



department for
culture, media
and sport

improving
the quality
of life for all

ANNUAL REPORT & ACCOUNTS 2009



Our aim is to improve the quality of life for all through cultural and sporting activities, support the pursuit of excellence and champion the tourism, creative and leisure industries.

Department for Culture, Media and Sport

Departmental Annual Report & Resource Accounts 2008–09

(For the year ended 31 March 2009)

*Ordered by the House of Commons to be printed
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This is part of a series of departmental reports which, along with the Main Estimates 2009–10, the document Public Expenditure: Statistical Analyses 2009, and the Supply Estimates 2009–10: Supplementary Budgetary Information, present the Government's outturn and planned expenditure for 2009–10 and 2010–11.

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Foreword



A handwritten signature in black ink, appearing to read 'Ben Bradshaw'.

Rt Hon Ben Bradshaw MP
Secretary of State for Culture,
Media and Sport

The importance of culture and sport to Britain has never been clearer.

Despite the world suffering its biggest economic shock since the Second World War, Britons have been flocking to our museums, theatres, galleries, historic sites and attending sporting events in their millions.

Thanks to Government initiatives like free swimming and more sport and culture in schools, we are also becoming more physically active and culturally engaged as a nation – great antidotes to the economic gloom that has prevailed over the last year.

We have excelled while extending access – nailing once and for all the myth that the two are mutually exclusive and showing that they are in fact requirements of each other.

Our record performance in the Olympics and Paralympics and fantastic success in other sports has gone hand in hand with more people getting involved in sport and getting physically active at local grassroots level.

The triumphs of *Slumdog Millionaire* at the Oscars and *Billy Elliot the Musical* at the Tonys have been matched by record numbers of young people visiting the theatre – thanks, in part, to the free tickets offered through 'A Night Less Ordinary' – getting involved in local community cultural and media activity or attending our unique summer festivals.

Liverpool's year as European Capital of Culture was a huge success and we are now looking at proposals to replicate that with our own UK City of Culture every four years.

Preparations for London 2012 are on time and on budget and, as the building of the Olympic Park is one of the largest construction and engineering projects in Europe, the Games are providing a boost for UK businesses and jobs across a range of sectors. Digital switchover is happening without the disasters predicted by some.

Our culture and sport, while providing great sustenance for people during a tough year economically, are also key to Britain's economic recovery and future prosperity.

Our *Digital Britain* report maps out how we can stay in front on the digital economy and how our creative industries – already the best in the world – can maximise the opportunities ahead.

Britain has enjoyed a cultural and sporting renaissance in the last ten years. It is a thrill and a great privilege to have come into this job at this time.

This Department and its current and previous Ministers have done great work in bringing the agenda we all share to the heart of our national life. I look forward to working together to keep it there and building on the fantastic achievements you have made.

2009 has been a challenging year for DCMS, as for all Whitehall departments. The recession – the need to minimise its impact and prepare for recovery – has inevitably had an impact on our work, but not on our goals as a department. They remain the same: supporting excellence in culture, media and sport, widening opportunities, maximising economic impact and delivering a successful Olympics and Paralympics in 2012.

While our goals remain the same, we have amended our priorities to reflect the Government's response to changed economic circumstances. We are focusing more on helping to grow the creative and tourism industries. Both are big employers, with tourism alone worth £86bn to the UK in 2007 and providing jobs for 1.5m people. The *Digital Britain* report, published on 16 June 2009 jointly with the Department for Business, Innovation and Skills (BIS), set out the Government's plans on the global digital economy. And London 2012 will be directly awarding around £6bn worth of contracts, generating thousands of supply chain opportunities that UK businesses can win. The Games will leave an important and positive legacy not just for London but for the whole of the UK.

But, as well as adding economic value, our sectors inspire and excite people and improve the quality of life of people and communities, which is all the more important in challenging economic times.

DCMS schemes such as the Splash Extra Programme, which offers sporting, multimedia and creative activities for young people in deprived areas over the summer, are a great example of the difference we can make. Through the Government's initiatives such as free access to museums, theatre and quality TV broadcasting plus free swimming for the over-60s and under-16s, DCMS aims to maintain and widen the opportunity for all to experience the excellence our sectors offer.

Within the Department, we have continued to change and improve, while still maintaining an impressive record of successful delivery on our two major national projects – London 2012 and Digital Switchover. Our internal restructuring has released more resources to focus on our key priorities. We are streamlining and professionalising our corporate services and improving how we work with other departments. And we are doing all this while delivering a 5 per cent reduction in the running costs of the core Department each year over the spending review.

With London 2012 only three years away, we are confident that we as a Department, together with our sectors, play a vital and inspiring role in supporting excellence across our sector and widening people's opportunities.



A handwritten signature in black ink that reads "Jonathan Stephens". The signature is written in a cursive style with a long horizontal line underneath the name.

Jonathan Stephens
Permanent Secretary

About DCMS

The Department for Culture, Media and Sport (DCMS) is responsible for Government policy on the arts, sport, the National Lottery, tourism, libraries, museums and galleries, broadcasting, creative industries, press freedom and regulation, licensing, gambling and the historic environment. We are also the lead Department for the 2012 Olympic Games and Paralympic Games.

We are responsible for the listing of historic buildings and scheduling of ancient monuments, the export licensing of cultural goods, the management of the Government Art Collection and The Royal Parks. The Department also has a number of ceremonial duties, including

We are responsible for providing humanitarian assistance to those affected by major emergencies or terrorist attacks such as the Mumbai hotel attacks in November 2008.

We work jointly with the Department for Business, Innovation and Skills (BIS)¹ on digital switchover, design issues (including sponsorship of the Design Council) and on relations with the computer games and publishing industries. We share responsibility for policy on children's play with the Department for Children, Schools and Families (DCSF).

DCMS is responsible for over 50 public bodies² that help deliver our objectives. In most lead frontline media and sport



Departmental aim and objectives

Our mission is to realise the nation's creative and sporting potential and our goals are to offer world class culture, media and sport, to unlock talent and to improve well-being.

We aim to improve the quality of life for all through cultural and sporting activities, to support the pursuit of excellence and to champion the tourism, creative and leisure industries.

The DCMS Corporate Plan 2008 relates to the year being reported upon and was available on the DCMS website³ from April 2008.

Each department has agreed with HM Treasury a set of Departmental Strategic Objectives (DSOs) to cover its key priorities over the 2008–11 Spending Review period. DCMS has four DSOs:⁴

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 in 2012 that provide for a sustainable legacy and get more children and young people taking part in high quality PE and sport.

In addition to DSOs, Public Service Agreements (PSAs) set out more specific outcome-based targets. The DCMS leads on one PSA (PSA22 – Olympics and PE and School Sport) and contributes to six others⁵.

The four DSOs and the latest set of PSAs came into effect in April 2008. They are described in more detail in the Performance section of this document (page 29 onwards).

Highlights of the year

The following highlights, covering all aspects of DCMS's work across culture, media, sport and the Olympics, have been achieved despite the impact of the recession, which has hit DCMS sectors just as it has affected families and businesses up and down the country.

DCMS's response over the past year, working with our many partners and sponsored bodies, has been to refocus our priorities both to support people and places through the recession and to contribute to building firm foundations for a stronger economic future. Cultural, creative and sporting organisations have continued working in partnership with their communities and with government to create and deliver policies that make a difference to people's lives and the places in which they live. But, by sustaining investment – for example, in cultural, creative and sports-related jobs and training, in regeneration projects for communities, and in new cultural and sporting opportunities for everyone – DCMS is nurturing creative talent and resources for the new economy that will emerge.

Cover top: Bradley Wiggins celebrates his team breaking the world record in the men's team pursuit cycling event at the 2008 Beijing Olympic Games.

Left: Dancer from the Flamenco Festival at Sadler's Wells, London in 2008.

Right: Digital UK's 'Digit Al'.

Opposite left: Ben Ainslie celebrates after winning the Finn class event at the Beijing 2008 Olympic Games in August 2008.

Middle: Model from Kayleigh Flattery's catwalk show at the NOISE 2008 arts festival. NOISE is part funded by Arts Council England.

Right: In response to unlawful online file-sharing the Government negotiated an agreement, led by Ofcom, with six major Internet Service Providers and music and film rights holders.

Culture

We work to support and promote the widest access to excellence in culture

DCMS works to support and promote the widest access to excellence in culture: in the arts, in museums and galleries, in architecture, in the built and the historic environment, and in libraries.

Over 279 million

visits were made to public libraries in 2007–08.

Liverpool European Capital of Culture 2008

One of the major cultural success stories of 2008 was Liverpool's designated period as the European Capital of Culture. It was a year that saw Sir Paul McCartney top the bill at the Liverpool Sound Concert at Anfield Stadium, the excitement of The Tall Ships' Races, and Sir Simon Rattle conduct an internationally acclaimed Berliner Philharmoniker performance at the Philharmonic Hall.

Liverpool has been transformed and now boasts the new Echo Arena, BT Convention Centre and new Cruise Liner Terminal. Historic parts of the city and famous buildings such as St George's Hall, the World Museum and the Bluecoat Arts Centre have all undergone extensive renovations leaving a lasting legacy for the city's people and visitors. Liverpool attracted 3.5m new visitors in 2008 during its tenure as European Capital of Culture.

A Night Less Ordinary

Arts Council England (ACE) announced the details of A Night Less Ordinary (ANLO) in February 2009, a scheme that will provide over 600,000 free theatre tickets to under 26-year-olds over the next two years⁶. These tickets will be available throughout England. Participating theatres vary in size from The National Theatre and Royal Shakespeare Company to a consortium of village halls in Cornwall.



Opposite left: Library visitors in Suffolk celebrated their love for the local library service.

Right: A visitor to a heritage event in South Tyneside.

This page top: *Bury Your Brother in the Pavement*, by Jack Thorne performed at the National Theatre New Connections Festival.

Middle: Over 70 sailing ships took part in the 2008 Tall Ships Race. They set sail from the Wellington Docks into Liverpool bay in July 2008.

Bottom: *The Orrery* is a giant structure symbolising Liverpool as 'the centre of the creative universe'. It visited local primary schools and was showcased at special events throughout 2008.



Find Your Talent

From September 2008, ten pathfinder Find Your Talent projects began across the country. They represent the start of a £23.75m programme run jointly with DCSF to trial different ways of bringing together local authorities, schools, and local and national organisations. The projects will provide opportunities for children and young people to experience a range of high quality arts and cultural activities in and out of school for five hours each week⁷.

Engaging Places

Engaging Places is a DCMS-supported initiative that champions teaching and learning about all aspects of the built environment, from grand historic buildings to the streets and neighbourhoods where we live. It has been designed to help deliver the new secondary school curriculum. It is being delivered as a joint project by English Heritage and the Commission for Architecture and the Built Environment (CABE) and includes a major new online teaching resource, launched on 14 January 2009⁸.



£800 million

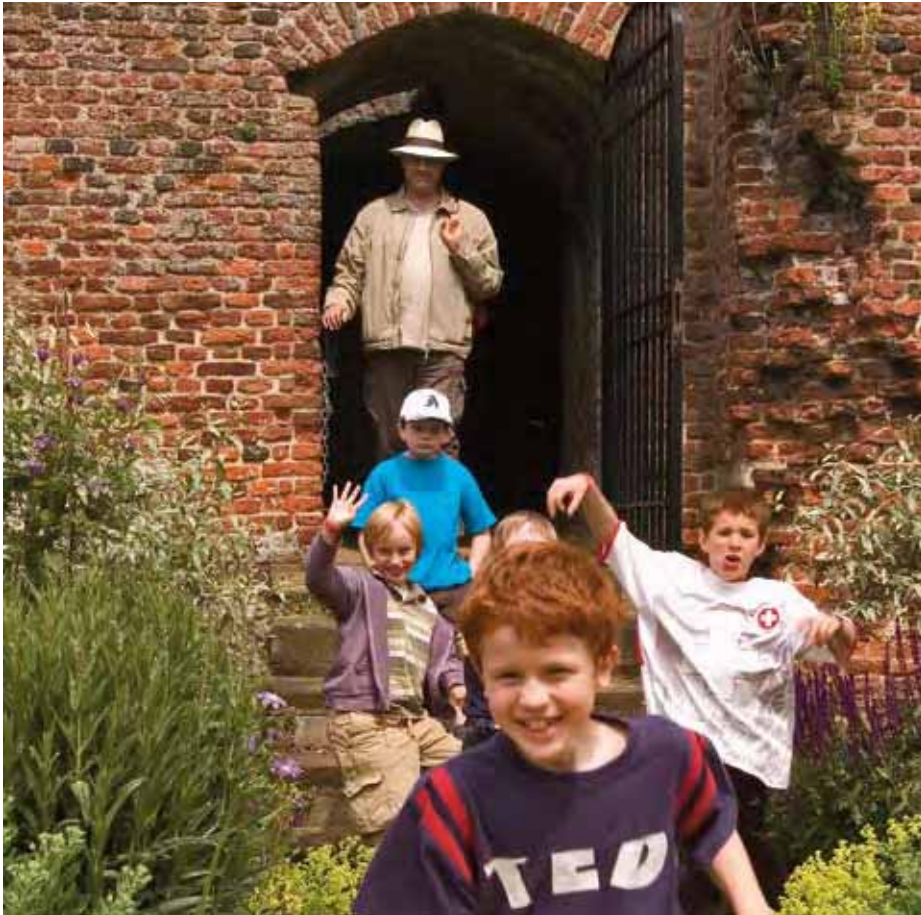
Capital of Culture 2008
generated an £800 million
boost to the regional economy.



Top: The inaugural Folkestone Triennial included both temporary and permanent works. Mark Dion's *Mobile Gull Appreciation Unit* was one of the exhibits that toured the town during the 2008 event.

Middle: Visitors to a Tudor pastimes 'Discovery Visit' at Eltham Palace.

Bottom: This year, the Government Art Collection installed new displays in Colombo at the High Commission Offices and the Residence, including *Walldella VI*, a colourful wall sculpture by David Batchelor.



Heritage Protection Reform

Work on the Heritage Protection Reform programme is continuing. In particular, we have been working with English Heritage, Communities and Local Government (CLG) and other stakeholders to:

- produce a new Planning Policy Statement on the historic environment which will be published for consultation in Summer 2009
- agree a clear statement of the Government's vision and priorities for the historic environment which will be published in Summer 2009
- make changes to the current heritage designation systems to ensure they operate as effectively as possible within the current legislative framework
- improve online access to information about designated heritage assets via the Heritage Gateway⁹
- increase public engagement with heritage protection and introduce a more strategic and planned approach through English Heritage's Strategic Designation programme
- build capacity through the continuation of English Heritage's training programmes for local authorities.

5 million

There were five million visitors to English Heritage staffed properties in 2008–09 plus an estimated six million visits to unstaffed properties.



Sea Change

The Sea Change programme is led by CABI on behalf of the DCMS with funding being made available for seaside resorts in England during the three year period from 2008 to 2011. Sea Change aims to stimulate wider improvements and economic regeneration in disadvantaged coastal resorts through specific investment in creative and innovative culture and heritage projects. By the end of March 2009 grants totalling over £29m had been allocated to 28 resorts to create new performance spaces, improve theatres, restore promenades, enable spectacular beach-front redesigns and provide new exhibition spaces.

Government Art Collection

The Government Art Collection (GAC) creates displays in British Government buildings in a diverse range of cities around the world to promote British art, culture and history. Public interest in the GAC remained high this year. On top of our regular evening tours, we again participated in Museums and Galleries Month¹⁰ and the London Open House¹¹ events, and held additional weekend tours to meet the exceptional demand.

New acquisitions for the Collection this year included works by contemporary artists Gillian Carnegie and Susan Hiller and Pre-Raphaelite associate John Brett, while *The Ministers, Ming Tombs*, an unusual painting by Stanley Spencer, was installed at the Residence in Beijing to coincide with the 2008 Olympic celebrations. As part of our continuing commitment to lending works to public exhibitions, the famous portrait of Lord Byron by Thomas Phillips and a landscape by Edward Lear were included in *The Lure of the East: British Orientalist Painting*, an international touring exhibition.

The Cultural Olympiad

Launched in September 2008, the Cultural Olympiad¹² is the four year cultural programme that celebrates the spirit of the Olympic and Paralympic Games, recognising that London 2012 is not just about sport. The Cultural Olympiad is being delivered in a partnership with the London Organising Committee of the Olympic Games and Paralympic Games (LOCOG) and a number of public and private bodies at national and local level – including the DCMS, Non-Departmental Public Bodies (NDPBs), the Legacy Trust and some of the UK's leading cultural organisations. Over 650 events were held across the country to mark the launch and, as of the end of June 2009, around 100 Cultural Olympiad projects¹³ have now been awarded the Inspire Mark¹⁴, with an estimated total value of around £10m.

Over 650

events were held around the UK during Open Weekend.

Below: The memorial to those who died in the 2005 London bombings situated in Hyde Park. Designed by Kevin Carmody and Andy Groake in partnership with the bereaved families.

Opposite: *SEIZURE*, by British artist Roger Hiorns was commissioned by Artangel/Jerwood in 2008. 75,000 litres of copper sulphate solution were pumped into a council flat in south London to create a blue crystalline growth on the walls, floor and ceiling.

Humanitarian assistance

The Humanitarian Assistance Unit supports Tessa Jowell in her role as Minister for Humanitarian Assistance. It ensures that the needs of British victims of major emergencies and their families are understood and properly considered within Government in building preparedness for and responding to major emergencies.

DCMS has during 2008–09 drafted new national strategic guidance to ensure that the care of people following disasters is comprehensively planned for and provided by those responsible in commercial and government organisations. A public consultation on the draft is planned later this summer, with the final document to be issued by the year end.

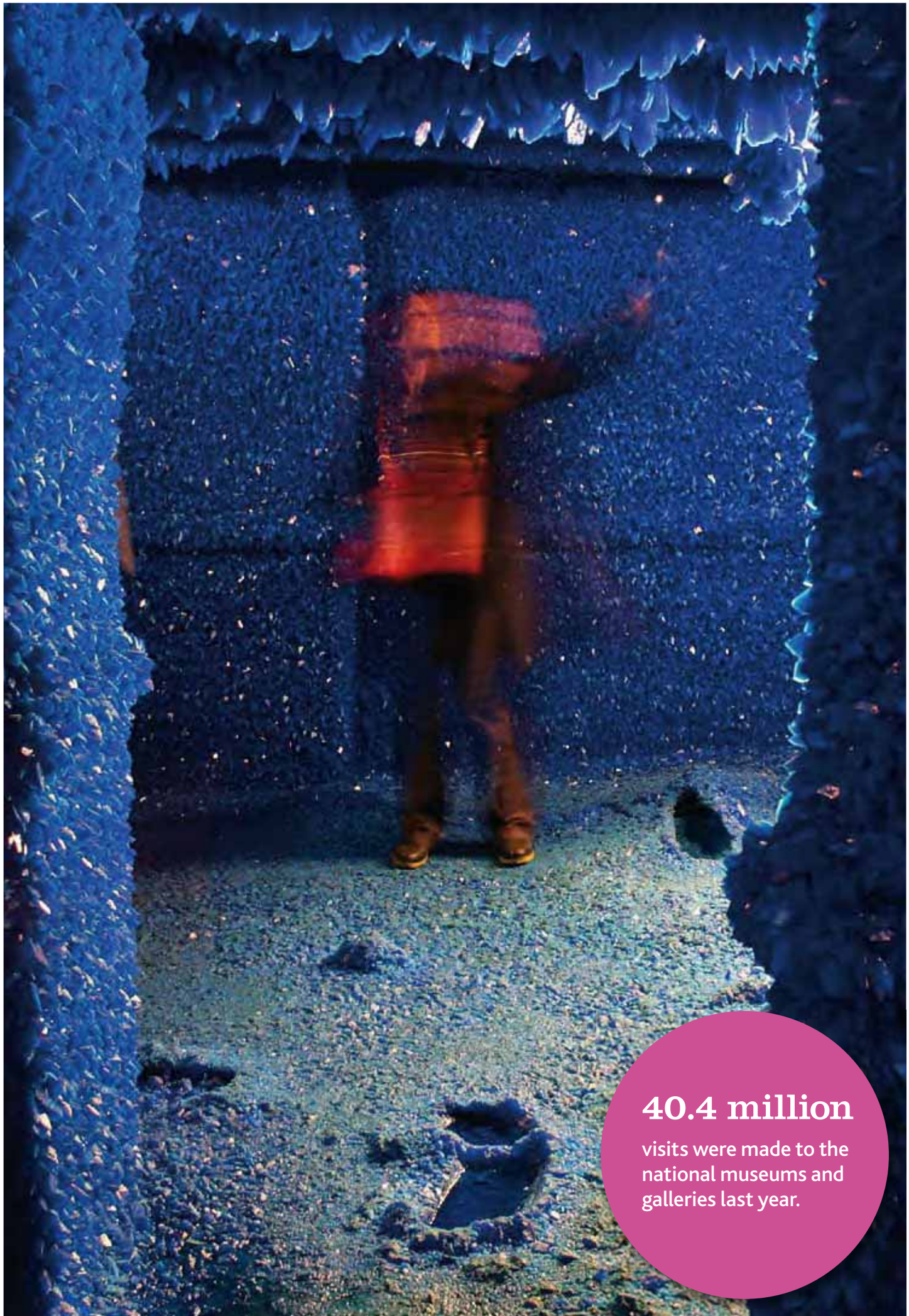
As part of the response to the 7 July 2005 terrorist attacks in London, the Government provided support to those affected through its 7 July Assistance Centre. A document¹⁵ produced to set out the key lessons learned in operating this service was discussed at a conference on 10 March 2009. The aim was to share the lessons with professionals engaged in this field, including regional and local emergency planners, NHS commissioners, managers and practitioners and relevant voluntary sector agencies.



During the year The Royal Parks and DCMS supported the creation of a memorial to the 52 people who lost their lives in the 2005 London bombings. The memorial was designed by the young architects, Kevin Carmody and Andy Groake, in close consultation with the bereaved families. 52 stainless steel stelae in four clusters represent the individual loss at four different sites and the collective grief of all those affected by the events of that terrible day. The memorial was built by Norton Cast Products, a steel foundry in Sheffield, and has been installed in Hyde Park by Arups and Walter Lily. DCMS provided over £1m for the memorial which opened on 7 July 2009, the fourth anniversary of the attacks.

52

stainless steel stelae in four clusters represent the individual loss at four different sites and the collective grief of all those affected by the events of that terrible day.



40.4 million

visits were made to the
national museums and
galleries last year.

Media

We aim to maintain, support and protect dynamic media

As well as economic goals, our key aims for the UK's media sectors are to secure wider cultural and public interest objectives. By working closely with government, industry and consumer groups, we want to enable a thriving, dynamic creative economy that ensures the UK is an attractive place for investment from both home and abroad. We want the public to have access to diverse, high quality creative content, including a strong public service broadcasting sector. We must also ensure that they are protected from harmful and offensive material.

Digital Britain

Digital Britain is an action plan (developed jointly with BERR) to secure the UK's place at the forefront of innovation, investment and quality in the digital and communications sectors. *Digital Britain: The Interim Report*¹⁶ of January 2009 underlined not just the economic importance of these sectors to UK businesses (as they are vital to underpinning global economic activity) but also their major impact on our culture and quality of life. The final *Digital Britain* report, which considers what future legislative and non-legislative measures are required to support the development of these critical sectors, was published on 16 June 2009¹⁷.

Digital piracy

Digital technology has created enormous opportunities and challenges for our media sector and the creative industries. Music and film content providers, for example, are rapidly having to adopt new business models in the face of unlawful online peer-to-peer file-sharing. In response, the Government consulted in 2008 on possible legislative options and negotiated a Memorandum of Understanding, led by Ofcom, with six major Internet Service Providers (ISPs) and music and film rights holders. *Digital Britain: The Interim Report* subsequently announced the Government's plans to introduce legislation placing obligations on ISPs. These include requiring them to notify those of their customers identified by rights holders as engaging in unlawful file-sharing. There was also a consultation in March 2009 on the report's proposal that a digital rights agency should be established. A further consultation on the proposed legislation was issued alongside the final *Digital Britain* report.



Opposite left: The final *Digital Britain* report was published on 16 June 2009.

This page top: BBC iPlayer has received over 414m requests to view BBC television content (TV streams and downloads) since its launch in 2007.

Middle: Manchester hosted the urban festival of art, music and ideas, Futuresonic in May 2008. Works included *Modified Toy Orchestra* by Jan and Emily Dixon.

Bottom: May 2009 saw the beginning of the digital switchover in the West Country, starting with Beacon Hill in Devon.



Over 9 million

Digital Audio Broadcasting (DAB) radio receivers have been sold.

