactions with the Department for Culture, Media and Sport during the year.

The Minister for the Cabinet Office, Olympics, London, and Paymaster General is Tessa Jowell. She has responsibility for the overall delivery of the Olympic Programme. She is a member of the Olympic Board and appoints the Board members for the ODA and a Board member for LOCOG.

TRP maintains a Register of Interests for the Advisory Board and Non-Executive Directors of the Management Board, which is made available on request.

### 36 Third-party assets

The Department has no third-party assets as defined in the Financial Reporting Manual.

### 37 Entities within the departmental boundary

Those entities included in the departmental boundary are listed in Note 1.2. The annual reports and accounts of TRP are published separately. Advisory NDPBs do not publish separate accounts.

### 38 Post balance sheet events

Up to the date the financial statements were approved for issue to Parliament, which was 16 July 2009, the following notable events have occurred:

#### Rugby Union World Cup

The decision on who will host the 2015 Rugby World Cup will be made on 28 July. If the Rugby football union are successful the department has agreed to partially underwrite the tournament fee of £80m up to a maximum of £25m if there is a shortfall in receipts of more than £2m. Parliament was notified of this potential contingent liability by a departmental minute laid on 5 May 2009.