Digital radio

Digital Britain: The Interim Report set out for the first time a clear commitment by Government to achieving a strong digital future for radio, one in which Digital Audio Broadcasting (DAB) is a primary distribution platform. The report builds on the work of the Digital Radio Working Group, which ran throughout 2008, and sets out the criteria which need to be met before Digital Radio Upgrade can begin. The final *Digital Britain* report includes new proposals to support the delivery of the upgrade programme by the end of 2015.

Digital switchover

The main switchover programme¹⁸ began in the Border ITV region with the switchover of the Selkirk transmitter in November 2008. An advance poll found 100 per cent awareness in Selkirk about the switchover. A Help Scheme¹⁹ was in place to support people aged 75 and over, those with a significant disability and people resident in care homes.

This was followed in May 2009 by the successful switchover of the Stockland Hill and Beacon Hill transmitter groups in the West Country.

2009 will see nearly 5m homes in Border, West Country, Wales and Granada make the transition to digital television – that represents about 20 per cent of all homes in the UK. The Help Scheme will be available in these regions, together with information and advice from Digital UK through their extensive communications and outreach programme.





Top: A still by Bernard Fallon used in the 2008 film *Of Time and the City*, by Terence Davies and produced by Hurricane Films. Funders of the film included BBC Films, Northwest Vision and Media, and the UK Film Council.

Bottom: Danny Boyle and Freida Pinto filming *Slumdog Millionaire* at VT station, Mumbai.



Audiovisual Media Services (AVMS)

The EU's AVMS Directive²⁰ of December 2007 makes important changes to the regulation of TV and video-on-demand content across Europe. Like other Member States, the UK must implement these changes by December 2009. In particular, the Directive requires Member States to regulate video-on-demand services²¹. It also permits them – if they wish – to introduce TV product placement²². We are working closely with Ofcom and the industry on these and other AVMS issues. In March 2009, we announced firm plans for light-touch, industry-led regulation of UK video-on-demand services. We also made it clear that the Government has no plans to change the current UK rules whereby product placement is prohibited in programmes made by and for UK TV broadcasters.

£950 million

was taken at cinema box offices in 2008, a 5% increase on 2007. British films accounted for 31% of takings, up from 28% in 2007.

Creative Britain

Working with our partners in other Government Departments and public and private sector organisations we have made good progress over the last year to realising the ambitions set out in *Creative Britain*, the Government's strategy for supporting the Creative Industries, as published in February 2008²³. Of Creative Britain's 26 commitments, 18 are now either well underway or completed. These commitments cover a range of important issues including skills, business support, creative clusters and innovation, as well as major initiatives such as the Find Your Talent pilot for schoolchildren (see page 9) and C&binet – the Creativity and Business International Network²⁴. This work has helped increase the recognition of the economic contribution of the Creative Industries and raise their profile within Government.

India co-production

A new co-production agreement with India was brought into force in October 2008, to enable UK and Indian producers to co-produce films that will qualify for national status in both countries, making them eligible for corresponding national incentives. It will deliver films which reflect, enhance and convey the diversity of culture and heritage on offer in the UK and India, and increase opportunities for the development of the film industries in both countries.

Film archives

In October 2007 the DCMS announced funding to safeguard the future of the UK's national and regional film archives. This vital project is at strategic planning stage and will ensure that current and future generations have access to the riches of our national and regional screen heritage collections. Key investment strategies, including securing the national collection and improving digital access, are being developed by the UK Film Council and the British Film Institute. The first one is the Revitalising the Regions project, which aims to preserve material from significant regional collections and ensure they can be made accessible to new audiences. For example, the North West archive collection is a cultural, visual and social history record covering all aspects of life in the five counties of Greater Manchester, Lancashire, Cheshire, Cumbria and Merseyside. It features both professional and amateur footage and has provided newsreel and documentary content for films such as *Of Time and the City*, by Terence Davies, which was premiered during the 2008 Cannes Film Festival to rave reviews.

Video games

Following a recommendation in Professor Tanya Byron's report of March 2008, *Safer Children in a Digital World*²⁵, we consulted on options for the classification of video games, with a view to deciding upon the best way to protect children from exposure to inappropriate content.

We announced, in the June 2009 *Digital Britain* report, that the PEGI (Pan European Game Information) system, currently used in most European countries, will become the sole method of classifying video games in the UK. This new system will work alongside the robust regulation of Films and DVDs carried out by the British Board of Film Classification, to ensure that consumers have the strongest possible protection across these media.

87%

of 5–16 year olds have a games console at home.

Sport and leisure

We champion the tourism and leisure industries and aim to increase participation in sport

DCMS is committed to providing access to sport and encouraging its take-up across communities – particularly children and young people. Sport has an unmatched ability to mobilise and inspire people in their millions. *The Active People Survey*²⁶ was one of the largest ever surveys of sport and active recreation to be undertaken in Europe, measuring a range of important aspects of participation, including volunteering. The latest results, published in December 2008, show that we are reaping the rewards of sustained investment, with adult (16 years and over) participation in sport on the rise, up from 6.3m adults in 2005–06 to 6.85m adults for 2007–08. We also champion the tourism and leisure industries, helping both visitors and residents to make the most of the UK as a tourist and leisure destination.

£36 million

Sport Unlimited, a new £36 million programme of innovative taster sessions, will attract 900,000 extra young people into sport by 2011.

Olympic and Paralympic sporting legacy

We want London 2012 to be a global celebration of sport and culture that leaves a lasting legacy for the UK. As part of that legacy our ambition is to make the UK a world-leading sporting nation and to inspire people to become more active. The following paragraphs illustrate just some of the ways in which progress is already being made towards these aims.

Free Swimming

Over the course of the year, the Department developed a national Free Swimming Programme for those aged 16 and under, and 60 and over. The two-year £140m initiative is funded by the DCMS, the Department of Health (DH), the DCSF, the Department for Work and Pensions (DWP) and CLG.

The programme officially launched on 1 April 2009 and 260 councils are now offering free swimming for people over 60, with almost 200 also doing so for those aged 16 and under²⁷.



Opposite left: As part of our Olympic legacy, we are creating a world-class PE and sport system, able to offer every child five hours per week of PE and sporting opportunities (three hours per week for 16–19 year olds).

Right: In autumn 2008, Manchester hosted the World Squash Championships.

This page top: Our aim is that by 2013, as part of the Olympic legacy, 1m more adults will be participating in sport – for at least three 30-minute sessions a week.

Middle and bottom: The third UK School Games was held in Bath during September 2008. The Games are organised by the Youth Sport Trust with funding from the Legacy Trust.



90%

90% of 5–16 year olds now participate in at least two hours of PE and sport a week.

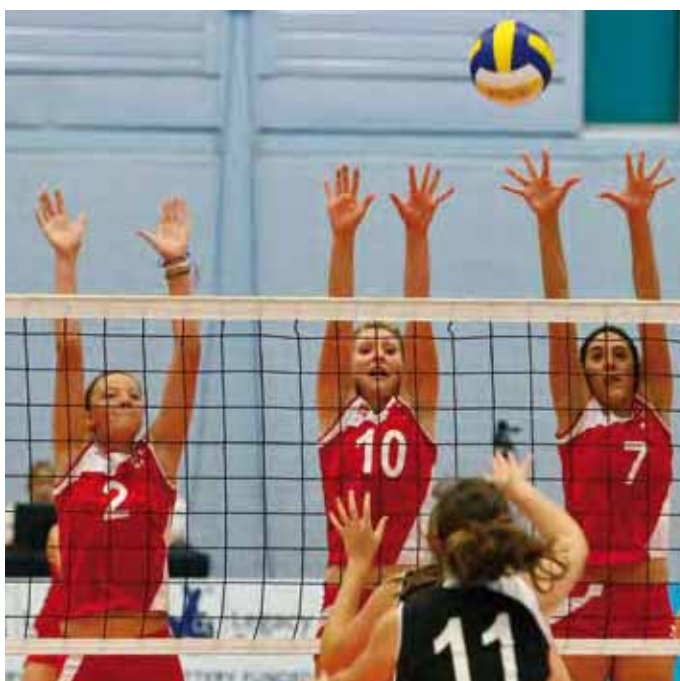
Community sport

We are developing a world-leading community sports system that will see more people from across the community playing sport regularly. The DCMS funds Sport England to finance the construction and maintenance of facilities and the delivery of sports services across the country. Our aim is that by 2013, as part of the Olympic legacy, 1m more adults will be participating in sport – for at least three 30-minute sessions a week. In June 2008 Sport England published a new strategy²⁸ for achieving this goal, setting out a joint vision (with Government and the national governing bodies (NGBs)) for the future of community sport in this country with a new emphasis on delivery through NGBs. Since then, 46 NGBs have produced plans to grow and develop their sports, with up to £120m a year being made available to them in return for driving participation.



PE and sport for young people

Working with the DCSF, we aim to increase the number of young people participating in high quality PE and sport. Our joint national PE and Sport Strategy²⁹ gives all young people more opportunities to be active through schools, further education colleges, clubs and other community provision. As part of our Olympic legacy, we are creating a world-class PE and sport system, able to offer every child five hours per week of PE and sporting opportunities (three hours per week for 16–19 year olds).





37 million

The nine Royal Parks have 37 million visitors a year.



Beijing 2008 Olympic and Paralympic Games

The performance by Great Britain's athletes at the Beijing Olympics and Paralympics was truly outstanding.

The Olympic team exceeded all targets and expectations – a total of 47 medals against a target of 35; and fourth in the medal table, against a target of eighth.

It was also our most successful Paralympic Games in two decades. The Paralympic team achieved second position in the medal table for the third successive Games and exceeded their medal targets with a total of 102 medals (42 gold) against a target of 95.

This performance was a clear reflection of the impact that significant and sustained government and lottery funding has had on our athletes' capacity to compete at the very highest level.

Government and UK Sport invested £265m of Exchequer and Lottery funding into Olympic and Paralympic sports and athletes during the Beijing cycle.

Top: The Royal Parks are responsible for over 5,000 acres of urban parkland, including Hyde Park, London.

Bottom: Players wait for a rebound during the bronze medal Wheelchair Basketball match between the United States and Great Britain at the 2008 Paralympic Games in Beijing.

Next page: The two-year £140m Free Swimming initiative is now on offer to over 60s and under 16s in 260 councils.

A further £304m of public money is to be invested for London 2012, to help realise our ambitious targets of top four in the Olympic medal table and second in the Paralympic medal table. This includes an additional £50m of Exchequer and Lottery funding, reducing by half the £100m that we were originally seeking from the private sector.

In order to realise the remaining private sector funding, on 25 February 2009 the Secretary of State announced a groundbreaking new private sector fundraising partnership, Team 2012. UK Sport, LOCOG, the British Olympic Association (BOA) and the British Paralympic Association (BPA) have agreed to work together to help raise additional funds for elite sport in the run-up to London 2012 and beyond.

102 medals

were won by the British Paralympic team at Beijing 2008, a British record.

Tourism

In September 2008, the global economic downturn began to bite on the tourism and hospitality industries, requiring a reassessment of the Department's priorities and the focus of its tourism strategy. Following the National Tourism Summit in Liverpool in January 2009, the Prime Minister and Secretary of State emphasised the unprecedented opportunities arising from the forthcoming decade of exceptional sporting and cultural events and the chance for other towns and cities to learn from, and reproduce, the tourism successes of Liverpool during 2008.

VisitBritain also announced its forthcoming £6.5m Value for Money campaign, which since April 2009 has targeted United States and Eurozone citizens and highlighted the current affordability of the high quality tourism offer available in the UK. The British Tourism Framework Review continued throughout the year and, on 11 February 2009, a report was published making ten key recommendations³⁰. A major development from this is the emergence of VisitEngland as a new and more independent organisation that will drive and co-ordinate more effective support for the domestic tourism industry by working with the regional development agencies.

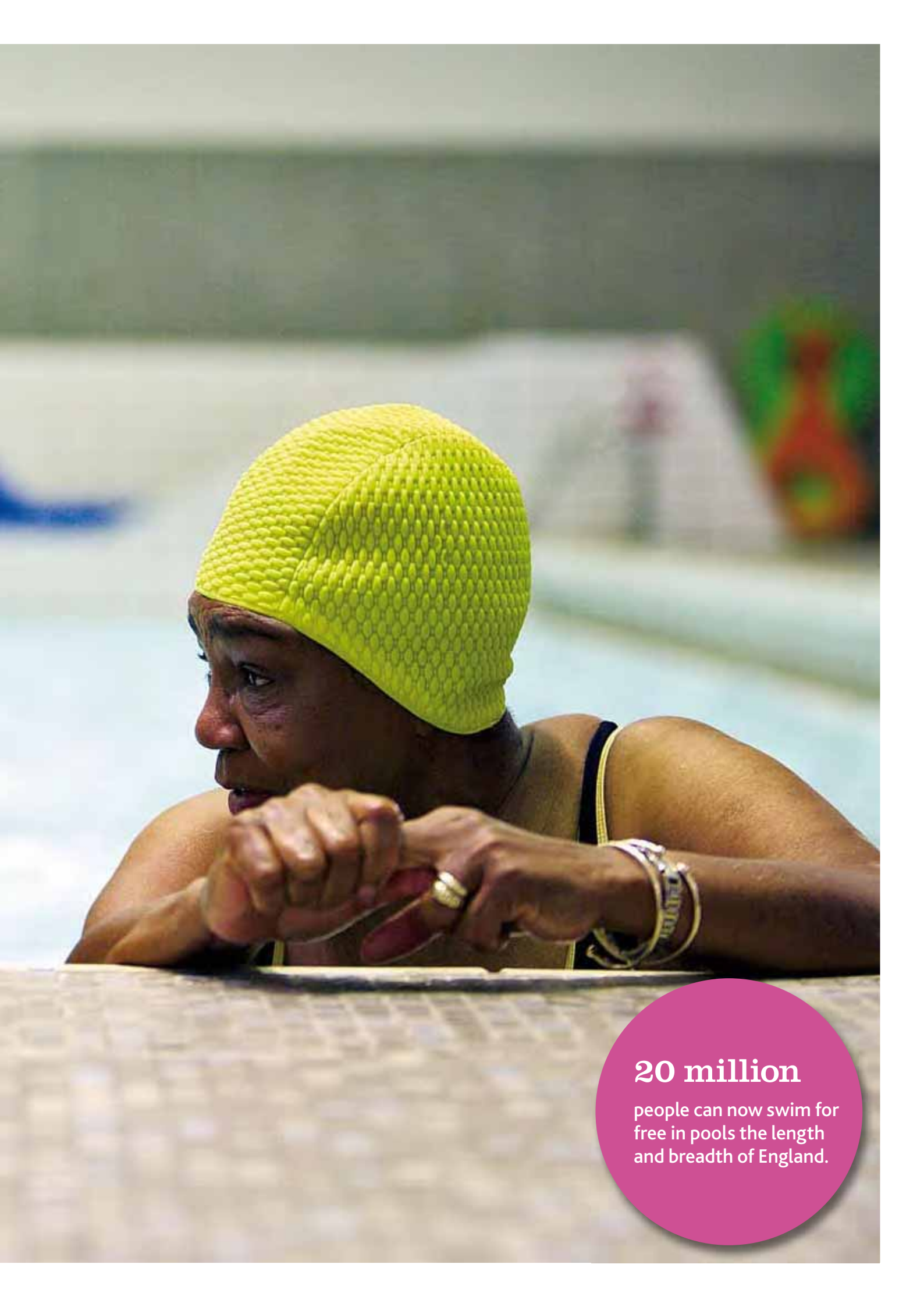
Licensing and gambling regulation

DCMS has now reduced the administrative burdens its regulations generate by 43 per cent against a 2005 baseline, exceeding its target of a 30 per cent reduction by 2010. Legislative Reform Orders were laid in Parliament to create a quicker, low cost process for making minor changes to alcohol and entertainment licences and to simplify the regime for village halls. It is expected that these changes will come into force in July 2009.

The Department continued to work closely with the Home Office and the DH on mandatory conditions relating to irresponsible sales of alcohol, to ensure that proposed measures were firmly focused on better regulation principles and would not impact adversely on the responsible majority of alcohol retailers.

In the light of the impact of the economic downturn on the gaming industry, DCMS brought forward the review of stakes and prizes in relation to certain categories of gaming machines, resulting in an Order being laid in Parliament that doubled the current stake and prize limits. Similarly, to assist the bingo industry, the Department made an Order which increased the number of higher stake machines that may be operated at bingo halls.





20 million

people can now swim for
free in pools the length
and breadth of England.

2012 Olympic and Paralympic Games

**Inspirational, safe and inclusive –
our goal for the London 2012 Games**

January 2009 marked the halfway point between winning the bid and hosting London 2012. This was a key milestone in our approach to the historic 2012 Games, at which point London will become the first city to have hosted three modern Olympiads. The 2012 Games will differ from those before it, and we are working to maximise its unique impact for the whole of the UK, now, in 2012 and beyond.

DCMS is the lead government department for the delivery of the London 2012 Olympic Games and Paralympic Games. Within DCMS, the Government Olympic Executive (GOE) provides oversight and assurance of the entire Olympic programme.

The GOE was set up to ensure that the Games are delivered on time and on budget and that they benefit the whole of the UK. This includes identifying and solving problems, delivering government's contribution to the Games and being accountable to Parliament and to the public.

The GOE is located within DCMS but reports to the Rt Hon Tessa Jowell MP, Minister for the Cabinet Office, the Olympics, London and Paymaster General, who reports directly to the Prime Minister. It publishes its own annual report and quarterly financial updates. These reports are available to download from our website³¹.

London 2012 delivery partners

The GOE works closely with a variety of organisations, each of which has a specific role in delivering the Games. Our main partners include LOCOG, the Olympic Delivery Authority (ODA), the London Development Agency (LDA) and the Greater London Authority (GLA).

We are working with these and other partners to achieve our aim of hosting an inspirational, safe and inclusive Games that leave a sustainable legacy for London and the UK.

Nearly 1 in 10

**workers on the Olympic Park
are doing a traineeship,
apprenticeship or work
placement.**



Opposite left: Work is well underway on the Olympic Stadium.

Right: Christine Ohuruogu poses with her gold medal during the medal ceremony for the Women's 400m Final at the Beijing 2008 Olympic Games.

This page top: Local residents viewing Olympic Park plans at a residents' meeting.

Middle: Eleanor Simmonds wins gold for the Women's 100m Freestyle – S6 Final at the Beijing 2008 Paralympic Games.

Bottom: 450 students from the five Host Boroughs took part in design workshops inspired by London 2012. Their designs are now on hoardings along the Hackney Wick towpath. In June 2008, the ODA held a celebration for all the children involved in the project.



Supporting the UK economy

The economic downturn has redefined the role of London 2012 for the UK. Hosting the Games represents a unique opportunity to help the country ride out the recession and kick-start its economic recovery.

With the global economy set to double in size over the next two decades, it is how the UK responds now that will determine its continued competitiveness in the years to come.

Already the Games are helping to keep international investment flowing at a crucial time, providing a boost to businesses in London and around the country and supporting individuals through direct employment, training and apprenticeships. Moreover, they are transforming the heart of East London into a major international centre that will boost the local, regional and national economy, and doing it in a way that is breaking new ground for sustainability and low-carbon living.

Local engagement is critical to the success of London 2012 and its legacy. We are committed to working with the local communities of East London to ensure that we fully understand their concerns about the impact of the Games and their hopes for the future of the area.



£500 million

As of April 2009, LOCOG had generated around £500 million worth of sponsorship revenue, which is about two thirds of the way towards its target.



Top: Paul Manning, Ed Clancy, Geraint Thomas and Bradley Wiggins breaking the world record in the Men's Team Pursuit Finals at the Beijing 2008 Olympic Games.

Middle: Construction Crew is an ODA initiative with local school children. Through workshops held at the Olympic Park and with London 2012 team members, participants see progress at first-hand.

Bottom: 'Women into Construction' is an ODA initiative that aims to provide training and jobs in construction for women on the Olympic Park and to secure 50 work placements on the Olympic Park for women each year.

Page 28: An aerial view of construction of the upper terraces on the Olympic Stadium at April 2009.



On time and within budget

The Olympic programme is firmly on track. Despite the economic downturn, construction remains on time and within budget due to disciplined cost control, maximised savings and the sensible use of contingency funds set aside to accommodate risks.

As of April 2009, more than one-third of the ODA build programme has been completed. This year Weymouth and Portland Harbour, which will host the London 2012 sailing events, became the first Olympic venue to be completed, ahead of schedule and within budget. Construction of both the Olympic Stadium and the Aquatics Centre began this year and, with work on the Olympic Village, the VeloPark and the International Broadcast Centre and Main Press Centre also under way, the Olympic Park is rapidly taking shape on the London skyline.

Progress with site preparations has dramatically changed the landscape of the Olympic Park. By the end of March 2009, 89 per cent of the site clearance was complete. The transfer of electricity from overhead pylons to underground – requiring over 200km of cabling – has also been achieved, allowing the removal of all the overhead pylons on site. This progress is mirrored in the Park waterways, with over 90 per cent cleaned and, where necessary, repaired.

Over 3,000

local people were consulted by the LDA in 2008 on their ideas for the legacy of the Olympic Park. The LDA also held over 120 community outreach events during the year.



A lasting legacy

Delivering a lasting legacy that benefits the whole of the UK is a core feature of our vision for London 2012. Working with London 2012 partners, we hope to harness the power of the Games to inspire change: change in people's lives, in sport participation, in our communities and in attitudes towards disability.

The Government's Legacy Action Plan, Before, during and after: making the most of the London 2012 Games³², was published in June 2008 and sets out the priorities for the long-term benefits of the Games. The plan outlines how we will deliver our five promises:

- 1 To make the UK a world-leading sporting nation
- 2 To transform the heart of East London
- 3 To inspire a generation of young people
- 4 To make the Olympic Park a blueprint for sustainable living
- 5 To demonstrate that the UK is a creative, inclusive and welcoming place in which to live, visit and do business.

Legacy plans are developing rapidly. The launch of Free Swimming and the progress of other sporting initiatives to support the sporting legacy are described on pages 18–20.

This year we worked closely with CLG and the GLA to set up a company to maximise the potential of the Olympic Park after 2012. The Olympic Park Legacy Company (OPLC) was incorporated in May 2009³³. It will work with the five host boroughs³⁴ and local people, building on the enormous investment and momentum already underway to transform the Park into a treasured asset for the capital and the country.

We have also made progress towards our goal of inspiring and engaging young people. About 5,000³⁵ schools participated in celebrations around the Paralympic handover as they joined the London 2012 Education Programme. In addition, as of June 2009, the Inspire Mark³⁶ – part of the 2012 brand family that officially recognises contributions to the legacy of 2012 – has now been awarded to over 175³⁷ projects and programmes across sport, culture, volunteering, education, environment, and the promotion of business opportunities.

The ODA continues to exceed its sustainability targets and the Games are making a real difference now for individuals and business by providing opportunities for employment, upskilling, and contracts:

- Over 4,000 people are working for contractors on the Olympic Park, 9 per cent of whom were previously unemployed³⁸
- Nearly one in ten workers on the Olympic Park are doing a traineeship, apprenticeship or work placement³⁹
- 98 per cent of contracts have gone to UK-based businesses, of which over two-thirds are Small and Medium-sized Enterprises and just under half are based outside London⁴⁰.

Over 4,000

people are working for contractors on the Olympic Park – 9% were previously unemployed.



90%

The ODA has exceeded its target to reclaim 90% of demolition materials for re-use or recycling.

PERFORMANCE & DELIVERY



Departmental Strategic Objectives

This section of the DCMS Annual Report covers:

Departmental Strategic Objectives (DSOs)

Public Service Agreements (PSAs)

Value for Money (VFM)

CSR2007 (Comprehensive Spending Review 2007) introduced new performance measures in the form of DSOs, which are designed to complement and sometimes underpin related PSAs⁴¹.

As described and set out under Departmental aim and objectives on page 7, four DSOs direct the priorities for the DCMS over the period 2008–11. They are comprehensive and represent the fundamental purpose and future direction of the Department.

Further indicators for DSOs 1–3 may be developed in consultation with NDPBs in the light of the McMaster review (Supporting Excellence in the Arts⁴²), Sport England's new strategy⁴³, VisitBritain's strategic review⁴⁴, and the new action plan for the creative industries (New Talents for the New Economy⁴⁵).

The following section sets out:

- DCMS's DSO targets and latest outturn data at March 2009
- the performance indicators used to measure progress⁴⁶
- an up-to-date report on performance against the target.

These terms are used to assess progress against the DSO targets:

- **Strong progress:** where more than 50 per cent of indicators have improved
- **Some progress:** where 50 per cent or less of the indicators have improved
- **No progress:** where no indicators have improved
- **Not yet assessed:** where 50 per cent or more of the indicators are yet to have even first time data produced on progress.

DSO1: Opportunity

Encourage more widespread enjoyment of culture, media and sport

DCMS will aim to widen opportunities for all to participate in cultural and sporting activities. This will include a focus on children and young people to ensure that they have the opportunity to participate in high quality cultural and sporting activities that contribute to their wider outcomes.

Performance summary:

Not yet assessed

Factual assessment:

Not yet assessed

Indicators:

- 1 Increasing the proportion of children and young people participating in culture
- 2 Increasing the proportion of children and young people participating in high quality PE and sport
- 3 Increasing the proportion of adults participating in culture or sport.

Description

The DCMS recognises that opportunities to participate in culture, media and sport are not equal across our society. We want to provide excellent grassroots provision for all groups. The aim of this DSO is to provide a greater range of opportunities across our sectors and narrow the participation gap between different groups.

Through the provision of strategic support and funding for the culture and sport sectors, we have had some significant successes in improving participation in recent years. We aim to build on this with a number of key programmes, such as free swimming and free theatre. We also note the important contribution participation in culture and sport can have on the well-being of the individual as well its role in building active and engaged communities.

Latest outturn data

Indicator 1: Data collection started in September 2008 using the Taking Part⁴⁷ survey. The baseline will be available in October 2009.

Indicator 2: This indicator also maps onto Indicator 5 in PSA22 ('The creation of a world-class system for PE and Sport' (see page 42)). The measures are still to be finalised but a number of surveys are in place to collect the required data. We expect to publish a baseline in autumn 2009.

Indicator 3: This indicator is similar to Indicator 6 of PSA21 ('Build more cohesive, empowered and active communities' – Indicator 6 aims to increase participation in culture and sport – although recreational walking and cycling are excluded (see page 44 and Sport England's 2008–11 strategy⁴⁸)). Data collection for this indicator started in April 2008 using the Taking Part survey. Interim baseline data of 66.3 per cent was published in April 2009⁴⁹.

A final baseline will be available on our website from August 2009⁵⁰.



Page 29 top: A young participant at a Connect Festival run by Sadler's Wells Theatre in London.

Left: Following the success of the 2008 UK School Games, the 2009 event will take place in Wales. Venues include the Cardiff International Sports Stadium and the Welsh Institute of Sport.

Right: The final *Digital Britain* report includes new proposals to support the delivery of the digital radio upgrade programme by the end of 2015.

This page top: A Silver Organism by Junko Mori. Represented at the Crafts Council's event Collect 2009 by Clare Beck at Adrian Sassoon, London.

Bottom: Ambassadors at an event hosted by Creative and Business International Network – C&Binet – in Liverpool.





Top: British gold medalist James Degale poses during the medal ceremony for the Men's Middle (75kg) final at the Beijing 2008 Olympic Games in August 2008.

Bottom: Richard Wilson's piece for the 2008 Folkestone Triennial, 18 Holes.

DSO2: Excellence

Support talent and excellence in culture, media and sport

DCMS will create the conditions for excellence to flourish among top artists and sports stars. The Department will also champion the provision of top-class facilities and services, inspiring everyone – particularly young people – and helping them to realise their talents.

Performance summary:

Not yet assessed

Factual assessment:

Not yet assessed

Indicator:

- 1 Improving the excellence of the arts organisations, museums and galleries supported by the DCMS and its NDPBs.

Description

International culture and sporting successes are among the key components that can inspire national pride and contribute to our standing in the world. DCMS sectors bring pride and prestige to the country. International success stems from a combination of factors. DCMS funding is used to create the conditions for excellence to flourish, such as providing funding for elite athletes to enable them to concentrate on their sport. For cultural bodies, our role focuses on strategic investment in a national infrastructure that means we are well placed to promote excellence e.g. by making sure that our sponsored bodies are excellently run by world-class individuals.

The provision of top class facilities and services should mean that, in turn, the general population is more inclined to make use of them.

We are considering a range of additional indicators for this DSO and how they can be achieved, and will decide upon the final indicators towards the end of 2009.

Latest outturn data

We are now considering what lessons we can draw from the pilots, both in terms of process and focus, to help inform how to take forward the approach for other museums. A system of self-assessment and peer review has been developed for NDPB museums. The National Portrait Gallery, the Natural History Museum and Tyne and Wear Museums piloted a system of self assessment and peer review and results were published in March 2009⁵¹. We are now considering what lessons we can draw from the pilots, both in terms of process and focus, to help inform how to take forward the approach for other museums.

Arts Council England has two strands of work in place. The first will monitor the percentage of its Regularly Funded Organisations (RFOs) assessed as 'strong' or 'outstanding' in artistic quality (via lead officers), as well as the percentage of people who rate their last arts experience as being of 'high quality' (via the Taking Part survey). The target is to record a statistically significant increase in both measures. The second strand is a system of self-assessment and peer review. Results of the public consultation on this were published earlier in the year and work on organising the pilots is currently underway. The target for this indicator is to roll out artistic activity reports and self-assessment or peer reviews across all RFOs by April 2010.

DSO3: Economic impact

Realise the economic benefits of the Department's sectors

The DCMS will aim to maximise the economic impact of its investment, improving value for money, taking full advantage of the contribution these sectors make towards the Government's long-term goal of raising productivity and protecting consumers through proportionate and effective regulation.

DCMS is closely involved in the Government's plans to ensure a rapid and sustained recovery from the current economic downturn. To this end, measures to promote the development of the digital communications industries and to provide jobs in the leisure and cultural sectors are part of the Government's wider programmes.

Performance summary:

Strong progress

Factual assessment:

Improvement in both indicators agreed at this stage

Indicators:

- 1** Reducing administrative burdens on business caused by DCMS regulation
- 2** Increasing the proportion of households that have converted to digital television.

Data statement

Indicator 1: Reducing administrative burdens

In the period from May 2005 to April 2008, the DCMS had reduced administrative burdens by 43 per cent from the 2005 baseline of £343.3m. That represented one of the highest levels of reduction across Whitehall, comfortably exceeding the agreed target reduction of 30 per cent which is due by May 2010. More information about this exercise is set out in the Department's Simplification Plan⁵².

As of April 2008, the DCMS's administrative burden baseline had thus fallen to £187.2m, and further simplification work took place during the reporting year with anticipated savings of £5.2m during 2008–09 (yet to be verified).

Indicator 2: Increasing digital television take-up

Policy background

The 2008 to 2012 digital switchover programme to replace all analogue TV signals with digital signals will continue on a regional basis with support for elderly and disabled people. To continue to receive TV after switchover, viewers will need to have converted or upgraded their TV equipment to receive digital signals.

As noted in the Highlights section of this document, 52,000 homes in the Selkirk area of the Scottish Borders successfully switched over to digital on 20 November 2008. West Country A was the next region to switch, with the Beacon Hill transmitter group serving the Torbay and South Devon area switching on 22 April 2009. This was followed on 20 May 2009 by the Stockland Hill transmitter, which serves Exeter and parts of Devon, Cornwall and Somerset.

At the end of April 2009, 99 per cent of residents of West Country A were aware of switchover, 83 per cent understood what they needed to do for it, and 95 per cent of homes had digital TV on at least one set. The switchover went very smoothly and no significant technical or consumer issues were reported.

The Digital Switchover Help Scheme⁵³ set up by the Government and the BBC offers those aged 75 or over, care home residents, and disabled and visually impaired people practical help to make the switch to digital television on one of their sets. An estimated 7m households will be eligible for help through the switchover period.

The scheme is designed to provide help with converting television equipment to digital – whether terrestrial, satellite, cable or internet television – so that it is accessible by the Help Scheme target groups. For each switchover region there is a competition to provide the basic Help Scheme offer: eligible households can opt for alternative equipment but may need to pay the difference in cost or any continuing subscription.

Progress

The Switchover Programme was subject to an Office of Government Commerce (OGC) Review during March 2009. The Review Team believes the programme to be on track to deliver on time.

- At 31 December 2008, 22.7m households (88.9 per cent) had digital television on their main set and just over 60 per cent of all secondary sets had been converted. See Figure 1.
- There are around 60m television sets in the UK, of which around 25.6m are 'main' sets (which broadly equates to the most-watched set, one in each TV household) and 34.8m are 'secondary' sets (in bedrooms, kitchens, etc).
- The number of TV homes relying solely on analogue terrestrial television for their primary set fell to 2.9m (11.1 per cent). This figure has fallen 2.4 per cent over the year.
- Around 12.5m DTT televisions have been sold, compared to 10.6m in the previous year.
- DTT – or Freeview – is still the most widely-used platform on households' main TV sets, used in around 9.8m homes (38.4 per cent) in the fourth quarter of 2008. The number of homes using DTT on any set in the home reached almost 17.7m (69 per cent in quarter four 2008). See Figure 2.

DSO4: Olympics and sport for young people

The DCMS will deliver a successful and inspirational Olympic and Paralympic Games in 2012 that provide for a sustainable legacy and get more children and young people taking part in high quality PE and sport.

Performance summary:

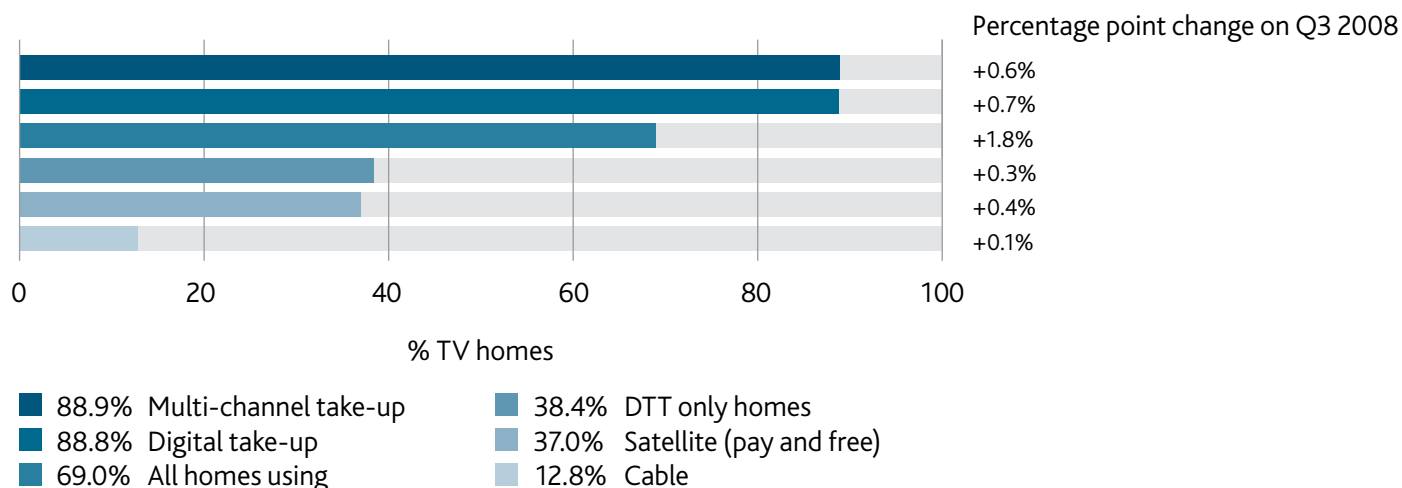
Strong progress

Factual assessment:

Improvement in three out of five indicators, with the remaining two being on track.

The DCMS reports on progress against DSO4, which is almost identically worded to one of the Government's Public Service Agreements (PSA22 – Olympics and PE & School Sport). Both have identical indicators and are reported upon together in the PSA section of this report, which follows.

Figure 1: Multichannel take up at the end of the fourth quarter of 2008
(latest available figures)

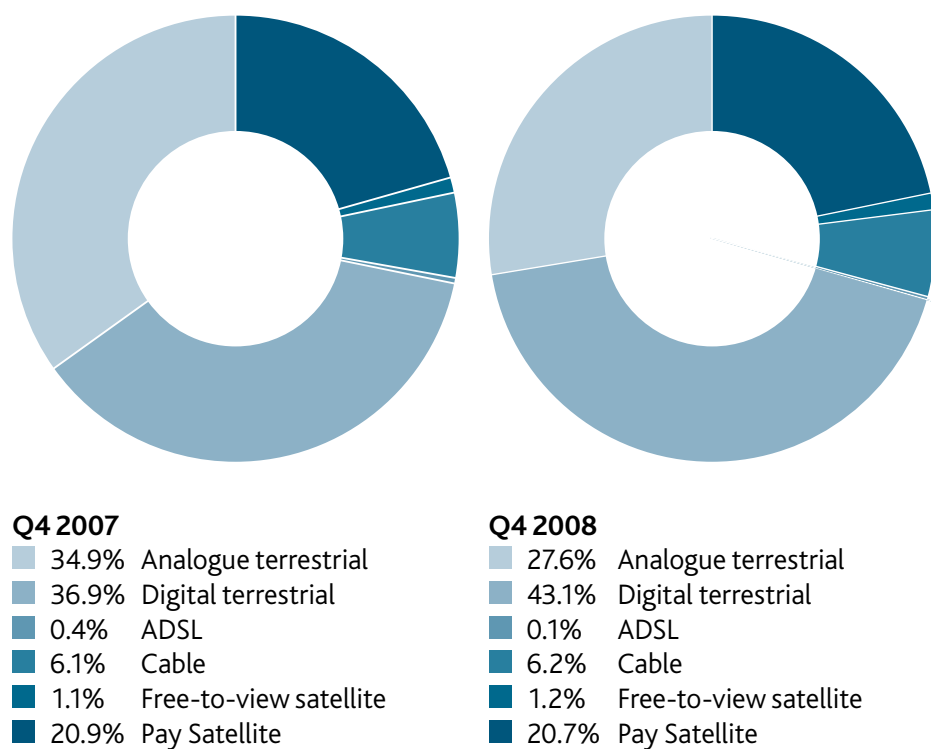


Source: GfK research

Note: TV over ADSL take-up stands at around 0.3%.

ADSL (Asymmetric Digital Subscriber Line) is a system that provides high speed, high bandwidth connections to the Internet, otherwise known as broadband⁵⁴.

Figure 2: Platform shares among all TV sets (latest available figures)
Total TV sets = approximately 60m*



Source: GfK research for both Q4 2007 and Q4 2008

Note: Figures may not add up to 100% owing to rounding.

*Source: Ofcom digital progress report Q4 2008

Public Service Agreements

PSAs set out the Government's aims, objectives and key outcome-based targets. They are agreed with HM Treasury and form an integral part of the spending plans outlined in any Spending Review.

In October 2007, 30 new PSAs were announced as part of the Comprehensive Spending Review 2007 (CSR2007). They set out the Government's highest priority outcomes for the CSR2007 period, 2008–09 to 2010–11. Each PSA has a lead Department, a number of contributing Departments and a Delivery Agreement that sets out plans for achieving its targets (as measured by supporting indicators) and the role of key partners. Further information on PSAs is published on the HM Treasury website at: http://www.hm-treasury.gov.uk/pbr_csr07_psaindex.htm.

As described and set out under Departmental aim and objectives on page 7, the DCMS is leading on one CSR2007 PSA (PSA22) and contributing to six others over the period 2008–11.

Progress towards those PSA performance targets by the DCMS during the year ended 31 March 2009 is set out in the following section – in appropriate detail, depending upon the extent to which DCMS has a lead role. It sets out:

- the DCMS's PSA targets and the latest outturn data as at March 2009
- the performance indicators used to measure progress
- an up-to-date report on performance against each target.

These terms are used to assess progress against the CSR2007 PSA targets:

- **Strong progress:** where more than 50 per cent of indicators have improved
- **Some progress:** where 50 per cent or fewer of the indicators have improved
- **No progress:** where no indicators have improved
- **Not yet assessed:** where 50 per cent or more of the indicators are yet to have even first time data produced on progress.

Annex 1 (page 164) reports on outstanding PSA performance targets from SR2004.

PSA22

Deliver a successful Olympic Games and Paralympic Games with a sustainable legacy and get more children and young people taking part in high quality PE and sport

The Olympic programme covers four key strands:

- Construction of the Olympic Park and venues and related infrastructure
- Staging – to ensure a successful and safe Games in 2012
- Delivery of Olympic legacy programmes
- Preparation for the transformation of the Olympic Park for use post-Games.

Lead responsibility within Government rests with the Government Olympic Executive (GOE), which is within DCMS but reports to the Rt Hon Tessa Jowell MP, in her capacity as Minister for the Olympics.

PSA22 sets out the Government's key objectives and outcomes for the 2012 Olympic and Paralympic Games and for PE and sport for children and young people. These are measured against progress across five indicators set out in the PSA22 Delivery Agreement published in October 2007:

- 1** Construction of the Olympic Park and other Olympic venues to time and budget
- 2** Maximising the regeneration benefits of the 2012 Games (shared responsibility with CLG)

- 3 The Olympic Park and venues are designed and built according to sustainable principles
- 4 Increasing public participation in cultural, community and sporting activities, both across the UK and internationally
- 5 The creation of a world-class system for PE and Sport (DCMS and DCSF lead responsibility and overseen by a joint DCMS/DCSF Management Board⁵⁵).

Performance summary:

Strong progress

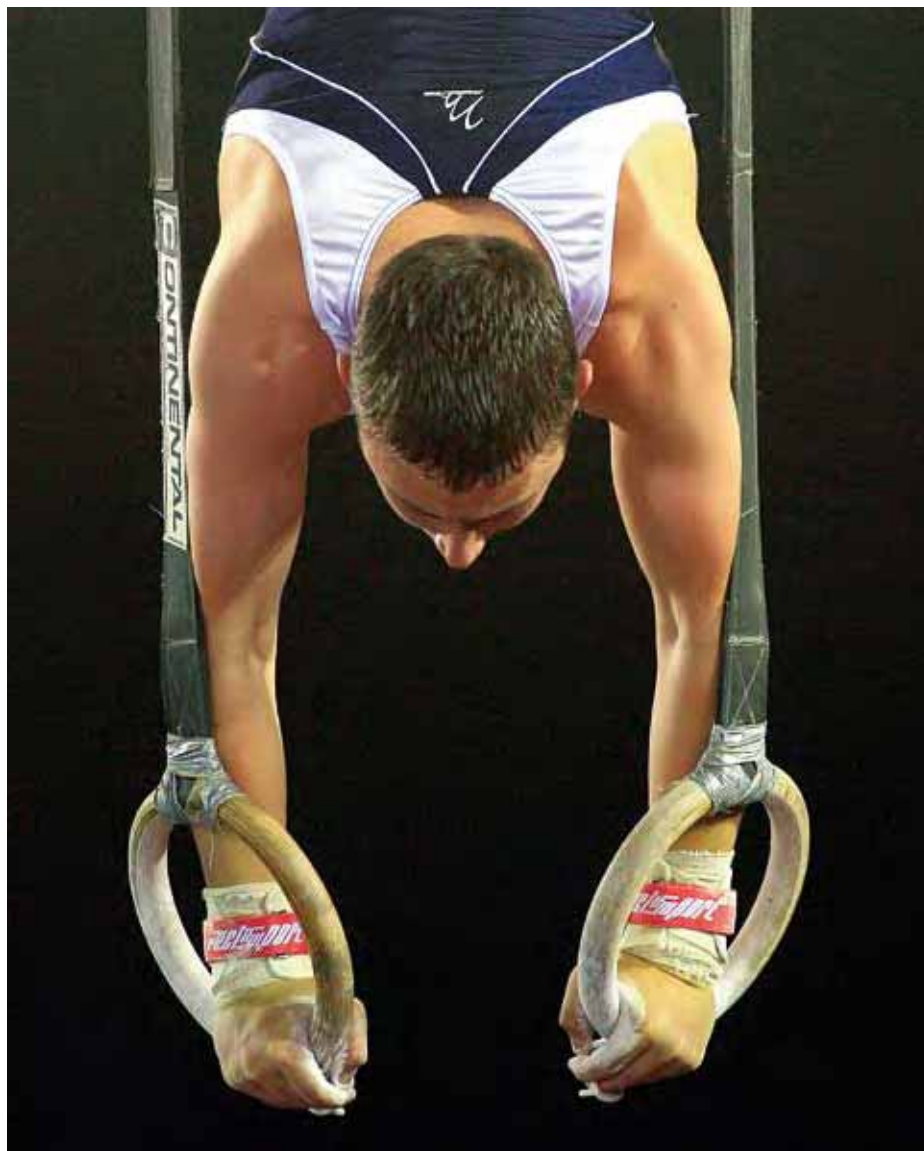
Factual assessment:

Improved performance across three out of five indicators, namely 22.1 (construction of Park and venues), 22.2 (regeneration) and 22.3 (sustainability) – the remaining two indicators are on track.

Overall performance

The build programme is progressing on time and within the agreed public sector budget. As stated, the first key venue (Weymouth and Portland) was completed one month ahead of schedule, in November 2008.

Decisive action has been taken to respond to the changed economic situation by restructuring funding arrangements for the International Broadcast Centre/Main Press Centre (IBC/MPC) and Olympic Village projects to ensure they provide the best value for money. We are well on the way to delivering this major and hugely important construction programme on time and on budget.



Top: A gymnast competing at the UK School Games.

Bottom: An artist's impression of how the Aquatics Centre will look during the London 2012 Games.



Top: An artist's impression of how the Olympic Village will look during the 2012 Games.

Bottom: The steel cross beam is lifted into place on the Aquatics Centre roof in March 2009.

In terms of the work to maximise the 2012 regeneration benefits, we, working with CLG and the GLA, have incorporated the Olympic Park Legacy Company (OPLC) to plan and manage the use of the Park after the Games.

The Legacy Masterplan Framework (LMF) was developed by the London Development Agency (LDA) and public consultations were carried out in Summer 2008 and early 2009. This will be subject to review by the OPLC before the LMF is published.

Performance in terms of sustainability indicators remains strong.

The new PE and Sport Strategy for Young People⁵⁶ is making good progress in delivering against the ambition, announced in August 2007, to increase the number of young people doing five hours of sport per week (three hours for 16–19 year olds).

Performance over the previous CSR period (2005–08) showed a significant improvement in the proportion of children aged 5–16 who do high quality PE and out of hours school sport from 69 per cent in 2004–05 to 90 per cent in 2007–08.

PSA22.1

Construction of the Olympic Park and other Olympic venues to time and budget

Delivery of a world class Olympic Park and associated venues to time and budget is critical to hosting a successful Olympic and Paralympic Games in 2012. The creation of a superb new sporting centre in Stratford will give London the facilities to host the Olympic Games and Paralympic Games in 2012 and will form the core of a sustainable physical Olympic legacy. Much of the construction on the main venues will be completed by 2011 to maximise the time available for testing.

Indicator

Progress is assessed by measuring performance for key construction projects against ODA time milestones and the budget allocations for each project.

Performance

Strong performance in terms of time and budget. All key projects remain on schedule, with the Olympic Stadium and Aquatics Centre ahead of schedule and the power lines project and the sailing venue at Weymouth and Portland both completed on budget and on schedule. Construction of the Olympic Village started in the third quarter of 2008 and work started on the IBC/MPC in Spring 2009. Both projects are on schedule with funding arrangements now in place.

Data source

Monthly reporting to the Olympic Board and Olympic Board Steering Group. GOE provides an assurance and reporting role, monitoring ODA budgets and progress against milestones and controlling access to contingency funding.

PSA22.2

Maximising the regeneration benefits of the 2012 Games

The regeneration of the Olympic site at Stratford provides a unique opportunity to lead the transformation of the heart of East London – an area which includes some of the most disadvantaged boroughs in the UK. One of the key aims of this PSA is to set strong foundations for achieving the long-term objective of regenerating East London.

Indicator

Success as set out in the PSA22 Delivery Agreement means:

- agreeing the Olympic Park management structure by December 2008 and the Legacy Masterplan Framework (LMF) by 2009
- ensuring the LMF plan and programme have identified, and are addressing, the key opportunities which the London 2012 Games present to East London
- ensuring that key infrastructure projects relating to the Olympic Park are completed.

Progress on the key infrastructure projects is measured against milestones and the budget allocations for each project.

Performance

The transport and other infrastructure projects (roads, bridges, power lines etc.) that will transform the site of the Olympic Park for the Games and in legacy are currently on time and budget. The milestones for the development of the LMF – the spatial plan for the development of the Olympic Park legacy – have also been achieved. The OPLC, which will be responsible for planning the Olympic Park legacy, has been incorporated and should be fully operational by Autumn 2009.

Data source (LMF)

Updates from the Park Legacy Team in GOE.

Park Connectivity (measures to enable people to move easily around the Olympic Park and the surrounding area)

Monthly reporting by ODA to the Olympic Board and Olympic Board Steering Group.

PSA22.3

Sustainability

A commitment made as part of London's bid for the 2012 Games was that sustainable principles would be fully incorporated into the design, build and long-term use of the Olympic Park and venues. Many of these measures will be evident in the Olympic Park by 2011.

Consideration of the broad spectrum of sustainability (including climate change, waste, health, bio-diversity and inclusion) at every development stage will mean that the Park will set a precedent for future development schemes across the UK and will showcase the Government's aspirations to design out carbon, minimise waste and water use, generate and efficiently utilise renewable energy, and improve biodiversity and quality of life across the UK for generations to come.

Indicator

As set out in the PSA22 delivery agreement, progress is measured by performance against the five sustainability themes:

Climate change – Progress to achieve a reduction in overall carbon emissions associated with the built environment in the Olympic Park development of 50 per cent by 2013

Waste – Re-use or recycle 90 per cent (by weight) of the materials arising through demolition works on the Olympic Park site

Biodiversity – Minimum target of 45 hectares of new Site of Biological Importance in full Grade 1 equivalent habitat by 2014

Health – The performance rating for this indicator will be based on the ODA target of no fatalities and a rate of one or fewer reportable accidents per million hours worked

Inclusion – Measure, report and track the trends in the changing ODA site workforce for two key groups: black and minority ethnic workers and local workers.

Performance

Strong performance has been made, with progress ahead of the baseline, and a biodiversity sub-indicator (see above) is now in place. The downwards movement in the rating for climate change reflects progress towards the 50 per cent carbon reduction target (which is currently showing a minimum overall 45 per cent reduction in CO₂ emissions). See Figure 3.

Data source (ODA Sustainability Reporting)

Reported on a quarterly basis and reviewed by the new ODA Sustainability Board. The Commission for Sustainable London 2012 (CSL) provides independent assurance of the sustainability of the 2012 Games.

PSA22.4

Increasing public participation in cultural, community and sporting activities, both across the UK and internationally

The Olympic and Paralympic Games will give everyone across the UK the opportunity to take part in a wide variety of Olympic-related events and programmes.

The Government will ensure that everyone, including those in hard-to-reach groups, has the chance to take part in cultural, community and physical activities from 2008 until after the Games are over.

Four of the existing programmes will contribute to this indicator:

- **UK School Games** (DCMS lead) – national annual competition for elite athletes of school age
- **Personal Best** (BIS lead) – targeted at unemployed and hard to reach groups, this programme aims to up-skill participants so that they are equipped to find work, take part in volunteering opportunities, or go on to further training
- **International Inspiration** (DCMS lead) – an international programme to facilitate young people's participation in sport, especially in developing countries
- **Cultural Olympiad** (DCMS lead) – a four year cultural programme celebrating the spirit of the Olympic and Paralympic Games (as described on page 11).

Figure 3: Baseline: RAG status⁵⁷ across the sustainability indicators as at March 2009

Indicator	March 2008	September 2008	March 2009
Climate change	G	G	AG
Waste	G	G	G
Biodiversity	Not rated	Not rated	G
Inclusion	AG	AG	AG
Healthy living	AG	G	G

Figure 4: UK School Games

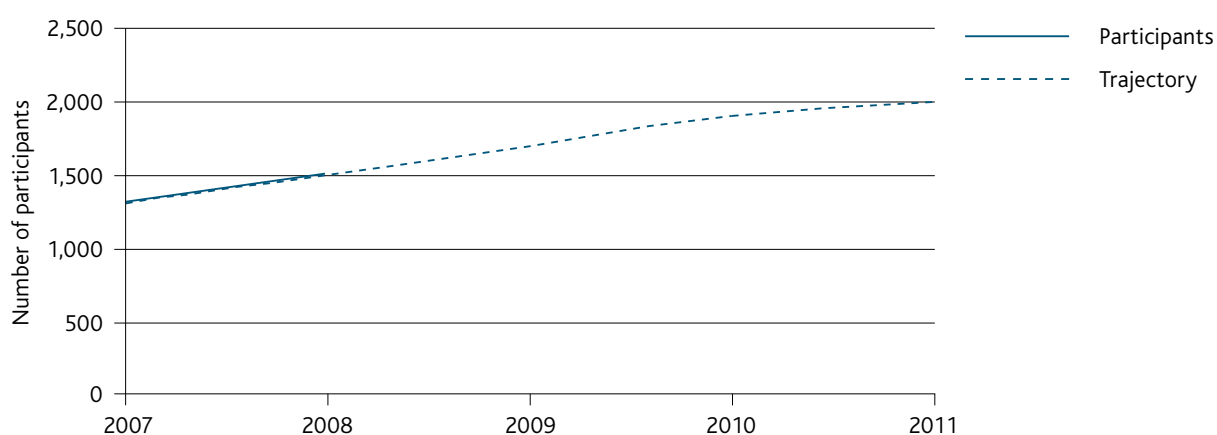
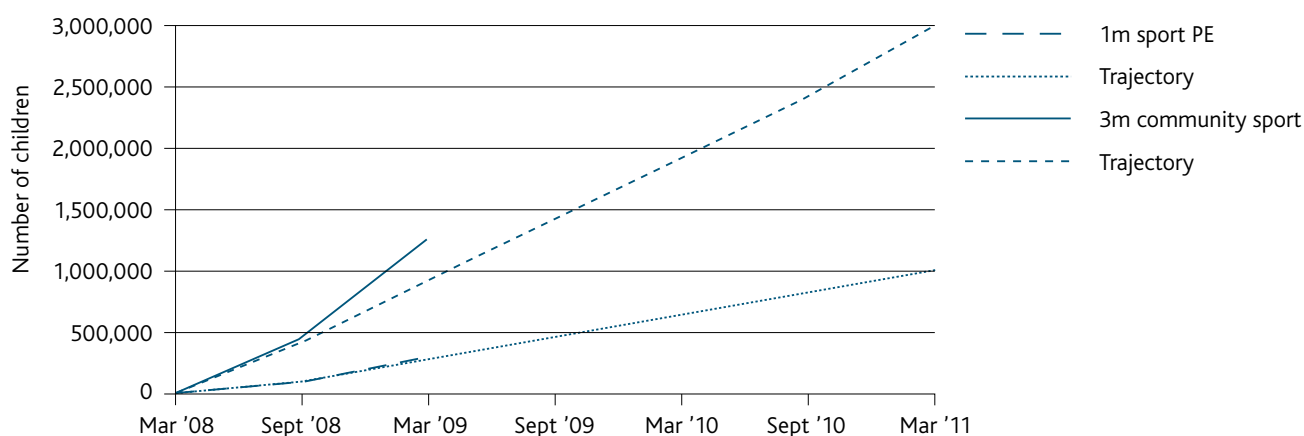


Figure 5: International Inspiration



Consideration will be given to extending the programmes which are reported on through this PSA as the wider legacy participation programmes are developed. This will not, however, cover sports participation which is already measured through PSA21.6 (page 44).

Indicator

Number of people across the UK and in other countries taking part in Government-supported programmes associated with the 2012 Games.

Performance

Some progress made against the success measures, including an increase in participants in UK School Games (see Figure 4, on page 41) and overall 1m children across the world benefitting from the International Inspiration project. See Figure 5, on page 41.

Progress to increasing participation for specific 2012-related activities

UK School Games

Baseline: 2007 performance

Personal Best (London)

Baseline: Nil

Success measure: 20,000 people engaged by 2012

Performance: 875 people engaged, with 844 graduated in 11 boroughs. The Personal Best data reflects performance on the London pilot, conducted in September 2008 by the London Development Agency. The programme is now being rolled out across London and the rest of the country, with launches in North East and South East England later this year. See Figure 4, on page 41.

International Inspiration (Phase 1)

Baseline: Nil

Cultural Olympiad

Baseline: To be developed in the light of participation

Success measure: DCMS and its partners in the Cultural Olympiad are working to define success measures to enable effective evaluation of the programme.

Performance: As mentioned above, the Cultural Olympiad was launched in September 2008, with over 650 events held across the country in celebration. So far, two of the Cultural Olympiad Major Projects (Artists Taking the Lead⁵⁸ and Stories of the World⁵⁹) are underway.

Data sources

Personal Best: LDA

International Inspiration: Delivery Board performance reports against key performance indicators.

PSA22.5

Creation of a world-class system for PE and Sport

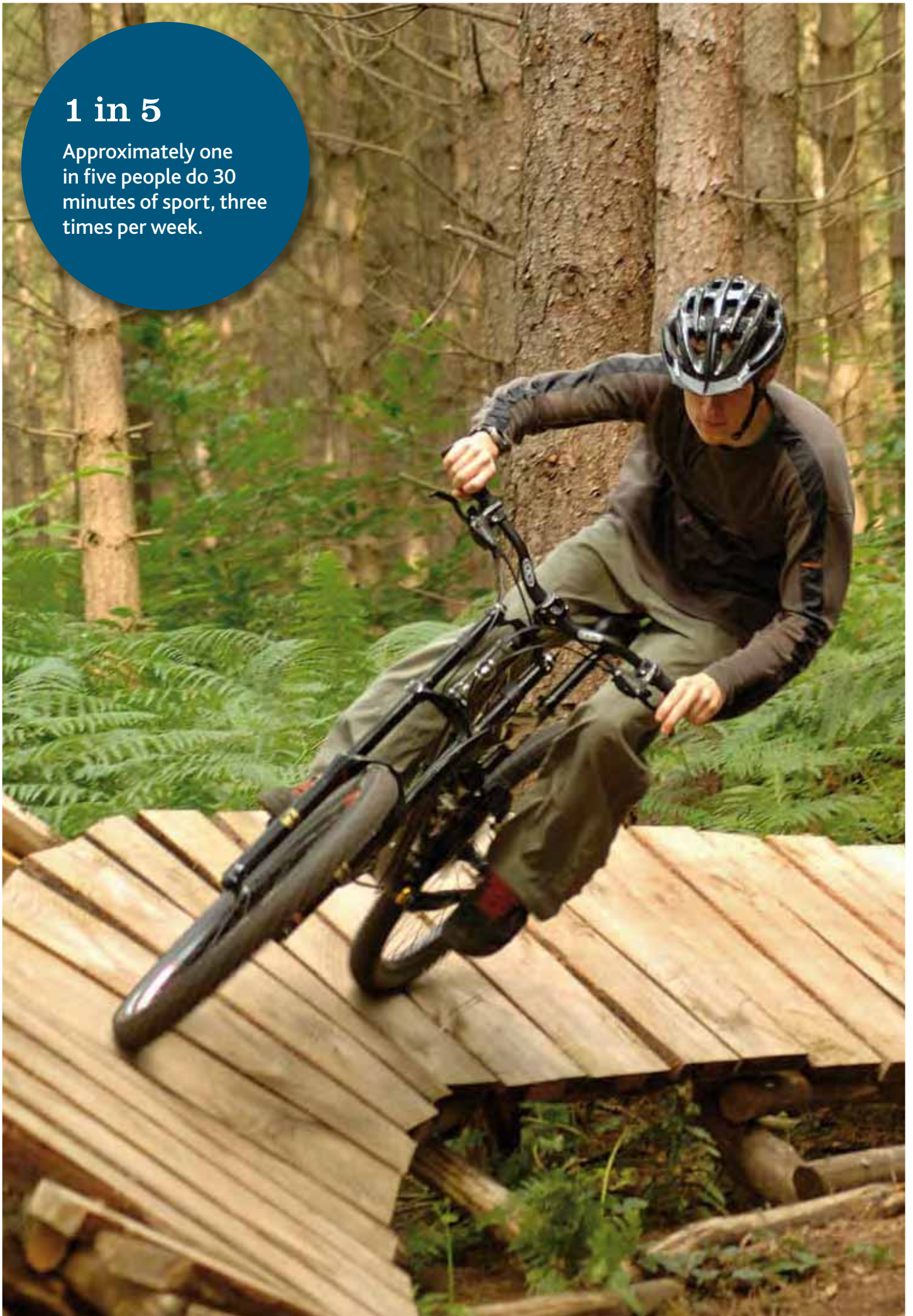
Through the PESSYP programme, the Government aims to improve the quantity and quality of PE and sport undertaken by young people aged 5–19, through schools, further education colleges, clubs and other community providers. Through this strategy, children and young people will be offered up to five hours of quality PE and sport each week to benefit their health and fitness as well as their self-confidence and to improve their wider social skills. The strategy applies to children and young people in England only and is delivered through school sports partnerships supported by the Youth Sports Trust and Sport England.

The new strategy aims to persuade young people (particularly in hard-to-reach groups, such as those with crime/behaviour problems or young people falling outside the education system), to take up the offer and to stay involved long-term. Performance over the previous CSR period (2005–08) shows a rapid increase in the proportion of children aged 5–16 undertaking at least two hours per week of high quality PE and out of hours School Sports from 69 per cent in 2004–05 to 90 per cent in 2007–08.

Opposite: A mountainbiker rides the 'north shore' freeride area in the Forestry Commission's National Pinetum at Bedgebury, Kent.

1 in 5

Approximately one
in five people do 30
minutes of sport, three
times per week.



Indicator

Percentage of 5–16 year old children participating in at least two hours per week of high quality PE and sport at school, and the percentage of 5–19 year olds participating in at least three further hours per week of sporting activities. Our ambition is to continue to raise participation in PE and sport by developing a world-class PE and sport system able to offer all 5–16 year olds five hours of PE and sport per week and all 16–19 year olds three hours of sport per week.

Performance

We have made strong progress, exceeding our targets, against the previous PSA indicators (covering 2005–08), with 90 per cent of children aged 5–16 now doing at least two hours per week of high quality PE and sport.

Data source

DCSF School Sports Survey.

PSA21

Build more cohesive, empowered and active communities

This PSA is led by Communities and Local Government and is about three associated and reinforcing agendas, building cohesive, empowered and active communities:

- which maximise the benefits of diversity rather than fear it
- where individuals are empowered to make a difference both to their own lives and to the communities and wider environment in which they live
- where individuals are enabled to live active and fulfilled lives.

PSA21 is supported by six indicators, of which one (Indicator 6) aims to increase participation in culture and sport.

Active communities are associated with people being able to make the most of their talents and to enjoy the talents of others. The cultural and sporting sectors play a key role in creating active communities, in which people are able to improve their well-being. Participating in culture and sport has a positive effect on community cohesion by enabling people from a broad range of backgrounds to interact on an ongoing and equal basis.

Evidence from the Taking Part survey shows that those people taking part in cultural and sporting events are more likely to know and trust their neighbours. Research has also found that sport and exercise are the single greatest contribution to social participation. The DCMS's recent publication *Lifting People Lifting Places*⁶⁰ discusses this in more detail.

Indicator 6

The percentage of people who participate in culture or sport

We have chosen to define success against this indicator as a statistically significant increase in the percentage of adults engaging in **two or more** different cultural or sport sectors. Engagement has to reach the following sector thresholds:

- 1** Used a **public library service** at least once in the past 12 months
- 2** Attended a **museum, gallery or archive** at least once in the past 12 months
- 3** Engaged in the **arts** at least three times in the past 12 months
- 4** Visited at least two **historic environment sites** in the past 12 months
- 5** Participated in 30 minutes of **sport and active recreation** on three or more days in the past week.

This indicator is delivered through a number of our NDPBs, including:

Sport England focuses on delivering three strands of work: 'grow', 'sustain', and 'excel'. The 'grow' element is specifically aimed at getting a substantial – and growing – number of people across the community playing sport. The commitment is for 1m more people doing sport by 2012–13, much of this will be achieved within the Indicator period. One example of how this will be achieved is through the free swimming programme for the over 60s.

Arts Council England invests in a portfolio of about 880 arts organisations which make up the backbone of the arts in England and account for around 36m attendances at arts events each year. These organisations play an important role in raising levels of engagement in the arts and will deliver programmes such as *A Night Less Ordinary*⁶¹, which will see over 600,000 tickets given away to those aged up to 26.

Museums, Libraries and Archives Council's Renaissance in the Regions programme⁶² is continuing to increase the capacity of regional museums, helping them to raise their standards and deliver results in support of education, learning, community development and economic regeneration. One of the aims of Renaissance is to increase public engagement in museums. *The Library Action Plan 2008–11*⁶³ includes work streams to support library authorities in sustaining and increasing levels of library use.

English Heritage is seeking to increase levels of participation in the historic environment. *One of its projects* is *Heritage Open Days*⁶⁴, which attracts up to a million visitors each year in response to the offer of free access to properties, which are normally closed to the public or usually charge an admission fee.

The Department will also work with local government and the third sector as they play a crucial role in delivering this indicator, as well as building links with other government departments with supporting agendas – for example working with CLG to understand and build on the contribution participation in our sectors can make to community cohesion.

Performance

Not yet assessed.

This will be measured by using the level of change recorded by the Taking Part survey, comparing the final baseline set in 2009 with the final survey estimate in 2011. The minimum movement required for a statistically significant change is two percentage points.

In April 2009 we reported an interim baseline of 66.8 per cent using data collected from the first six months of the baseline period (April–October 2008). Further baseline data was collected during the remainder of 2008–09 and will be published in Summer 2009, when the final baseline will be set. Interim progress will be considered in Summer 2010 with the final assessment published in Summer 2011.

Since this new target was agreed a programme of work has been launched to build the evidence base around engagement. With over three years worth of data now available, the Taking Part survey has become a valuable resource from which to mine evidence. This has included modelling the data to uncover which factors are most influential in raising engagement as well as detailed analysis on the trends and patterns of engagement over time.

Another major success has been getting cultural activities included in the local authority National Indicator Set (NIS)⁶⁵, of which DCMS owns four indicators, three of them cultural: NI 9 (Use of public libraries), NI 10 (Visits to museums and galleries) and NI 11 (Engagement in the arts). In December 2008 the first robust data was published showing levels of cultural engagement at the local level. Work is now ongoing to build on this and increase the number of local authorities including culture as one of their priorities during the next round. This work is central to the success of PSA21 as most engagement happens at a community level.



Top and bottom: The Lightbox in Woking won The Art Fund Prize for museums and galleries in 2008. Marilyn Scott, Director of The Lightbox, said: "Winning is beyond our wildest dreams... but it is incredible how much of an impact The Lightbox has had on the local community and the wider south east..."



The CASE programme is another key development during this period. This is a joint DCMS/NDPB venture which aims to address key issues facing the Department. One of its first projects is a systematic review of the evidence on engagement. The outcome of this will be a conceptual framework on which to build future models and policies of engagement.

Performance on PSA21, Indicator 6 is monitored by a board of senior representatives from across the DCMS and its NDPBs. Meeting quarterly, the board has made significant progress in understanding the challenges and opportunities presented by this target. This includes the board commissioning work to examine potential synergies with local authorities, voluntary bodies and other government departments. One outcome is that we are building our evidence base on the mental health benefits of cultural activities. This can then be used to strengthen relationships, for example with the Department of Health and Strategic Health Authorities.

The Department has also made significant progress in building links for joint working with the CLG who lead on the overall target. The two departments are currently discussing opportunities to join up work on cohesion as well as examine where we might be able to combine efforts at a local level.



Top: Behind-the-scenes at Aardman Studios in Bristol for the making of the Department of Health TV adverts to promote the Change4Life campaign.

Bottom: Free Swimming was launched in April 2009 by the then Secretary of State Andy Burnham, with help from top swimmers Mark Foster and Heather Frederiksen.

Other PSAs

In addition, the DCMS's work contributes to the following PSAs led by other Government departments:

PSA1: Raise the productivity of the UK economy⁶⁶

The Creative Industries make an important contribution to the UK's economy – the creative industries economic estimates⁶⁷ published in January 2009 highlighted that they accounted for 6.4 per cent of the UK's Gross Value Added, or around £60bn, in 2006. In addition to the work done through our NDPBs, DCMS has also led on:

- the implementation of the Creative Britain strategy, a joint strategy with BIS
- the *Digital Britain* report, which seeks to secure Britain's place at the forefront of the global digital economy, also a joint report with BIS.

PSA12: Improve the health and wellbeing of children and young people⁶⁸

The participation of children and young people in physical activity is a key part of improving their health and wellbeing. This also forms a key part of PSA22. The Taking Part Child Survey (2007)⁶⁹ reported that three quarters (75 per cent) of all children had participated in an active sport outside school lessons in the past week – of those, the average number of days on which they had participated for at least an hour was three days. In addition to the work done through our NDPBs to support the anti-obesity programme led by the DH and the DCSF, DCMS has also led on:

- Restricting broadcast advertising of high fat, salt, sugar foods to children and
- Free swimming for young people under the age of 16 in England

PSA14: Increase the number of children and young people on the path to success⁷⁰

Increasing young people's participation in positive activities is one of the indicators for this PSA, and we are key delivery partners for it. Engagement in sports and arts activity makes a significant contribution to providing positive activities for young people and keeping them on the path to success. Our sectors offer a range of cultural opportunities for young people in museums, galleries and arts organisations. In addition, we launched the Find Your Talent Programme⁷¹ earlier this year.

We also work with the DCSF to support the delivery of the PE and Sport Strategy for Young People which aims to create a world-class system of PE and sport for all children and young people aged 5–19.

PSA15: Address the disadvantage that individuals experience because of their gender, race, disability, age, sexual orientation, religion or belief⁷²

The work undertaken and reported earlier in this document under DSO1 (Opportunity) and DSO4 (Olympics) sets out our main contribution to this PSA.

PSA20: Increase long-term housing supply and affordability⁷³

All communities, particularly those experiencing housing-led growth and regeneration, can benefit from cultural and sporting opportunities. DCMS is keen that culture is embedded in the development of our villages, towns and cities alongside other key areas of provision such as healthcare and transport. In addition to the work done through our NDPBs to support the role of culture in communities, we work closely with CLG and lead on:

- Living Places – a programme based on an agreement with five national cultural agencies that aims to ensure that all communities can benefit from cultural and sporting opportunities.
- Sea Change – a programme that aims to drive cultural and creative regeneration and economic growth in seaside resorts (see page 11.)

Value for Money Programme 2008–11

Building on the achievements of the SR2004 efficiency programme, the Government has developed a more ambitious and far-reaching Value for Money (VFM) programme for the CSR2007 period (2008–11) – releasing the resources needed to sustain the pace of public service improvement and meet the global challenges of the decade ahead.

DCMS will build on its success in delivering efficiencies by meeting its agreed CSR2007 VFM programme target of £168m by 2010–11⁷⁴. DCMS itself will make annual reductions of 5 per cent in its administration spending. However, as the great majority of DCMS funding is channelled through its NDPBs, most of the VFM savings will be delivered through them.

DCMS has worked closely with its NDPBs to identify suitable savings. All NDPBs in receipt of a resource Grant-in-Aid of more than £3m (as at 2007–08) from DCMS are contributing to delivery of the 3 per cent VFM savings. Relevant NDPBs have VFM plans, setting out how they expect to make savings over the CSR2007 period. These plans are revisited and updated periodically to ensure they remain accurate and realistic.

Performance to date

Achieved: £52.2m as at 31 March 2009

Savings are reported as cash-releasing, calculated net of implementation costs, and are sustainable.

Figure 6 shows the latest progress against the savings target. At this stage of the VFM programme, and in light of plans in place, DCMS is in a good position to meet its cumulative savings target for the CSR2007 period.

Although the DCMS programme is at an early stage, some significant VFM savings have already been achieved. For example:

- Sport England has realised VFM savings of £1.1m following renegotiation of its Leisure Connection contract, which has reduced operating costs; it has also made £350k administrative savings through rationalisation of outsourced contracts and improved cost controls.
- UK Sport has made almost its entire £579k savings by reorganising its corporate services roles (expanding its in-house legal team, merging two senior financial posts and retendering its internal audit function) and by benefiting in kind from the free provision of external research and development technical expertise.

Figure 6: VFM progress against savings target

£m	Savings achieved as at end Q4 2008–09	DCMS agreed target 2008–09
Internal DCMS	–	
Capital savings	–	
NDPBs – <i>of which</i>	50.8	
– museums and galleries	15.2	
– strategic bodies	35.6	
Total savings	50.8	48

Note: The target was for total savings only.

- MLA has reduced the cost of its regional footprint by £2.2m by closing down eight independent agencies and replacing them with its own field team, resulting in savings in operating and administration costs – the saving in administration costs alone came in at £0.8m.
 - The foyer at Imperial War Museum North's visitor entrance area was reconfigured – this improved the visitor welcome experience, involved relocating the shop and learning areas, and enabled a reduction of two posts; visitor footfall has increased, as have retail takings and profit, with total savings this year assessed at £31k.
 - The Royal Armouries has implemented targeted initiatives stemming from working closely with DCMS and the Carbon Trust – these have reduced electricity consumption by 12 per cent, contributing towards an overall saving of £12k.
 - The National Gallery has generated procurement savings through actively reviewing the market across a range of activities; it has also brought its website hosting in-house and these targeted actions have resulted in savings of £39k.
 - English Heritage has achieved £1.54m savings from various estate management initiatives, such as relocation of staff from London, restructuring its facilities management and reducing rent and rates.
- Future plans**
- Following the initial collection of VFM savings data, our NDPBs have considered the next two quarters and now have plans in place to build on progress to date. For example:
- The Imperial War Museum has developed an Environmental Strategy for Sustainable Development, making cash savings particularly through improved energy efficiency and reduced consumption; it will also continue to review procurement (across all goods and services at all branches), and seek where possible to streamline the number of suppliers used.
 - English Heritage is looking to achieve savings through restructuring and rationalisation of Research & Standards working practices and development of IT systems solutions.
 - The organisational restructure in Sport England following its strategic review⁷⁵ (June 2008) is expected to deliver savings over the course of 2009–10.
 - As one part of its VFM Programme the British Library is seeking to make savings in its acquisitions expenditure by cancelling low use journals, moving to e-journals and re-tendering major book contracts.
 - The National Gallery will cut the costs of its exhibition programme by introducing free summer displays in its exhibition space, instead of international loan shows – this will generate significant savings in picture transportation and design and marketing costs.
 - The National Portrait Gallery is looking at sharing storage space with the Tate with the intention of achieving cheaper storage costs.
 - The winding up of the Regional Cultural Consortiums is likely to deliver savings over the course of 2009–10 and beyond.
- The Department will also be working with its NDPBs over the course of the year ahead to review the savings delivered over the first year of the programme. This has the explicit intention of ascertaining and sharing best practice, as well as challenging organisations to be more radical in identifying plans for VFM savings in future years.

Page 50: As part of the European Capital of Culture 2008, Liverpool welcomed *La Princesse*, a 15m high mechanical spider for a weekend in September.

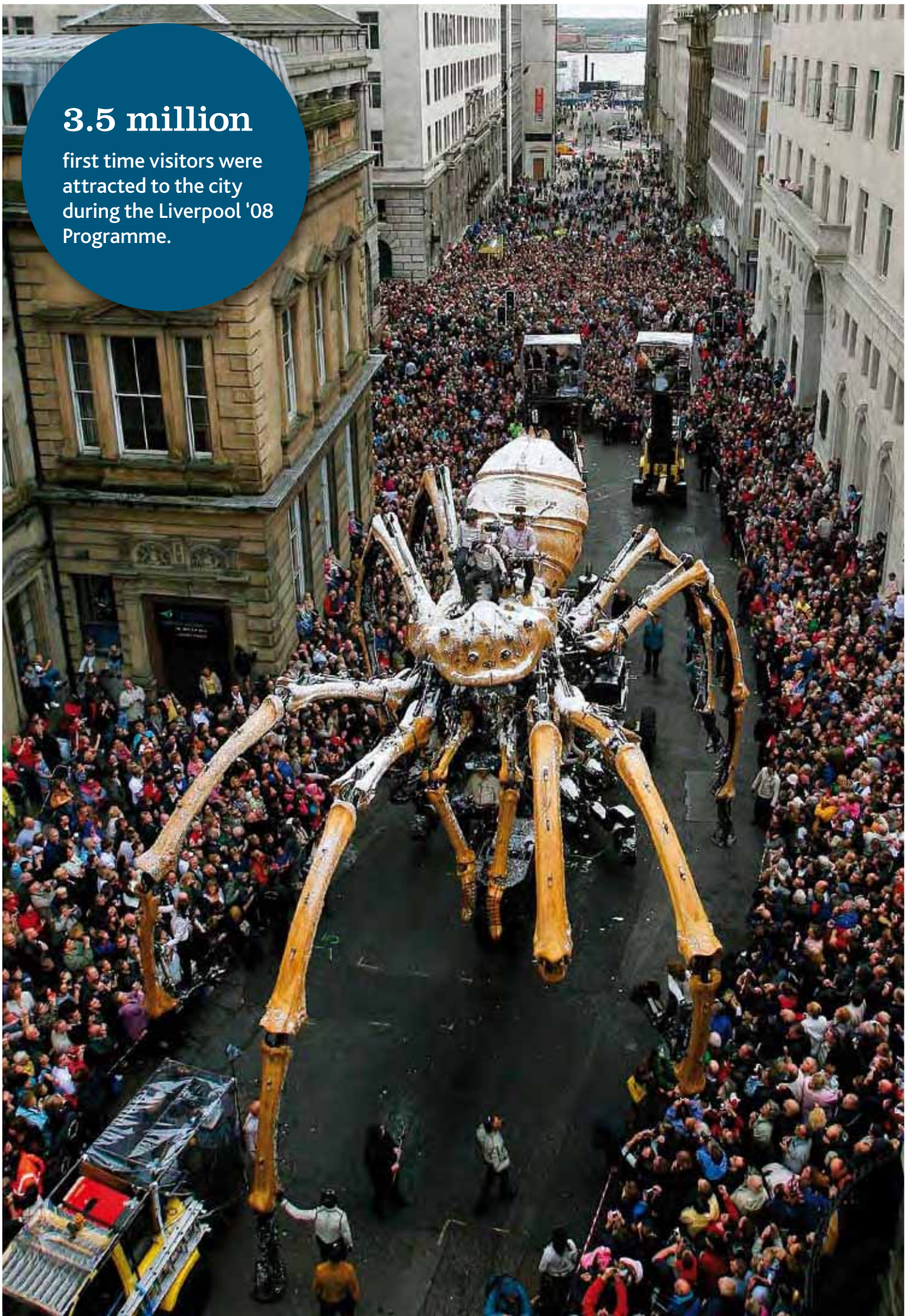
Page 51 left: Engaging Places is a resource to support teaching and learning through buildings and places. Commission for Architecture and the Built Environment (CABE) in partnership with English Heritage, run the initiative for school children, young people and teachers.

Top: Sport England creates opportunities for people of all ages and abilities to play sport in every community.

Bottom: Digital UK is the independent, non-profit organisation set up to lead digital television switchover in the UK – the biggest change in broadcasting since the introduction of colour.

3.5 million

first time visitors were
attracted to the city
during the Liverpool '08
Programme.




MANAGING RESOURCES




Organisation chart

Rt Hon Tessa Jowell MP
Minister for the Cabinet Office,
the Olympics, London and
Paymaster General




Siôn Simon MP
Minister for Creative Industries

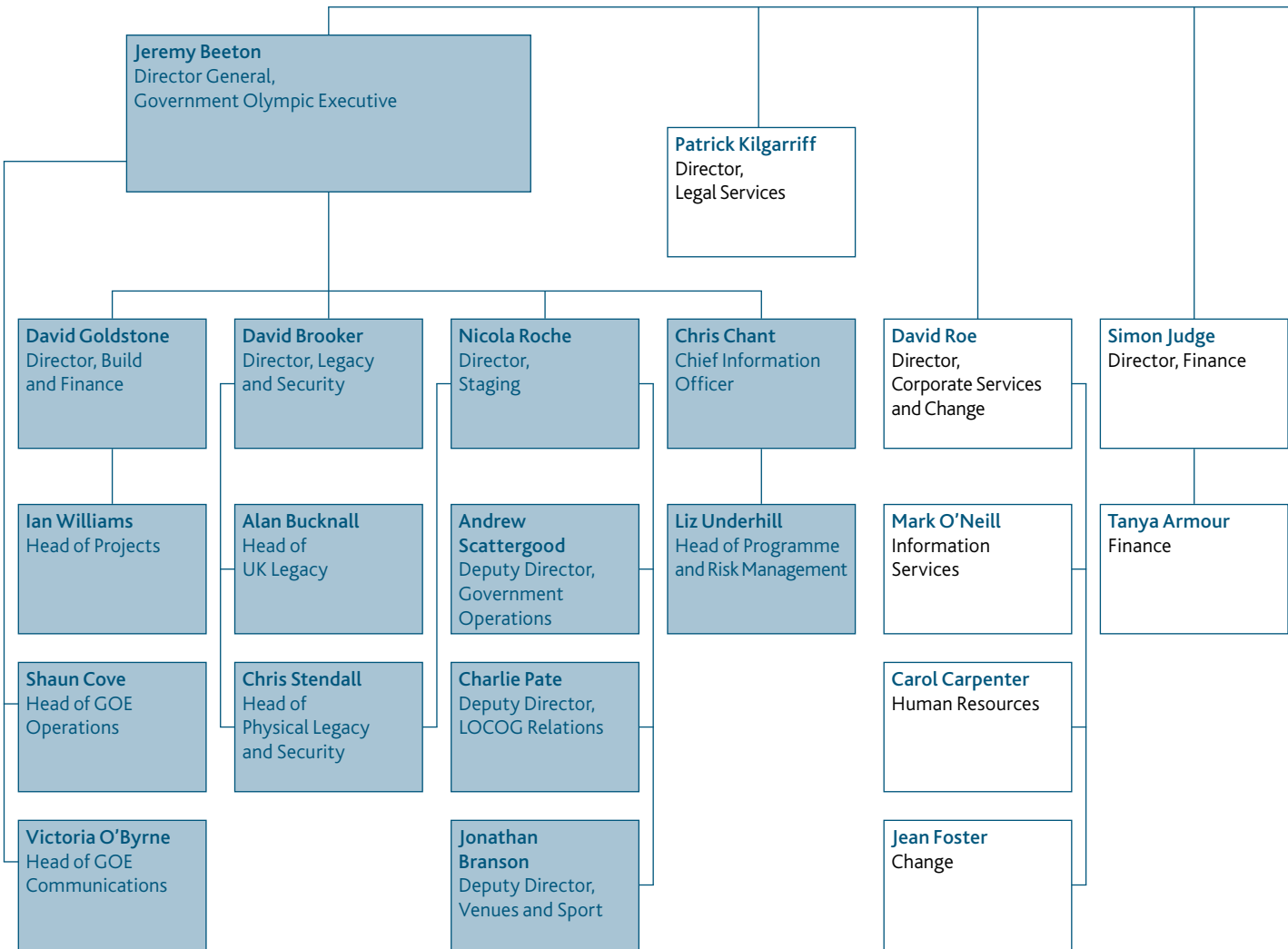


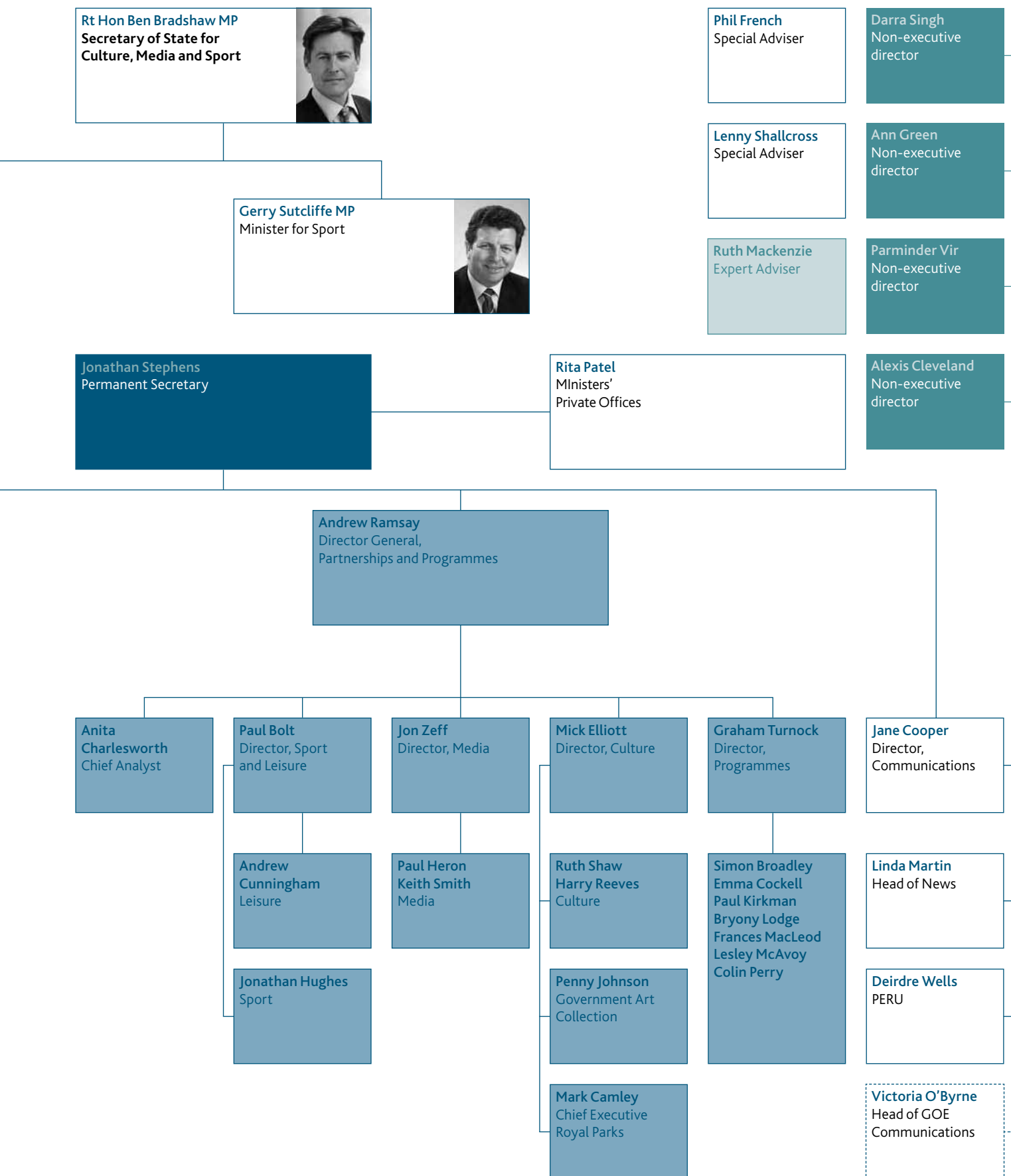
Barbara Follett MP
Minister for Culture
and Tourism



Stephen Carter CBE
Minister for Communications,
Technology and Broadcasting
(shared with Department
for Business, Innovation
and Skills (BIS))







Transformation

In response to the DCMS Capability Review published in 2007⁷⁶, we embarked on a change programme to enable us to be more focused, flexible and influential as a Department.

The first phase of the change programme saw the restructuring of DCMS to:

- enable more cohesive working and better delivery of our priorities
- increase effective use of evidence and analysis when making policy
- move towards a more strategic relationship with NDPBs, with the use of risk-based Funding Agreements.

We also developed new ways of working including: producing maps for our key processes; setting up a new approach to managing and resourcing our priority projects; and developing strategies for engagement with our sectors and other government departments.

The current phase of the change programme has focused on reforming our corporate services. During 2008–09 we have undertaken a major restructure of the teams and have started to introduce new processes and ways of working, in particular a new HR IT system – Oracle (to be rolled out in Summer 2009) and a new draft Partnership Agreement, which sets out how Corporate Services and the rest of DCMS work together.

The Cabinet Office also held our two-year Capability re-Review in March 2009⁷⁷.

The re-Review found the DCMS had made good progress on:

- successfully transforming its capability on the delivery of key projects, including the Olympics and Digital Switchover
- improving the way it works internally by agreeing shared priorities with Ministers
- improving the use of evidence and analysis
- introducing flexible resourcing and robust programme and project management
- making tangible progress in focusing and strengthening external relationships with NDPBs, Whitehall departments and regions and local authorities.

The re-Review also signalled some areas where more needs to be done to improve how things work, including:

- improving internal leadership and management
- improving how teams work together in the new structure
- continuing the transformation of corporate services.

In 2009/10 the next phase of the change programme will focus on addressing these issues. Alongside this we will continue to embed the new ways of working and to engage effectively with staff, and across our sponsored bodies.

Strategic risks

The DCMS follows Treasury and best practice guidelines in the management of the risks it faces in the course of achieving its objectives. The Board regularly reviews the strategic risks that have been identified and managed within the Directorates of the Department. Not all risks are within the control of the Department and other factors, besides those listed below, may adversely affect the Department's outcomes.

For example, the ability of the Department to react quickly and effectively to major disasters and other unexpected events is a key risk both in terms of the event itself and consequent impacts. Lessons have been learned from previous major incidents. Action plans have been put in place, and are regularly reviewed to ensure their continuing effectiveness.

We encourage our staff to be vigilant against the possibility of fraud and have a whistle-blowing policy and systems to prevent fraud.

To ensure a successful transition is made from analogue to digital broadcasting within the published timeframes, we have worked with strategic partners to address known concerns and identify new issues. The project is subject to regular gateway reviews at key points in line with best practice. The initial switchovers have been successful, as set out earlier in this document.

Public bodies

We are continuing to develop the more strategic, risk-based relationship recommended by our Capability Review. Our Advisory Board of NDPB representatives is addressing strategic, cross-cutting issues such as how DCMS sectors should respond to the economic downturn.

At the same time, we are looking for ways to reduce the number of checks that lower-risk bodies are subject to and the amount of paperwork that they have to submit. We are reviewing our approach to central scrutiny of capital expenditure with the Treasury, with a view to using our new Investment Committee to take a more risk-based and strategic approach. That will enable us to provide better support and certainty to bodies with planned capital projects. We have exempted smaller NDPBs from returns such as the Country and Regional Analysis exercise and are continuing to consider other improvements that can be made without jeopardising accountability and risk management. Our regular survey of NDPBs indicates that the response to these developments has been positive.

As at 31 March 2009, DCMS was responsible for 54 public bodies that help to deliver the Department's strategic aims and objectives, and we also share responsibility for Ofcom with BIS. These comprise: three public corporations, two public broadcasting authorities, one executive agency (The Royal Parks), 46 NDPBs (35 executive NDPBs, 10 advisory NDPBs and one Tribunal NDPB), plus two unclassified bodies who receive Exchequer funding (Royal Household and Churches Conservation Trust). Over 95 per cent of our expenditure is channelled through these bodies and details of their Grant-in-Aid expenditure are provided on page 62.



Top: Youth dance group 'Being Frank' performing at the Peacock Theatre, London, as part of Youth Dance England's National Youth Dance Festival in July 2008.

Bottom: Newlyn Art Gallery in Cornwall was shortlisted for the Better Public Building award in 2008. The new extension and remodeling of the existing gallery by MUMA opened in 2007.



The number of executive NDPBs that DCMS sponsors decreased to 35 during the year with the winding up of the Regional Cultural Consortiums. The Consortiums had contributed strongly to putting culture, media and sport on the agenda in the English regions, and built up good partnerships. On 2 July 2008 DCMS announced changes to the way we are organised within the English regions. The four DCMS bodies which have the most significant regional presence (ACE, Sport England, English Heritage and the Museums, Libraries and Archives Council (MLA)) were asked to work more closely together where joint action is needed. Working with key partners, such as local authorities and the Regional Development Agencies, they agreed shared priorities and an action plan for each region, and identified a director to lead in each region. With this all in place, the eight Regional Cultural Consortiums were wound up.

Our public bodies spend public money, from the Exchequer or from the National Lottery, and are therefore accountable to the public, Ministers and Parliament. While they should have a large measure of freedom to determine how they operate, they need to do so within the framework of policies and priorities developed by the sponsor department and agreed by Parliament.



Top: In July 2008, the Government Art Collection purchased a wall mounted sculpture *Related Faction* (2008) by Liam Gillick.

Bottom: Originally built in the 1930s, The Midland Hotel in Morecambe was re-opened in June 2008, by Urban Splash. Partners in the refurbishment included Lancaster City Council and English Heritage.

That framework is encapsulated in the following key documents, one or more of which apply to most of our bodies:

- Departmental Strategic Objectives (DSOs) and Public Service Agreements (PSAs) set the broad objectives for the Department and are described on pages 30–47.
- The Funding Agreement explains what each body will deliver for the public funding allocated to it, why that is relevant (including any tie in with DCMS DSOs and/or PSAs), and the broad strategy and key activities that will deliver the outputs. The Agreement is signed by an appropriately senior member of the body and official or DCMS Minister.
- The management statement and financial memorandum sets out the rules and guidelines that a public body should observe in carrying out its functions; it is reviewed periodically, but the content remains fairly constant.
- In the case of the National Lottery distributing bodies, policy and financial directions and a statement of financial requirements set out rules on the treatment of Lottery proceeds, particularly where this differs from the treatment of Exchequer funds.

All the public corporations, public broadcasting authorities and executive NDPBs are required to produce annual reports and accounts⁷⁸ that are either presented to Parliament or placed in the Library of the House of Commons.

We share responsibility with BIS for Ofcom (a public corporation) and the Design Council (an executive NDPB). Further information on these bodies can be found on the BIS website⁷⁹.

DCMS provides an annual grant of £16.1m to the Royal Household for the maintenance of the Occupied Royal Palaces, for royal communications and information and for the maintenance of Marlborough House. The Occupied Royal Palaces are the palaces currently used by The Queen or members of the Royal Family⁸⁰. These are:

- Buckingham Palace
- Windsor Castle
- St James's Palace
- Clarence House
- the residential areas of Kensington Palace.

Finally, DCMS also provided grants to a number of other organisations in 2008–09 – they are listed in the management commentary to the resource accounts.

Local government and the regions

The Department has also stepped up its engagement with the regions and local government, recognising the importance of local delivery for communities. We will continue to support the improvement of local authority culture and sport services by playing an active role in the Improvement Programme, which aims to support local government as 'leaders of place', working with their local partners to deliver better outcomes and improve the quality of life locally. Progress made thus far and the support still available for authorities is set out in *A Passion for Excellence: One year on*⁸¹.

The Department, along with its NDPBs, will drive forward the Local Government Performance Framework, including the delivery of the Department's four indicators within the National Indicator (NI) Set for local government:

- NI 8: Adult participation in sport and active recreation
- NI 9: Use of public libraries
- NI 10: Visits to museums and galleries
- NI 11: Engagement in the arts.

Targets have been agreed with local authorities for these indicators and we will support projects that help councils to drive up their participation rates.

Using the Department's new approach for working in the regions, we are developing new initiatives with our agencies and regional bodies. The role culture, media and sport can play in stimulating wider improvement and economic benefits will be fully encompassed in the proposed new integrated regional strategies when discussions take place between the RDAs and our lead regional directors.

Regulatory reform

The Government is committed to reduce regulatory administrative burdens on business by 2010 via a programme of work that delivers savings but does not affect the purpose of the regulation in any way. In 2005, DCMS's annual administrative burden was calculated as £343.3m. DCMS committed to a stretching target of reducing these burdens by 30 per cent between 2006 and 2010, while at the same time strengthening its internal evidence and analysis capability.

During 2008–09, the DCMS continued to relieve unnecessary pressures on business through a series of Legislative Reform Orders under the Licensing Act 2003 and Gambling Act 2005, which in themselves were major pieces of regulatory reform. By 2008, DCMS had reduced its administrative burdens to £187.2m, representing a 43 per cent reduction and delivering significant cost savings for business. There are further simplifications on track to be delivered before 2010.

DCMS continues to build its capacity to promote better regulation and generate accurate and informed impact assessments. We are planning a series of training workshops to expand this capacity to enable it to move forward its better regulation proposals. DCMS is working together with BIS to give feedback on its growing experience of processing Legislative Reform Orders. Lessons learned will be incorporated in BIS's updated guidance for government officials, sharing best practice across Government.

Consultancy, publicity and advertising

Consultancy spend for 2008–09 was £1.2m against a budget of £1.6m.

Publicity and advertising spend for 2008–09 was £0.7m against a budget of £0.8m.

Correspondence

All Government departments have correspondence targets. DCMS aims to reply to all correspondence within 20 working days, and performance is regularly monitored, with the results published annually in Parliament and on the Cabinet Office website.

In the 2008 calendar year the DCMS received 3,949 letters from MPs and Peers that required a response, of which 2,296 (58.1 per cent) were answered in full within 20 working days. We also received 8,995 letters and other communications from the public that required an official response and answered 7,583 (84.3 per cent) of them in full within the target.

In 2008 our performance was lower than in previous years, due to restructuring within the Department. We are currently reviewing procedures to enable performance to return to more responsive levels.

Sustainable development

DCMS continues to make progress in embedding sustainable development into all parts of the Department, including raising efficiency in our office estate.

Our main strategic focus remains climate change. This year we have reduced our carbon footprint by installing new boilers and more energy efficient lighting. We extended the process of establishing how the changing weather might affect the culture and leisure sectors by commissioning some original research to build on the findings of the academic literature review we carried out last year.

Our NDPBs are making impressive advances in improving their sustainability. They are using their outreach to reinforce the message to citizens in many and sometimes quite subtle ways. For example, the National Portrait Gallery now has strategically placed notices asking visitors to put their unwanted leaflets or other recyclable pieces of paper in a conveniently placed bin. The bins also meet the high aesthetic standards required of an art gallery. Similarly, The Royal Parks has bins specially designed to blend with their surroundings.

A Sustainable Development Action Plan covering the period April 2008 to March 2011 (SDAP08) was published in August 2008. This document covers policy, operations and engagement with NDPBs and will remain in force until the end of March 2011. SDAP08, and advice and case studies drawn from our sectors are all available on www.culture.gov.uk/working_with_us/sustainable_development with links to other relevant areas of the Department including tourism and procurement.

Health and safety

During the year the Department revised its Health and Safety Policy, which was launched on 2 November 2008 with a Health and Well-being Day. Included were stands on healthy lifestyle and a health MOT, plus there was representation from Benenden Healthcare.

The Department continues to build upon improving its First Aid provision by providing two defibrillators for use in the case of cardiac arrest. There is an ongoing programme to train and recruit first-aiders, fire wardens and staff trained in the use of the defibrillators.

The Health and Safety Committee continues to meet four times a year. It has representation from staff and trade unions. As part of its ongoing work it reviews the Department's overarching Health and Safety Risk Assessment on a quarterly basis.

Public Accounts Committee recommendations

In line with best practice the Department reports on progress its arm's length bodies have taken in response to all current and outstanding PAC recommendations received by the end of the reporting year.

That progress is set out in detail in Annex 2 and relates to the following reports:

Session 2007–08: Twenty-Eighth Report of 2007–08 – Government preparations for digital switchover (HC416)⁸²

Session 2007–08: Forty-Second Report – Preparing for sporting success at the London 2012 Olympic and Paralympic Games and beyond (HC 477)⁸³

Session 2007–08: Fiftieth Report – Preparations for the London 2012 Olympic and Paralympic Games (HC 890)⁸⁴

Session 2007–08: Forty-Ninth Report – Making grants efficiently in the culture, media and sport sectors (HC 641)⁸⁵

Unless indicated, the Department does not consider there to be any outstanding actions.

Account reconciliation

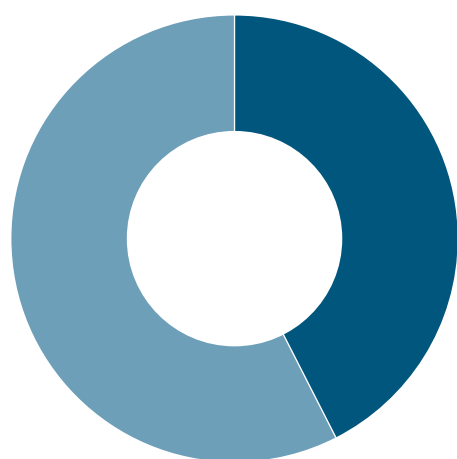
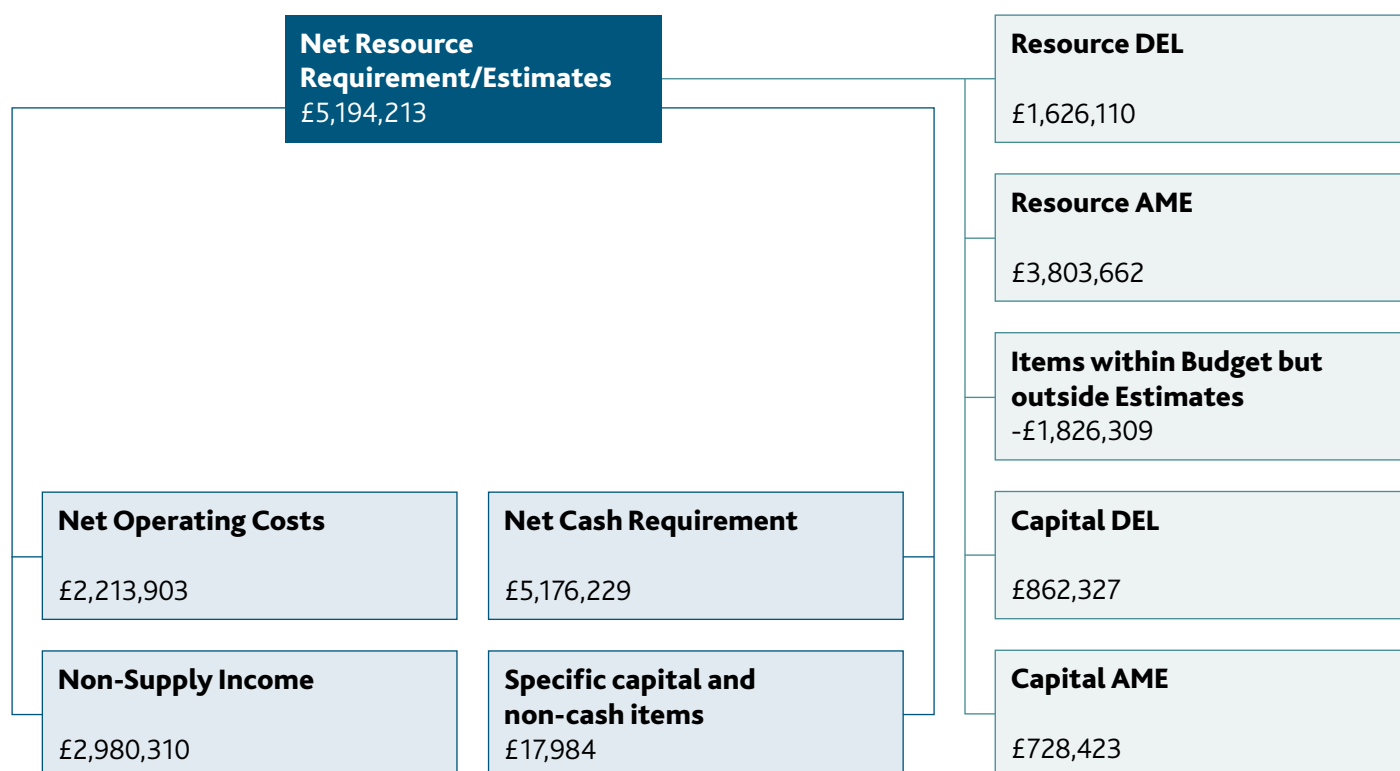
The Annual Report and Accounts show the Department's financial position using a number of different frameworks that combine costs in different ways. Figure 7 illustrates the relationship between some of these figures. A table showing the reconciliation is also presented in the Financial Commentary to the accounts on page 83.

Budgetary control totals are shown in green, with a figure representing those items included in Budgets but outside the other regimes. A breakdown of the spend against these control totals is shown on pages 64–67. The Treasury co-ordinates a system through which departments are allocated control totals for their public expenditure. This covers both the Department's own spending and those of its sponsored bodies. The control totals are split in two different ways: between resource and capital expenditure; and, between Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME). DEL budgets are firm three year plans set during Spending Reviews and departments may not exceed the limits set. The Treasury reviews AME twice a year with departments at the time of the Budget and Pre-Budget reports.

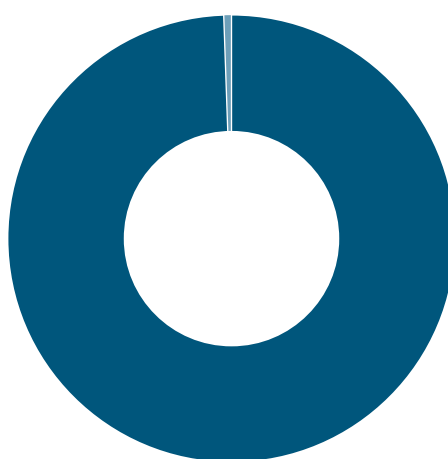
The figures in blue show the outturn against the Parliamentary Estimates, including the Net Cash Requirement and Net Resource Requirement control totals. Note 2 to the accounts, starting on page 119 gives a full breakdown of expenditure against the Net Resource Requirement and a more detailed reconciliation to the Net Cash Requirement can be found at Note 4 on page 134. These two Requirements are voted by Parliament and the Department is also required to remain within these Parliamentary control totals. The Net Operating Costs from the Department's accounts are also shown here, and their composition can be seen in the Operating Cost Statement on page 111.

HM Treasury have consulted and designed a new way of presenting government budgeting and accounting figures in an attempt to simplify the Government's financial reporting, ensuring that it reports in a more consistent, transparent and straight-forward way. This was published in March as a Command paper entitled *Alignment (Clear Line of Sight) Project*. The outcome of this review will not solve all of the differences but will go a long way towards it. The new framework is intended to be introduced across government departments from the financial year 2010–11 following the Liaison Committee's report on the proposals, published on 3 July 2009 as *Financial Scrutiny: Parliamentary Control and Government Budgets*.

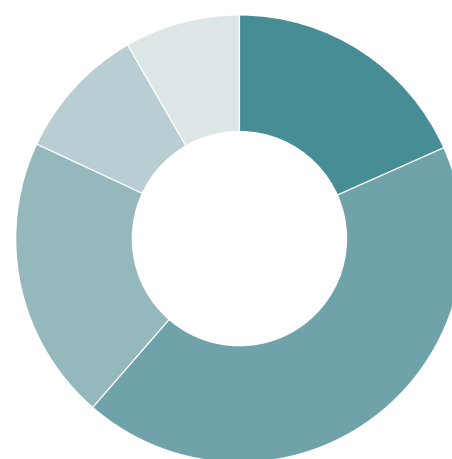
Figure 7: 2008–2009 Account reconciliation overview (£'000)



■ Net Operating Costs
■ Non-Supply Income



■ Net Cash Requirement
■ Specific capital and non-cash items



■ Resource DEL
■ Resource AME
■ Items within Budget but outside Estimates
■ Capital DEL
■ Capital AME

Department for Culture, Media and Sport

Detailed allocation: NDPB Grant-in-Aid

£ Thousands	2007–08 Outturn	2008–09 Outturn	2009–10 Plans
Museums, Galleries and Libraries	512,924	553,186	538,088
<i>of which:</i>			
British Museum	44,898	50,943	52,028
Natural History Museum	45,165	52,887	51,080
Imperial War Museum	22,177	23,888	24,163
National Gallery	25,597	26,369	27,287
National Maritime Museum	18,491	19,570	19,240
National Museums Liverpool	22,326	22,488	22,965
National Portrait Gallery	7,038	7,693	7,744
National Museum of Science and Industry	38,484	39,158	40,608
Tate Gallery	45,929	61,385	57,663
Victoria & Albert Museum	42,262	44,860	44,761
Wallace Collection	4,156	4,228	4,301
Royal Armouries	8,917	8,264	8,474
Museum of Science and Industry in Manchester	4,171	4,788	4,987
Sir John Soane's Museum	1,339	1,339	1,181
Horniman Museum	4,350	4,757	4,566
Geffrye Museum	1,956	1,748	1,791
British Library	106,480	106,947	95,464
Public Lending Right	7,488	7,388	7,582
Museums, Libraries and Archives Council (MLA) – Core	14,743	16,271	12,740
MLA – Regional Funds (Renaissance) programme	45,000	46,215	47,463
MLA – Framework for the Future	1,957	2,000	2,000
Arts Council England	422,610	436,531	417,223
Sport	181,862	203,595	198,122
<i>of which:</i>			
Sport England	113,296	130,163	133,960
<i>of which</i>			
Football Foundation	–	–	15,000
Community Club Development Programme	–	–	20,000
United Kingdom Sports Council	67,305	72,201	62,901
Football Licensing Authority	1,261	1,231	1,261
London 2012 – Olympic Delivery Authority	235,903	957,900	1,014,000

£ Thousands	2007–08 Outturn	2008–09 Outturn	2009–10 Plans
Historic Buildings, Monuments and Sites	171,768	180,832	175,698
<i>of which:</i>			
English Heritage	136,636	129,358	126,801
Churches Conservation Trust	3,062	3,162	3,100
National Heritage Memorial Fund	10,002	10,000	10,000
Commission for Architecture and the Built Environment	4,690	19,790	19,690
Royal Household	17,378	18,522	16,107
VisitBritain	50,650	49,900	45,400
Broadcasting and Media	117,927	128,504	141,326
<i>of which:</i>			
UK Film Council	25,110	30,064	41,284
S4C	92,817	98,440	100,042
Regional Cultural Consortia	2,149	2,412	0
National Lottery Commission	10,341	6,342	5,664
Gambling Commission	3,039	608	500

Department for Culture, Media and Sport

Resource budget: Departmental Expenditure Limit (DEL)

	2003–04 Outturn	2004–05 Outturn	2005–06 Outturn	2006–07 Outturn	2007–08 Outturn	2008–09 PEOWP [†] Outturn	2009–10 Plans	2010–11 Plans	2011–12 Plans
£ Thousands									
Resource DEL									
DCMS	1,216,043	1,264,909	1,431,189	1,530,657	1,584,732	1,625,140	1,679,419	1,731,768	–
<i>of which:</i>									
Museums, Galleries and Libraries	440,172	408,152	506,321	572,514	588,335	617,783	646,321	658,975	–
<i>of which:</i>									
Museums and galleries	307,405	277,127	359,097	402,278	401,566	429,800	470,094	477,707	–
Libraries	119,213	117,954	97,104	117,691	118,795	125,464	113,822	119,089	–
Museums, Libraries and Archives Council	12,776	12,218	47,377	48,569	61,204	62,519	62,405	62,179	–
Culture Online	778	853	2,743	3,976	6,771	–	–	–	–
Arts	328,038	367,077	393,995	387,818	403,748	410,451	412,813	429,545	–
Sport	65,953	84,403	120,197	135,606	177,431	152,846	185,288	214,940	–
<i>of which:</i>									
Sports and recreation	65,953	77,945	116,140	115,203	152,963	162,987	163,288	164,940	–
Olympics	–	6,458	4,057	20,403	24,468	-10,141	22,000	50,000	–
Architecture and the Historic Environment	153,117	159,393	149,701	181,299	155,900	173,516	174,011	177,612	–
Regional Cultural Consortiums	–	1,501	1,650	1,865	2,598	2,395	–	–	–
The Royal Parks	25,706	26,660	31,122	19,202	20,519	22,377	20,324	20,378	–
Tourism	53,039	50,349	51,202	54,978	55,933	55,218	50,901	46,376	–
Broadcasting and Media	108,472	124,981	123,858	122,175	122,828	133,253	137,068	136,387	–
Administration and Research	41,546	42,393	48,314	55,200	57,440	57,301	52,593	47,455	–
Unallocated Provision	–	–	4,829	–	–	–	100	100	–
Gambling and the National Lottery	2,024	2,996	7,299	13,359	2,010	970	1,213	1,305	–
Total resource budget DEL	1,218,067	1,267,905	1,438,488	1,544,016	1,586,742	1,626,110	1,680,632	1,733,073	–
<i>of which:</i>									
Near-cash	1,083,016	1,157,641	1,263,312	1,358,041	1,389,498	1,422,598	1,443,632	1,460,073	–
<i>of which:††</i>									
Pay	410,509	439,988	444,861	508,044	589,363	557,451			
Procurement	274,933	255,418	309,789	399,512	382,238	421,422	459,083	468,690	–
Current grants and subsidies to the private sector and abroad	397,613	467,312	487,872	496,655	563,282	580,520	675,665	655,135	–
Current grants to local authorities	-18	1,334	22,431	24,859	40,241	47,545	39,531	40,547	–
Depreciation	62,088	33,703	102,052	101,589	106,084	115,740	112,000	118,000	–

Department for Culture, Media and Sport

Resource budget: Annually Managed Expenditure (AME)

£ Thousands	2003–04 Outturn	2004–05 Outturn	2005–06 Outturn	2006–07 Outturn	2007–08 Outturn	2008–09 PEOWP [†] Outturn	2009–10 Plans	2010–11 Plans	2011–12 Plans
Resource AME									
DCMS	3,001,763	2,554,054	2,678,700	2,832,000	2,997,800	2,905,987	3,057,000	3,221,000	–
<i>of which:</i>									
Museums, Galleries and Libraries	317,641	1,798	–	–	–	–	–	–	–
<i>of which:</i>									
Museums and galleries	1,747	1,798	–	–	–	–	–	–	–
Libraries	315,894	–	–	–	–	–	–	–	–
Sport	1,003	–	–	–	–	–	–	–	–
<i>of which:</i>									
Sports and recreation	1,003	–	–	–	–	–	–	–	–
Architecture and the Historic Environment	195,500	–	–	–	–	–	–	–	–
Tourism	-1,381	256	–	–	–	–	–	–	–
Broadcasting and Media	2,489,000	2,552,000	2,678,700	2,832,000	2,997,800	2,905,987	3,057,000	3,221,000	–
National Lottery	716,808	664,920	840,587	837,047	882,351	897,675	892,778	864,455	–
National Lottery	716,808	664,920	840,587	784,201	773,625	773,675	762,778	704,455	–
Olympic Lottery	–	–	–	52,846	108,726	124,000	130,000	160,000	–
Total resource budget AME	3,718,571	3,218,974	3,519,287	3,669,047	3,880,151	3,803,662	3,949,778	4,085,455	–
<i>of which:</i>									
Near-cash	3,651,952	3,151,974	3,449,287	3,599,047	3,810,151	3,681,875	3,819,778	3,955,455	–
<i>of which:</i> ^{††}									
Pay	842,619	910,000	931,700	916,000	1,097,800	975,300			–
Procurement	2,139,381	2,157,256	2,279,000	2,411,000	2,375,000	2,409,700	2,279,000	2,445,000	–
Current grants and subsidies to the private sector and abroad	662,237	608,038	789,772	735,187	729,672	729,707	719,428	664,406	–
Current grants to local authorities	54,571	56,882	50,815	49,014	43,953	43,968	43,350	40,049	–
Depreciation	34,000	34,000	35,000	35,000	35,000	84,787	93,000	93,000	–
Total resource budget	4,936,638	4,486,879	4,957,775	5,213,063	5,466,893	5,429,772	5,630,410	5,818,528	–

Notes:

[†]Public Expenditure Outturn White Paper (PEOWP).

^{††}The breakdown of near-cash in Resource DEL by economic category may exceed the total near-cash Resource DEL reported above because of other income and receipts that score in near-cash Resource DEL but aren't included as pay, procurement, or current grants and subsidies to the private sector, abroad and local authorities.

Department for Culture, Media and Sport

Capital budget: Departmental Expenditure Limit (DEL)

	2003–04 Outturn	2004–05 Outturn	2005–06 Outturn	2006–07 Outturn	2007–08 Outturn	2008–09 PEOWP [†] Outturn	2009–10 Plans	2010–11 Plans	2011–12 Plans
£ Thousands									
Capital DEL									
DCMS	186,400	122,019	178,028	279,910	530,403	860,938	404,330	566,330	–
<i>of which:</i>									
Museums, Galleries and Libraries	65,449	43,239	110,261	72,916	90,648	101,558	68,762	60,428	–
<i>of which:</i>									
Museums and galleries	46,728	7,974	99,695	39,003	61,377	109,260	61,340	48,356	–
Libraries	2,165	7,900	10,513	33,913	29,206	-8,126	7,422	12,072	–
Museums, Libraries and Archives Council	15,895	24,325	50	–	65	424	–	–	–
Culture Online	661	3,040	3	–	–	–	–	–	–
Arts	2,876	942	1,401	36,032	27,501	28,066	1,750	1,750	–
Sport	44,234	49,529	27,047	139,435	369,140	681,610	269,580	432,580	–
<i>of which:</i>									
Sports and recreation	3,196	21,946	-10,741	50,088	45,548	63,507	47,580	47,580	–
Space for sports and arts	41,038	27,583	2,100	–	–	–	–	–	–
Olympics	–	–	35,688	89,347	323,592	618,103	222,000	385,000	–
Architecture and the Historic Environment	65,143	21,899	28,666	13,380	37,114	40,041	33,000	34,400	–
Regional Cultural Consortiums	–	–	–	–	13	–	–	–	–
The Royal Parks	4,987	2,562	1,463	413	818	2,016	1,400	1,400	–
Tourism	451	764	298	319	412	1,167	300	300	–
Broadcasting and Media	2,040	739	3,072	4,560	-201	3,938	25,203	32,972	–
Administration and Research	1,220	2,345	5,820	12,855	4,958	2,542	3,750	2,500	–
Unallocated Provision	–	–	–	–	–	–	585	–	–
Gambling and the National Lottery	97	–	641	3,867	1,780	1,389	70	70	–
Total capital budget DEL	186,497	122,019	178,669	283,777	532,183	862,327	404,400	566,400	–
<i>of which:</i>									
Capital expenditure on fixed assets net of sales ^{††}	110,022	33,732	118,780	267,765	569,072	1,300,864	1,453,904	1,401,533	–
Capital grants to the private sector and abroad	76,385	78,152	20,516	84,634	84,780	75,290	52,911	53,417	–
Net lending to private sector	–	–	–	–	–	–	–	–	–
Capital support to public corporations	90	90	–	–	35	–	–	–	–
Capital support to local authorities ^{††}	–	10,045	39,373	-4,758	-58,063	-89,590	25,000	26,000	–

Department for Culture, Media and Sport

Capital budget: Annually Managed Expenditure (AME)

	2003–04 Outturn	2004–05 Outturn	2005–06 Outturn	2006–07 Outturn	2007–08 Outturn	2008–09 PEOWP [†] Outturn	2009–10 Plans	2010–11 Plans	2011–12 Plans
£ Thousands									
Capital AME									
DCMS	4,000	88,000	107,134	116,870	95,000	81,100	123,000	114,000	–
<i>of which:</i>									
Museums, Galleries and Libraries	10,000	10,000	13,134	13,870	10,000	–	–	–	–
<i>of which:</i>									
Museums and galleries	10,000	10,000	13,134	13,870	10,000	–	–	–	–
Broadcasting and media	-6,000	78,000	94,000	103,000	85,000	81,100	123,000	114,000	–
National Lottery	1,193,191	1,039,076	987,967	880,450	713,455	647,323	987,220	850,614	–
<i>of which:</i>									
National Lottery	1,193,191	1,039,076	987,967	827,728	646,292	646,323	637,220	591,614	–
Olympic Lottery	–	–	–	52,722	67,163	1,000	350,000	259,000	–
Total capital budget AME	1,197,191	1,127,076	1,095,101	997,320	808,455	728,423	1,110,220	964,614	–
Total capital budget	1,383,688	1,249,095	1,273,770	1,281,097	1,340,638	1,590,750	1,514,620	1,531,014	–
<i>of which:</i>									
Capital expenditure on fixed assets net of sales ^{††}	114,022	121,732	225,914	384,635	664,072	1,336,764	1,576,904	1,515,533	–
Less depreciation ^{†††}	96,088	67,703	137,052	136,589	141,084	200,527	205,000	211,000	–
Net capital expenditure on tangible fixed assets	17,934	54,029	88,862	248,046	522,988	1,136,237	1,371,904	1,304,533	–

Notes:

[†]Public Expenditure Outturn White Paper (PEOWP).

^{††} Expenditure by the department and NDPBs on land, buildings and equipment, net of sales. Excludes spending on financial assets and grants, and public corporations' capital expenditure.

^{†††} This does not include loans written off by mutual consent that score within non-cash Resource Budgets.

^{††††} Included in Resource Budget.

Department for Culture, Media and Sport

Total departmental spending

		2003–04 Outturn	2004–05 Outturn	2005–06 Outturn	2006–07 Outturn	2007–08 Outturn	2008–09 PEOWP [†] Outturn	2009–10 Plans	2010–11 Plans	2011–12 Plans
£ Thousands										
Resource budget										
Resource DEL	DCMS	1,216,043	1,264,909	1,431,189	1,530,657	1,584,732	1,625,140	1,679,419	1,731,768	–
	Gambling and the National Lottery	2,024	2,996	7,299	13,359	2,010	970	1,213	1,305	–
Total resource budget DEL		1,218,067	1,267,905	1,438,488	1,544,016	1,586,742	1,626,110	1,680,632	1,733,073	–
<i>of which:</i>	Near-cash	1,083,016	1,157,641	1,263,312	1,358,041	1,389,498	1,422,598	1,443,632	1,460,073	–
Resource AME	DCMS	3,001,763	2,554,054	2,678,700	2,832,000	2,997,800	2,905,987	3,057,000	3,221,000	–
	National Lottery	716,808	664,920	840,587	837,047	882,351	897,675	892,778	864,455	–
Total resource budget AME		3,718,571	3,218,974	3,519,287	3,669,047	3,880,151	3,803,662	3,949,778	4,085,455	–
<i>of which:</i>	Near-cash	3,651,952	3,151,974	3,449,287	3,599,047	3,810,151	3,681,875	3,819,778	3,955,455	–
Total resource budget		4,936,638	4,486,879	4,957,775	5,213,063	5,466,893	5,429,772	5,630,410	5,818,528	–
<i>of which:</i>	Depreciation	96,088	67,703	137,052	136,589	141,084	200,527	205,000	211,000	–
Capital budget										
Capital DEL	DCMS	186,400	122,019	178,028	279,910	530,403	860,938	404,330	566,330	–
	Gambling and the National Lottery	97	–	641	3,867	1,780	1,389	70	70	–
Total capital budget DEL		186,497	122,019	178,669	283,777	532,183	862,327	404,400	566,400	–
Capital AME	DCMS	4,000	88,000	107,134	116,870	95,000	81,110	123,000	114,000	–
	National Lottery	1,193,191	1,039,076	987,967	880,450	713,455	647,323	987,220	850,614	–
Total capital budget AME		1,197,191	1,127,076	1,095,101	997,320	808,455	728,423	1,110,220	964,614	–
Total capital budget		1,383,688	1,249,095	1,273,770	1,281,097	1,340,638	1,590,750	1,514,620	1,531,014	–
Total departmental spending^{††}										
	DCMS	4,312,389	3,961,459	4,258,106	4,623,291	5,068,118	5,274,349	5,059,371	5,422,822	–
	National Lottery	1,911,849	1,706,812	1,836,387	1,734,280	1,598,329	1,545,646	1,880,659	1,715,720	–
Total departmental spending^{††}		6,224,238	5,668,271	6,094,493	6,357,571	6,666,447	6,819,995	6,940,030	7,138,542	–
<i>of which:</i>	Total DEL	1,342,476	1,356,221	1,515,105	1,726,204	2,012,841	2,372,697	1,973,032	2,181,473	–
	Total AME	4,881,762	4,312,050	4,579,388	4,631,367	4,653,606	4,447,298	4,966,998	4,957,069	–
Spending by local authorities on functions relevant to the department										
Current spending		2,102,082	2,099,306	2,228,944	2,335,414	2,428,613	2,453,273			
<i>of which:</i>	financed by grants									
	from budgets above	54,553	58,216	73,246	73,873	84,194	91,513			
Capital spending		444,749	511,010	696,230	644,584	669,373	1,115,470			
<i>of which:</i>	financed by grants									
	from budgets above ^{†††}	94,454	106,285	129,326	77,853	235,399	203,883			

Notes:

[†] Public Expenditure Outturn White Paper (PEOWP).

^{††} Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.

^{†††} This includes loans written off by mutual consent that score within non-cash Resource Budgets and aren't included in the capital support to local authorities line in the table on page 66.

Department for Culture, Media and Sport

Capital employed

£ Millions	2003–04 Outturn	2004–05 Outturn	2005–06 Outturn	2006–07 Outturn	2007–08 Outturn	2008–09 Estimated	2009–10 Plans Outturn	2010–11 Plans	2011–12 Plans
Assets on balance sheet									
Fixed assets	68	70	86	96	69	68	70	67	–
<i>of which:</i>									
Land and buildings	59	56	70	80	54	51	47	47	–
Debtors (> 1 year)				6	2	2			
Current assets	59	42	35	46	131	98	60	60	–
Creditor (< 1 year)	-76	-52	-38	-49	-52	-106	-50	-50	–
Creditor (> 1 year)									
Provisions			-4	-2	-2	-1	-4	-4	–
Capital employed within main department	51	60	85	93	148	59	76	73	–
NDPB net assets	3,237	3,260	3,861	4,244	3,884	4,510	4,781	4,962	–
Total capital employed in departmental group	3,288	3,320	3,946	4,337	4,032	4,569	4,857	5,035	–

Notes:

1. Outturn figures are taken from the published consolidated DCMS resource accounts which include the Royal Parks accounts.
2. Figures for 2003–04 include the effects of the quinquennial revaluation of the land and buildings of the museums and galleries sector.

Department for Culture, Media and Sport

Administration costs

	2003–04 Outturn	2004–05 Outturn	2005–06 Outturn	2006–07 Outturn	2007–08 Outturn	2008–09 PEOWP [†] Outturn	2009–10 Plans	2010–11 Plans	2011–12 Plans
£ Thousands									
Administration expenditure									
Paybill	18,681	19,847	22,191	25,243	26,047	25,327			
Other	22,933	22,781	26,767	27,345	29,936	29,112			
Total administration expenditure	41,614	42,628	48,958	52,588	55,983	54,439	50,498	48,600	–
Administration income	-2,231	-2,151	-2,486	-1,520	-1,447	-1,601	-2,291	-2,543	–
Total administration budget	39,383	40,477	46,472	51,068	54,536	52,838	48,207	46,057	–
Analysis by activity:									
DCMS	39,383	40,477	46,472	51,068	54,536	52,838	48,207	46,057	–
Total administration budget	39,383	40,477	46,472	51,068	54,536	52,838	48,207	46,057	–

Notes:

[†]Public Expenditure Outturn White Paper (PEOWP).

Department for Culture, Media and Sport

Staff in post

	2004–05 Outturn	2005–06 Outturn	2006–07 Outturn	2007–08 Outturn	2008–09 Outturn	2009–10 Plan
DCMS						
FTEs	510	507	517	464	453	469
Overtime	10	12	11	10	10	8
Total	520	519	528	474	463	477
The Royal Parks (TRP)						
FTEs	127	121	92	99	101	109
Overtime	4	2	2	1	2	2
Casual	3	1	5	0	0	0
Total	134	124	99	100	103	111

Notes:

1. These figures represent number of staff in post (FTE) on the last day of the financial year. Agency temps are excluded from these figures.
2. TRP is not subject to administrative cost control.

Department for Culture, Media and Sport

Total spending by country and region

£ Million	2003–04 Outturn	2004–05 Outturn	2005–06 Outturn	2006–07 Outturn	2007–08 Outturn	2008–09 Plans	2009–10 Plans	2010–11 Plans
North East	148.9	107.5	94.5	120.0	91.6	89.3	82.1	85.8
North West	242.8	200.4	188.7	181.9	183.2	167.1	146.8	153.5
Yorkshire and The Humber	238.7	172.6	161.6	156.0	151.8	146.7	131.4	136.8
East Midlands	211.9	178.9	160.4	134.4	120.0	110.1	99.8	103.3
West Midlands	219.7	179.0	200.9	205.8	144.4	150.0	139.1	133.0
East	166.8	103.8	108.9	105.8	109.0	104.4	92.1	103.0
London	776.5	637.0	717.0	604.8	572.7	476.5	444.4	472.2
South East	281.4	173.5	181.4	204.9	195.4	179.5	161.4	168.3
South West	225.4	158.6	196.9	178.3	149.8	143.5	126.8	131.6
Total England	2,511.9	1,911.2	2,010.2	1,891.9	1,717.8	1,567.1	1,423.8	1,487.3
Scotland	185.1	152.1	188.4	176.5	93.2	110.1	83.1	94.6
Wales	162.7	176.3	181.8	1.9	130.5	161.4	148.9	158.9
Northern Ireland	79.2	74.5	103.9	101.7	34.4	33.7	27.1	33.5
Total UK identifiable expenditure	2,939.0	2,314.1	2,484.2	2,356.9	1,975.9	1,872.3	1,682.7	1,774.3
Outside UK	250.4	126.3	177.6	180.1	237.1	236.1	237.5	240.1
Total identifiable expenditure	3,189.4	2,440.4	2,661.7	2,537.0	2,213.0	2,108.3	1,920.2	2,014.3
Non-identifiable expenditure	2,976.0	3,151.5	3,308.8	3,658.9	3,905.8	4,558.4	4,358.2	4,576.1
Total expenditure on services	6,165.4	5,591.9	5,970.5	6,195.9	6,118.8	6,666.7	6,278.4	6,590.4

Notes:

- The data presented in these tables are consistent with the country and regional analyses (CRA) published by HM Treasury in Chapter 9 of Public Expenditure Statistical Analyses (PESA) 2009. The figures were taken from the HM Treasury public spending database in December 2008 and the regional distributions were completed in January and February 2009.
Therefore the tables may not show the latest position and are not consistent with other tables in the Departmental Report.
The tables do not include depreciation, cost of capital charges, or movements in provisions that are in departmental budgets. They do include pay, procurement, capital expenditure, and grants and subsidies to individuals and private sector enterprises.
- Departmental spend which is allocated on a regional basis includes the grant to the Welsh Fourth Channel Authority, funding of eight regional Cultural Consortiums, and grant to the GLA. Some NDPBs sponsored by the Department also allocated funding on a regional basis e.g. the Museums, Libraries and Archives Council allocates funding to support regional museums and Arts Council England provides support to a portfolio of regularly funded regional organisations.
- The data are based on a subset of spending – identifiable expenditure on services – which is capable of being analysed as being for the benefit of individual countries and regions. Expenditure that is incurred for the benefit of the UK as a whole is excluded.
- The functional analyses of spending in the table on page 74 are based on the United Nations Classification of the Functions of Government (COFOG), the international standard. The presentations of spending by function are consistent with those used in Chapter 9 of PESA 2009. These are not the same as the strategic priorities shown elsewhere in the report.
- There is an inconsistency across allocation methods between Non-Departmental Public Bodies (NDPBs) with similar underlying information, particularly on capital spending. For example some NDPBs allocated the spending to the region where it took place, whereas others used visitor survey data to estimate regional allocations. There were also inconsistencies in how NDPBs treated survey data for visitors from 'outside UK'. Explanation provided by the NDPBs on the allocation methods were often brief and the underlying detail was not usually provided, making it very difficult to assess the robustness of the method. Due to a lack of corroborative information and relative autonomy of the NDPBs' finance sections, the allocation methods and figures sometimes had to be accepted as stated. Where possible DCMS officials amended returns to improve consistency and more closely align with the Treasury guidance. This mostly affects the recreation, culture and religion function.
- It is not possible to forecast drawdown from the National Lottery Distribution Fund (NLDF) with absolute accuracy because drawdown is largely a function of the rate at which successful applicants draw down lottery grants from the 13 independent distributing bodies. This in turn depends on other factors, resulting in some variation between the forecast and the actual rates of drawdown.
- There is a significant degree of estimation in the regional allocation of the National Lottery spending. This is largely a result of distributing bodies collecting regional information at the time they make an award, while the CRA is based on the subsequent cash payments. As awards can be paid out over a number of years the regional allocation may be affected by these timing differences.
- There is a significant degree of estimation in the regional allocation of the National Lottery spending. This is a consequence of the nature of lottery expenditure flow and largely arises from timing differences relating to the stages within the distribution process from which data has had to be collected. Distributing bodies collect regional information at the time they make an award, while the CRA is based on distributor drawdown.

Department for Culture, Media and Sport

Total spending per head by country and region

£'s per head	2003–04 Outturn	2004–05 Outturn	2005–06 Outturn	2006–07 Outturn	2007–08 Outturn	2008–09 Plans	2009–10 Plans	2010–11 Plans
North East	59	42	37	47	36	35	32	33
North West	36	29	28	27	27	24	21	22
Yorkshire and The Humber	47	34	32	30	29	28	25	26
East Midlands	50	42	37	31	27	25	22	23
West Midlands	41	34	38	38	27	28	26	24
East	30	19	20	19	19	18	16	18
London	105	86	96	81	76	63	58	61
South East	35	21	22	25	24	21	19	20
South West	45	31	39	35	29	28	24	25
Total England	50	38	40	37	34	30	27	28
Scotland	37	30	37	34	18	21	16	18
Wales	56	60	62	63	44	54	49	53
Northern Ireland	47	44	60	58	20	19	15	19
Total UK identifiable expenditure	49	39	41	39	32	30	27	28

Department for Culture, Media and Sport

Identifiable expenditure on services by function, country and region, for 2007–08

	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East	London	South East	South West
CULTURE, MEDIA AND SPORT									
General public services									
Foreign economic aid	2.7	8.0	5.8	1.8	3.3	1.9	1.1	0.9	0.7
Total international services	2.7	8.0	5.8	1.8	3.3	1.9	1.1	0.9	0.7
Economic affairs									
Other industries	1.0	3.2	1.6	1.3	2.0	2.8	26.5	5.5	2.8
Total enterprise and economic development	1.0	3.2	1.6	1.3	2.0	2.8	26.5	5.5	2.8
Environment protection									
Environment protection n.e.c.	3.7	12.0	7.0	5.2	6.8	5.3	36.5	7.2	9.3
Total environment	3.7	12.0	7.0	5.2	6.8	5.3	36.5	7.2	9.3
Health									
Central and other health services	3.7	12.0	7.0	5.2	6.8	5.3	36.5	7.2	9.3
Total health	3.7	12.0	7.0	5.2	6.8	5.3	36.5	7.2	9.3
Recreation, culture and religion									
Recreational and sporting services	13.5	44.2	38.8	41.2	34.2	25.3	62.9	44.8	27.1
Cultural services	76.6	121.6	111.2	84.5	114.5	100.9	331.8	176.5	123.0
Broadcasting and publishing services	0.1	4.0	0.1	0.1	0.2	0.1	3.1	0.1	0.1
Religious and other community services	0.4	1.2	1.5	1.2	1.4	1.6	1.7	1.8	1.5
R&D recreation, culture and religion	0.1	0.2	0.2	0.2	0.2	0.1	0.8	0.3	0.2
Recreation, culture and religion n.e.c.	2.6	3.4	3.5	3.0	3.6	2.1	26.6	4.6	3.1
Total recreation, culture and religion	93.3	174.6	155.3	130.1	154.1	130.1	427.0	228.0	155.0
Education (includes training)									
Education n.e.c.	3.7	12.0	7.0	5.2	6.8	5.3	36.5	7.2	9.3
Total education (includes training)	3.7	12.0	7.0	5.2	6.8	5.3	36.5	7.2	9.3
Social protection									
Old age	5.5	17.9	10.5	7.8	10.2	8.0	54.8	10.9	13.9
Social protection n.e.c.	-21.9	-56.4	-42.5	-36.6	-45.4	-49.6	-46.3	-71.5	-50.5
Total social protection	-16.4	-38.4	-32.0	-28.8	-35.3	-41.7	8.5	-60.7	-36.6
TOTAL CULTURE, MEDIA AND SPORT	91.6	183.2	151.8	120.0	144.4	109.0	572.7	195.4	149.7

England	Scotland	Wales	Northern Ireland	UK identifiable expenditure	Outside UK	Total identifiable expenditure	Non- identifiable	£ Millions totals
26.2	0.0	0.0	0.0	26.2	0.0	26.2	0.0	26.2
26.2	0.0	0.0	0.0	26.2	0.0	26.2	0.0	26.2
46.6	4.3	1.4	0.4	52.7	0.9	53.6	0.0	53.6
46.6	4.3	1.4	0.4	52.7	0.9	53.6	0.0	53.6
93.0	11.3	5.1	3.8	113.2	0.0	113.2	0.0	113.2
93.0	11.3	5.1	3.8	113.2	0.0	113.2	0.0	113.2
93.0	11.3	5.1	3.8	113.2	0.0	113.2	0.0	113.2
93.0	11.3	5.1	3.8	113.2	0.0	113.2	0.0	113.2
331.9	17.3	9.3	9.4	367.9	0.1	368.0	564.8	932.8
1,240.5	62.5	36.1	19.3	1,358.5	222.1	1,580.6	0.0	1,580.6
7.8	0.0	83.5	0.0	91.3	1.8	93.0	3,341.0	3,434.0
12.3	1.4	0.7	0.5	14.9	0.0	14.9	0.0	14.9
2.2	-0.1	0.2	0.0	2.3	0.6	3.0	0.0	3.0
52.5	-1.4	4.0	-0.4	54.7	11.7	66.4	0.0	66.4
1,647.3	79.7	133.8	28.8	1,889.6	236.3	2,125.9	3,905.8	6,031.6
93.0	11.3	5.1	3.8	113.2	0.0	113.2	0.0	113.2
93.0	11.3	5.1	3.8	113.2	0.0	113.2	0.0	113.2
139.5	17.0	7.6	5.8	169.8	0.0	169.8	0.0	169.8
-420.7	-41.7	-27.6	-12.1	-502.0	0.0	-502.0	0.0	-502.0
-281.2	-24.7	-20.0	-6.3	-332.2	0.0	-332.2	0.0	-332.2
1,717.9	93.2	130.5	34.4	1,975.9	237.2	2,213.0	3,905.8	6,118.8

Note: There are small rounding differences in the totals in the above table.

Resource and Capital Budgets

The tables on pages 62–75 set out DCMS's Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME).

The DCMS Resource and Capital DEL from 2003–04 through to 2006–07 have changed significantly from last year's report. This is mainly due to an exercise DCMS undertook with Treasury agreement, to record the historic reserves held within the NDPBs' accounts. This led to a restating of DCMS outturn for End Year Flexibility (EYF) purposes.

The Department's expenditure limits for the current Spending Review period (2008–09 to 2010–11) are available on the DCMS website, (www.culture.gov.uk). Central Government Main Supply Estimates were published in June.

- 1** The first table focuses on the Resource DEL. Explanations for any additional year on year variances are given below.
- 2** Looking at sectoral figures in the Resource table:
 - The growth in total spending by the MLA in recent years reflects the increase in spending on Renaissance in the Regions, which began in 2002, increased to £45m in 2007–08 and is kept at that level in real terms from 2008–2011;

- The increase in spending on sport and recreation in 2007–08 is explained by more efficient commitment and spend of Grant in Aid by Sport England and the commitment and spend of additional resources granted to UK Sport in the run up to the Beijing 2008 Olympics;
- Spending on the Olympics for 2006–07 and 2007–08 reflects resource DEL cover for the London Organising Committee for the Olympic Games (LOCOG). The plans reflect the non-cash costs for the ODA, namely the charge for cost of capital. The negative figure in 2008–09 is due to income received by the LOCOG; being in excess of expenditure.
- Broadcasting and Media comprises funding for S4C, (which is linked to the Retail Prices Index), and the UK Film Council;
- The increase in expenditure in relation to gambling and gaming in 2006–07 was associated with the costs of setting up the Gambling Commission.

3 Turning to Annually Managed Expenditure on Resource:

- The large figures for Museums, Galleries and Libraries and Architecture and the Historic Environment in 2003–04 represents an adjustment for pension purposes. The increase is due to the cost of transferring certain NDPBs' pensions into the Principal Civil Service Pension Scheme from their by analogy schemes;
- The figures for Broadcasting and Media are solely disbursements of the BBC Licence Fee; and,
- National Lottery sums available to distributors comprise both resource and capital. Lottery distributors spend their income in response to external applications and may support projects which are either capital or revenue, or a mixture of both. The capital/resource split of expenditure by distributor varies depending on the nature of their businesses and the widely differing sectors they support;
- Olympic Lottery please see note 5.

- 4** Figures for the Department's Capital DEL are reported in the second table. The notable features include:
- The increase in Capital outturn for 2006–07 for Sports and Recreation is due to the End Year Flexibility (EYF) of £18.4m drawn down by Sport England for the Community Club Development Programme. In 2007–08 the sports bodies did not draw down EYF as, with careful management, they operated within their budget;
 - Spending on the Olympics is continuing to rise. Between 2005–06 and 2007–08 it was funded by transfers from CLG. From 2008–09 it is to be funded by transfers from the CLG and the Department for Transport;
 - The decrease in Architecture and the Historic Environment expenditure in 2006–07 was due to a classification issue where the Listed Places of Worship budget was recorded as capital but spent as resource. The year end correcting adjustment from capital to resource gave the appearance of a capital reduction. Increased funding in the Heritage Sector for future years is for Local Authority projects, being managed by the Commission for Architecture and the Built Environment;
 - Under Administration and Research, the main item is the Department's refurbishment of its offices at 2–4 Cockspur Street between 2006–07 and 2007–08. This moved nearly all staff into open plan increasing the efficient use of space and enabling the release of accommodation in three other buildings. Savings have been delivered from 2007–08 onwards from security, messengerial and facilities management and energy reductions delivered as a result of operating only two buildings;
 - The increase in expenditure in relation to Broadcasting relates to two capital projects. The first is to preserve and provide access to particularly fragile screen heritage materials via a digitisation process. The second relates to a proposal to create a world class film centre which the Department will continue to discuss with the British Film Institute and UK Film Council;
 - The increase in expenditure in relation to gambling and gaming is associated with the costs of setting up the Gambling Commission.
- 5** On the capital budget within Annually Managed Expenditure:
- The Museum and Galleries data relate to the value of art works accepted by HM Revenue and Customs in lieu of inheritance tax;
 - Broadcasting and Media figures show the capital consumption of resources by the BBC; and
 - Lottery funding is the only Olympic funding stream that can be used to cover resource expenditure as well as capital. Up until 31 March 2009 the funding from Olympic Lottery Games was the only significant source of Lottery funding available to the Olympic Delivery Authority (ODA). In 2008–09 nearly all of the funding from Olympic Lottery Games was needed to cover resource expenditure. The bulk of the capital expenditure in 2008–09 was met from Government grant, with the residual of capital funding met by grant from the Greater London Authority and the London Development Agency. In 2009–10 the funding transfers from the National lottery to the OLDF are now on stream and more lottery funding is therefore available to cover capital spend.
- 6** Finally, in respect of the Department's administration budget, the real terms increase between 2003–04 and 2007–08 includes the creation of the Humanitarian Assistance Unit and GOE.
- 7** The final table provides a summary of the previous two.

Page 78: In June 2009, *Billy Elliot the Musical* won ten Tony Awards in New York, and celebrated four years in London's West End, where it continues to play at the Victoria Palace Theatre.

Page 79 left: DCMS will aim to widen opportunities for all to participate in cultural and sporting activities.

Top: Fulwell Windmill in Sunderland was restored to its nineteenth century working form with help from the Heritage Lottery Fund.

Bottom: The EU's Audiovisual Media Services Directive of 2007 makes important changes to the regulation of TV and video-on-demand content across Europe. Like other Member States, the UK must implement these changes by December 2009.



600,000

free theatre tickets for
under 26-year-olds over
the next two years through
A Night Less Ordinary.

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

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 galleries⁸⁶

- 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

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	–
Net Operating Cost (Accounts)	2,213,903	1,844,579
<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
Resource Budget Outturn (Budget)	5,429,772	5,245,762
<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 Paper⁸⁷.

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

Central Government Main Supply Estimates were published in June 2009 and are at: 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 2003⁸⁸. 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

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 groups⁸⁹. 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 website⁹⁰.

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 symbol⁹¹, 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

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 plan⁹²](#), 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

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

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 (£000)	Benefits in kind (to nearest £100)	Salary (£000)	Benefits in kind (to nearest £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 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

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
Total Resources	3	5,718,999	444,569	5,274,430	5,638,782	444,569	5,194,213	80,217	4,706,516
Non-operating cost A-in-A			4,850			4,850		–	14

(ii) Net cash requirement 2008–09

	Note	2008–09		2007–08
		Estimate £000	Outturn £000	Outturn £000
Net Cash Requirement	4	5,265,269	5,176,229	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>
Total	5	2,971,590	2,971,590	3,060,537	3,056,378

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
Administration costs					
Staff costs	7	28,047		26,040	
Other administration costs	8	26,379		29,671	
Gross administration costs			54,426		55,711
Operating income	10		(1,601)		(1,285)
Net administration costs			52,825		54,426
Programme costs					
Request for Resources 1					
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
Request for Resources 2					
Programme costs	9	2,961,020		2,856,110	
Less: income	10	(2,959,496)		(2,861,902)	
			1,524		(5,792)
Net Operating Costs	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
Total	139	64,806

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
Fixed assets					
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
Current assets					
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
Taxpayers' equity					
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
Increase/(decrease) in cash in the period	24e	(10,155)	1,409

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
Net Operating Costs	5,638,782	(3,424,879)	2,213,903

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)
Net Operating Costs	4,734,137	(2,889,558)	1,844,579

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

	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
2008–09							
Request for Resources 1							
A. Museums Galleries and Libraries							
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)
		403	9,212	(2,025)	7,590	8,737	1,147
B. Arts							
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 Stagertext			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
		786	3,514	(5,438)	(1,138)	2,248	3,386

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
C. Sports							
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)
		267	11,976	(25)	12,218	2,482	(9,736)

D. Architecture and Historic Environment

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
		1,455	3,644	(29)	5,070	9,562	4,492

E. Listed Places of Worship

Listed Places of Worship		240	16,107		16,347	15,250	(1,097)
		240	16,107		16,347	15,250	(1,097)

F. The Royal Parks

Royal Parks Agency		19,363			19,363	20,459	1,096
Consolidation adjustment		15,984		(12,943)	3,041	0	(3,041)
		35,347		(12,943)	22,404	20,459	(1,945)

2008–09	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
G. Tourism							
Grants to the GLA			1,900		1,900	1,900	–
Other Tourism			330		330		(330)
		0	2,230		2,230	1,900	(330)
H. Broadcasting and Media							
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
I. Creative Economy							
Creative Economy programme		1,683			1,683	3,000	1,317
		1,683			1,683	3,000	1,317
J. Administration and Research							
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)
K. National Lottery Commission							
Income from NLDF and OLF				(6,342)	(6,342)	(6,269)	73
				(6,342)	(6,342)	(6,269)	73
L. Olympics							
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)
Gambling, Licensing and Horse Racing							
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
M. Regional Cultural Consortiums							
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)
			2,412		2,412	1,720	(692)
N. Museums Galleries and Libraries							
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	–
			556,154		556,154	536,901	(19,253)

	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
2008–09							
O. Arts							
Arts Council England			436,531		436,531	398,905	(37,626)
Music Rehearsal Spaces			72		72		(72)
			436,603		436,603	398,905	(37,698)
P. Sports							
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
			203,595		203,595	185,035	(18,560)
Q. Architecture and Historic Environment							
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
			180,832		180,832	187,755	6,923
R. Tourism							
VisitBritain			49,900		49,900	47,900	(2,000)
Regional Development Agencies			3,512		3,512	3,512	–
			53,412		53,412	51,412	(2,000)
S. Broadcasting and Media							
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)
			128,504		128,504	140,126	11,622
T. National Lottery Commission							
National Lottery Commission			6,342		6,342	6,339	(3)
			6,342		6,342	6,339	(3)

Notes to Departmental Resource Accounts

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

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

	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
2007–08							
Request for Resources 1							
A. Museums, Galleries and Libraries							
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
	0	447	8,170	(35)	8,582	9,148	566
B. Arts							
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 Stagertext	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
	0	722	4,873	(2,507)	3,088	3,852	764

2007–08	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
C. Sports							
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
	0	75	12,021	(50)	12,046	8,606	(3,440)
D. Architecture and Historic Environment							
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
	0	1,252	2,910	(37)	4,125	8,495	4,370

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
E. Listed Places of Worship							
Listed Places of Worship	0	232	14,725	0	14,957	15,250	293
	0	232	14,725	0	14,957	15,250	293
F. The Royal Parks							
Royal Parks Agency	0	32,004	0	(11,142)	20,862	19,992	(870)
	0	32,004	0	(11,142)	20,862	19,992	(870)
G. Tourism							
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
	0	85	1,900	0	1,985	1,963	(22)
H. Broadcasting and Media							
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)
	0	442	4,298	0	4,740	4,508	(232)
I. Administration and Research							
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)
	55,711	3,838	380	(1,968)	57,961	58,297	336

2007–08	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
J. National Lottery Commission							
NLC – Income from NLDF	0	0	0	(10,341)	(10,341)	(14,000)	(3,659)
	0	0	0	(10,341)	(10,341)	(14,000)	(3,659)
K. Gambling, Licensing and Horse Racing							
Gambling Fee Income	0	0	0	(1,177)	(1,177)	(1,835)	(658)
Gambling Appeals Tribunal	0	4	0	0	4	0	(4)
	0	4	0	(1,177)	(1,173)	(1,835)	(662)
L. Olympics (voted programmes)							
Olympic Board Secretariat	0	262	381	(364)	279	1,153	874
Olympics – other programme costs	0	180	0	0	180	2,162	1,982
	0	442	381	(364)	459	3,315	2,856
M. Regional Cultural Consortia							
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
	0	0	2,149	0	2,149	2,149	0

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
N. Museums, Galleries and Libraries							
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
	0	44	526,448	0	526,492	534,267	7,775
O. Arts							
Arts Council England	0	0	422,610	0	422,610	422,255	(355)
	0	0	422,610	0	422,610	422,255	(355)

2007–08	Admin £000	Other Current £000	Grants £000	A-in-A £000	Net Total £000	Estimate £000	Net Total Outturn v Estimate £000
P. Sports							
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
	0	0	181,855	0	181,855	192,973	11,118
Q. Architecture and Historic Environment							
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
	0	0	171,768	0	171,768	175,383	3,615
R. Tourism							
VisitBritain	0	0	50,650	0	50,650	50,650	0
Regional Development Agencies	0	0	3,600	0	3,600	3,600	0
	0	0	54,250	0	54,250	54,250	0
S. Broadcasting and Media							
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
	0	0	117,927	0	117,927	119,421	1,494
T. National Lottery Commission							
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
	0	0	10,341	0	10,341	14,083	3,742

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

3 Reconciliation of outturn to net operating cost and administration budget

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

				2008–09 Outturn compared with Estimate saving/ (excess) £000	2007–08 Outturn £000
	Note	Outturn £000	Supply Estimate £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)
Net operating cost		2,213,903	2,302,840	88,937	1,844,579

(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)
Net outturn against final Administration Budget	55,539	52,825	54,426

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

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

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	15,887
Other operating income and receipts not classified as A-in-A:					
RfR1		–	–	11	11
RfR2		2,971,590	2,971,590	2,959,496	2,960,253
	6(a)	2,971,590	2,971,590	2,980,310	2,976,151
Non-operating income and receipts – excess A-in-A	6(b)	–	–	80,227	80,227
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		–	–	–	–
Total income payable to the Consolidated Fund		2,971,590	2,971,590	3,060,537	3,056,378

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		–	–
Gross income	10	3,424,879	2,889,558
Income authorised to be appropriated-in-aid		(444,569)	(27,621)
Net operating income payable to the Consolidated Fund	5	2,980,310	2,861,937

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)	–
Non operating income payable to the Consolidated Fund	5	80,227	–

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
Total net costs	32,506	27,905	453	3,716	229	203	30,089
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

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 Seconded	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
Total	617.9	560.1	4.4	48.1	3.3	2.0
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
Total	616.60

Of which: core department	517.60
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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
	26,379	29,671

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
RfR 1 Programme costs		
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
	2,618,877	1,818,267
RfR 2 Programme costs	2,961,020	2,856,110
	5,579,897	4,674,377

10 Income

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

	2008–09 Total £000	2007–08 Total (restated) £000
Request for Resources 1		
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
Total RfR1 administrative Income	1,601	1,285

Notes to Departmental Resource Accounts

	2008–09 Total £000	2007–08 Total £000 (restated)
RfR1 programme income:		
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
Total RfR1 Programme Income	463,782	26,371
Total RfR1 Administrative and Programme Income	465,383	27,656
Request for Resources 2		
RfR2– BBC Licence fees received	2,957,353	2,859,002
– receivable	2,143	2,900
Total RfR2 Programme Income	2,959,496	2,861,902
Total income	3,424,879	2,889,558

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
Spending body:			
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
Net Operating Cost – RfR 1	2,303,030	2,212,379	1,850,371
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)
Net Operating Cost – RfR 2	(190)	1,524	(5,792)
Net Operating Cost – DCMS	2,302,840	2,213,903	1,844,579

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
Cost and valuation					
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)
At 31 March 2009	11,386	14,814	2,313	6,046	34,559
Depreciation					
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)
At 31 March 2009	3,019	9,924	916	–	13,859
Net Book Value					
At 31 March 2009	8,367	4,890	1,397	6,046	20,700
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
Cost and valuation							
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
At 31 March 2009	88,956	12,331	15,513	6,476	6,046	2,576	131,898
Depreciation							
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
At 31 March 2009	43,573	6,435	10,166	3,946	–	–	64,120
Net book value							
At 31 March 2009	45,383	5,896	5,347	2,530	6,046	2,576	67,778
At 31 March 2008	48,813	5,176	5,812	2,982	5,778	184	68,745
Asset financing:							£000
Owned							67,778
Finance leased							–
Net book value at 31 March 2009							67,778
Analysis of tangible fixed assets							£000
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
	45,383	48,813

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
Cost and valuation	
At 1 April 2008	1,647
Additions	27
Disposals	–
At 31 March 2009	1,674
Amortisation	
At 1 April 2008	1,577
Charged in year	8
Disposals	–
At 31 March 2009	1,585
Net Book Value	
At 31 March 2009	89
At 31 March 2008	70

	Software licences £000
Analysis of intangible fixed assets	
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

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
	74,625	12,148

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	–
Subtotal: Intra-government balances	70,353	–
Balances with bodies external to government	4,272	–
At 31 March 2009	74,625	–
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	–
Subtotal: Intra-government balances	7,776	–
Balances with bodies external to government	4,372	2,000
At 31 March 2008	12,148	2,000

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
Balances at 31 March	23,867	34,022

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)
	23,867	34,022

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
	105,943	51,956

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	–	–
Subtotal: Intra-government balances	92,479	–
Balances with bodies external to government	13,464	–
At 31 March 2009	105,943	–
Balances with other central government bodies	36,092	–
Balances with local authorities	344	–
Balances with NHS Trusts	–	–
Balances with public corporations and trading funds	–	–
Subtotal: Intra-government balances	36,436	–
Balances with bodies external to government	15,520	–
At 31 March 2008	51,956	–

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)
Balance at 31 March 2009	1,248	209	1,457

(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
Balance at 31 March	33,579	38,769

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)
Balance at 31 March	17,156	102,471

(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)
Balance at 31 March	8,224	6,601

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)
Net cash outflow from operating activities			(2,199,432)		(1,818,702)

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
Net cash receipts / (outflow) from investing activities		79,581	(9,746)

(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	–	–	–	–
Total 2008–09	(5,496)	–	85,077	79,581
Total 2007–08	(9,760)	–	14	(9,746)

(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		–	–
Net financing		5,118,217	4,673,000

(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)
Increase/(decrease) in cash		(10,155)	1,409

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
RFR1 Total	2,623,336
RFR2 Total	2,961,020
Total	5,584,356

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
RFR1 Total	1,822,316
RFR2 Total	2,856,110
Total	4,678,426

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
	58,959

	2007–08 £000
Objective 1	14,716
Objective 2	87,769
Objective 3	11,369
Objective 4	11,801
Objective 5	22,186
	147,841

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
	554	2,457

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
	6,460	6,451
Other:		
Expiry within one year	–	–
Expiry after 1 year but not more than 5 years	477	314
Expiry thereafter	–	57
	477	371

(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
Guarantees						
Borrowing facility for Historic Royal Palaces	4.0				4.0	N/A
Indemnities						
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
Totals	4,354.6	610.7			4,965.3	4,961.3

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.

Annex 1

PSA Targets from SR2004

In this annex, we report on any DCMS PSA that has not yet reached final assessment stage and is thus ongoing.

Further details of these PSAs can be found in the 2005–2008 Public Service Agreements Technical Note, available on our website⁹³. A revised version of this Technical Note was published in November 2007 in accordance with National Audit Office recommendations on PSA4.

The following report uses these terms to assess progress against **SR2002** and **SR2004** ongoing targets.

If final assessment:

- **Met:** Target achieved by the target date
- **Partly met:** Where a target has two or more distinct elements, and some – but not all – have been achieved by the target date
- **Not met:** Where a target was not met or met late.

If ongoing target:

- **Ahead:** If progress is exceeding plans and expectations
- **On course:** Progress is in line with plans and expectations
- **Slippage:** Progress is slower than expected, e.g. by reference to criteria set out in a target's Technical Note
- **Not yet assessed:** Used for targets for which data is not yet available.

PSA2

This is a joint target with Department of Health and Department for Children, Schools and Families. It has been rolled forward as a National target and an indicator underpinning PSA 12: Improve the health and wellbeing of children and young people.

Performance summary

Not yet assessed – According to the 2007 Health Survey for England (HSE) report there are indications that the trend in obesity prevalence may have begun to flatten out over the last two to three years (15.4 per cent – 2007 HSE data). However, confirmation of this change will require at least one more year's data.

Indicator

To meet the PSA, the prevalence of obesity in 2–10 year olds needs to be a maximum of 18.1 per cent by 2011, which means preventing at least 34,000 children from becoming obese or moving them out of the category.

From 1995 to 2006, the obesity prevalence for 2–10 year olds reported in the HSE has shown a linear increase of 0.5 percentage points a year, giving an estimated baseline of 16.1 per cent in 2006.

Description

The Government set itself a new ambition to be the first major nation to reverse the rising tide of obesity and overweight in the population by enabling everyone to achieve and maintain a healthy weight. Specifically, the national target (and one of the Children's Plan 2020 goals) is to reduce the proportion of overweight and obese children to 2000 levels by 2020 in the context of tackling obesity across the population.

The Government has also mapped out its intentions to deliver this ambition in *Healthy Weight, Healthy Lives: a cross-government strategy for England*⁹⁴, which was published in January 2008. It comprised five policy areas for action and provided everyone with the information and opportunities to achieve, and maintain a healthy weight. *Healthy Weight, Healthy Lives: One Year On*⁹⁵ published in April 2009 reviews progress on delivery and sets out priorities for the future.

The Government is inviting everyone in society to join a national movement called *Change4Life*⁹⁶ to help people maintain a healthy weight, by making it easier for parents to make healthier food choices and encourage more activity. Work is already well underway to collaborate with other government departments, the National Health Service, schools, voluntary groups, and commercial and media partners.

PSA3

By 2008, increase the take-up of cultural and sporting opportunities by adults and young people aged 16 and above from priority groups.

In December 2008 data from the 2007–08 Taking Part survey were published⁹⁷. This represented the final assessment of progress on PSA3.

Overall performance summary

Partly met

This PSA is measured by the sector targets described below. Two conditions must be fulfilled to meet each target:

- 1** The difference between the baseline estimate and the final estimate must be at least 3 percentage points (or 2 percentage points when considering museum and gallery visits)
- 2** The difference between the baseline estimate and the final estimate must be statistically significant at the 95 per cent level.

There were four targets (out of twenty) which met both conditions:

- 3 percentage point increase in those from Black and minority ethnic backgrounds attending historic environment sites
- 2 percentage point increase in those from Black and minority ethnic backgrounds attending museums and galleries
- 2 percentage point increase in those from lower socio-economic backgrounds attending museums and galleries
- 3 percentage point increase in those from Black and minority ethnic backgrounds attending arts events.

These are highlighted in blue in Figures 16, 18 and 20 pages 169–171).

Sports targets

Increasing the number of people from priority groups who participate in active sports at least 12 times a year by 3 per cent and increasing the number who engage in at least 30 minutes of moderate intensity level sport, at least three times a week, by 3 per cent⁹⁸. For this sector, priority groups are defined as women, people with a limiting disability, people from lower socio-economic groups, and people from ethnic minorities.

Performance summary

Not met

Final outturn data for active sport

Figure 9 shows the final estimates for active sports participation collected during the past three years. Comparing estimates from the baseline in 2005/06 with the final estimates in 2007/08 shows there has been a statistically significant decrease in participation by females and those with a limiting disability.

Figure 10 sets out whether each target meets the two conditions. None of the four priority group targets have been achieved.

Figure 9: Participation in active sport by priority group during the past four weeks

	2005/06	2006/07	Percentage 2007/08
Black and minority ethnic	53.3 (+/- 2.2)	51.9 (+/- 2.4)	52.6 (+/- 2.3)
Limiting disability	32.3 (+/- 1.3)	31.2 (+/- 1.5)	30.1 (+/- 1.3)
Lower socio-economic	43.4 (+/- 1.1)	42.2 (+/- 1.3)	43.8 (+/- 1.2)
Females	47.7 (+/- 1.0)	46.2 (+/- 1.1)	46.1 (+/- 1.0)
All adults	53.7 (+/- 0.8)	53.4 (+/- 0.9)	53.6 (+/- 0.8)

Figure 10: Meeting conditions for the active sport targets

	Percentage 2005/06	Percentage 2007/08	Percentage point difference 05/06–07/08	Confidence interval of difference	Significant difference 05/06–07/08
Black and minority ethnic	53.3	52.6	-0.6	+/- 3.2	No
Limiting disability	32.3	30.1	-2.2	+/- 1.9	Yes
Lower socio-economic	43.4	43.8	0.4	+/- 1.6	No
Females	47.7	46.1	-1.6	+/- 1.4	Yes

Final outturn data for moderate intensity sport

Figure 11 shows the final estimates for moderate intensity sport collected during the past three years. Comparing estimates from the baseline in 2005/06 with the final estimates in 2007/08 shows there has been a statistically significant increase in participation by those from lower socio-economic backgrounds.

Figure 12 sets out whether each target meets the two conditions. None of the four priority group targets have been achieved.

Figure 11: Participation in moderate intensity sport by priority group during the past week

	2005/06	2006/07	Percentage 2007/08
Black and minority ethnic	19.2 (+/- 1.7)	19.6 (+/- 1.9)	21.0 (+/- 2.0)
Limiting disability	9.5 (+/- 0.8)	9.4 (+/- 0.9)	9.7 (+/- 0.8)
Lower socio-economic	15.2 (+/- 0.8)	15.3 (+/- 0.9)	16.5 (+/- 0.9)
Females	18.5 (+/- 0.8)	18.3 (+/- 0.9)	18.6 (+/- 0.7)
All adults	20.9 (+/- 0.6)	21.5 (+/- 0.7)	22.5 (+/- 0.7)

Figure 12: Meeting conditions for the moderate intensity sport targets

	Percentage 2005/06	Percentage 2007/08	Percentage point difference 05/06–07/08	Confidence interval of difference	Significant difference 05/06–07/08
Black and minority ethnic	19.2	21.0	1.8	+/- 2.6	No
Limiting disability	9.5	9.7	0.2	+/- 1.2	No
Lower socio-economic	15.2	16.5	1.3	+/- 1.2	Yes
Females	18.5	18.6	0.1	+/- 1.1	No

Arts targets

Increasing the number of people from priority groups who participate in arts activity at least twice a year by 2 per cent and increasing the number who attend arts events at least twice a year by 3 per cent. For this sector, priority groups are defined as people with a disability, people from lower socio-economic groups, and people from ethnic minorities.

Performance summary

Partly met

Latest outturn data for arts participation

Figure 13 shows the final estimates for participation in arts activities collected during the past three years. Comparing estimates from the baseline in 2005/06 with the final estimates in 2007/08 shows there have been no statistically significant changes in participation.

Figure 14 sets out whether each target meets the two conditions. None of the three priority group targets have been achieved.

Figure 13: Participation in arts activities by priority group during the past 12 months

	2005/06	2006/07	Percentage 2007/08
Black and minority ethnic	20.8 (+/- 1.7)	20.1 (+/- 2.0)	20.3 (+/- 1.9)
Limiting disability	18.9 (+/- 1.2)	19.8 (+/- 1.3)	18.7 (+/- 1.1)
Lower socio-economic	15.3 (+/- 0.8)	14.3 (+/- 0.9)	14.5 (+/- 0.8)
All adults	24.1 (+/- 0.7)	22.8 (+/- 0.7)	22.6 (+/- 0.7)

Figure 14: Meeting conditions for the arts participation targets

	Percentage 2005/06	Percentage 2007/08	Percentage point difference 05/06–07/08	Confidence interval of difference	Significant difference 05/06–07/08
Black and minority ethnic	20.8	20.3	-0.5	+/- 2.6	No
Limiting disability	18.9	18.7	-0.3	+/- 1.6	No
Lower socio-economic	15.3	14.5	-0.8	+/- 1.1	No

Latest outturn data for arts attendance

Figure 15 shows the final estimates for attendance at arts events collected during the past three years. Comparing estimates from the baseline in 2005/06 with the final estimates in 2007/08 shows there has been a statistically significant increase in attendance by those from Black and minority ethnic backgrounds.

Figure 16 sets out whether each target meets the two conditions. **One of the three priority group targets has been achieved:** a statistically significant increase, of at least 3 percentage points, amongst those from Black and minority ethnic backgrounds attending arts events.

Figure 15: Attendance at arts events by priority group during the past 12 months

	2005/06	2006/07	Percentage 2007/08
Black and minority ethnic	23.5 (+/- 1.9)	22.8 (+/- 2.2)	27.2 (+/- 2.0)
Limiting disability	24.1 (+/- 1.3)	24.2 (+/- 1.4)	25.1 (+/- 1.3)
Lower socio-economic	17.4 (+/- 0.9)	17.4 (+/- 1.0)	18.3 (+/- 0.9)
All adults	33.7 (+/- 0.8)	33.0 (+/- 0.9)	34.3 (+/- 0.8)

Figure 16: Meeting conditions for the arts attendance targets

	Percentage 2005/06	Percentage 2007/08	Percentage point difference 05/06–07/08	Confidence interval of difference	Significant difference 05/06–07/08
Black and minority ethnic	23.5	27.2	3.7	+/- 2.7	Yes
Limiting disability	24.1	25.1	1.1	+/- 1.8	No
Lower socio-economic	17.4	18.3	0.9	+/- 1.3	No

Museums targets

Increasing the number of people from priority groups accessing museums and galleries collections by 2 per cent. For this sector, priority groups are defined as people with a disability, people from lower socio-economic groups and people from ethnic minorities.

Performance summary

Partly met

Figure 17 shows the final estimates for museum and gallery attendance collected during the past three years. Comparing estimates from the baseline in 2005/06 with the final estimates in 2007/08 shows there has been a statistically significant increase in attendance by those from Black and minority ethnic backgrounds and lower socio-economic backgrounds.

Figure 18 sets out whether each target meets the two conditions. **Two of the three priority group targets have been achieved:** a statistically significant increase, of at least 2 percentage points, amongst those from Black and minority ethnic backgrounds and lower socio-economic backgrounds attending museums and galleries.

Figure 17: Attendance at museums and galleries by priority group during the past 12 months

	2005/06	2006/07	Percentage 2007/08
Black and minority ethnic	35.5 (+/- 2.3)	33.6 (+/- 2.4)	39.3 (+/- 2.3)
Limiting disability	32.1 (+/- 1.4)	31.1 (+/- 1.5)	33.2 (+/- 1.4)
Lower socio-economic	28.3 (+/- 1.0)	28.3 (+/- 1.1)	30.6 (+/- 1.0)
All adults	42.3 (+/- 0.8)	41.6 (+/- 0.9)	43.6 (+/- 0.8)

Figure 18: Meeting conditions for the museum and gallery attendance targets

	Percentage 2005/06	Percentage 2007/08	Percentage point difference 05/06–07/08	Confidence interval of difference	Significant difference 05/06–07/08
Black and minority ethnic	35.5	39.3	3.9	+/- 3.3	Yes
Limiting disability	32.1	33.2	1.0	+/- 1.9	No
Lower socio-economic	28.3	30.6	2.3	+/- 1.4	Yes

Historic environment targets

Increasing the number of people from priority groups visiting designated Historic Environment sites by 3 per cent. For this sector, priority groups are defined as people with a disability, people from lower socio-economic groups and people from ethnic minorities.

Performance summary

Partly met

Figure 19 shows the final estimates for historic environment attendance collected during the past three years. Comparing estimates from the baseline in 2005/06 with the final estimates in 2007/08 shows there has been a statistically significant increase in attendance by those from Black and minority ethnic backgrounds and lower socio-economic backgrounds.

Figure 20 sets out whether each target meets the two conditions. **One of the three priority group targets has been achieved:** a statistically significant increase, of at least 3 percentage points, amongst those from Black and minority ethnic backgrounds attending heritage sites.

Figure 19: Attendance to historic environment sites by priority group during the past 12 months

	2005/06	2006/07	Percentage 2007/08
Black and minority ethnic	50.7 (+/- 2.4)	48.3 (+/- 2.9)	54.1 (+/- 2.4)
Limiting disability	59.5 (+/- 1.5)	60.2 (+/- 1.7)	60.9 (+/- 1.4)
Lower socio-economic	57.1 (+/- 1.2)	57.3 (+/- 1.4)	59.4 (+/- 1.2)
All adults	69.9 (+/- 0.8)	69.3 (+/- 1.0)	71.1 (+/- 0.8)

Figure 20: Meeting conditions for the historic environment attendance targets

	Percentage 2005/06	Percentage 2007/08	Percentage point difference 05/06–07/08	Confidence interval of difference	Significant difference 05/06–07/08
Black and minority ethnic	50.7	54.1	3.4	+/- 3.4	Yes
Limiting disability	59.5	60.9	1.5	+/- 2.0	No
Lower socio-economic	57.1	59.4	2.3	+/- 1.7	Yes

PSA4

Improve the productivity of the tourism, creative and leisure industries

Performance summary

Slippage

Indicator

For the purposes of this PSA, productivity is estimated for each of the three industries by dividing gross value added (GVA) by total employment. Gross value added and total employment are sourced from the Office of National Statistics Annual Business Inquiry. Baselines and targets are reported under two headings: "Tourism-related and Other Leisure Industries" and "Creative Industries".

Targets take the form of annual percentage increases in the productivity figures higher than those for the service sector as a whole.

Description

DCMS seeks to support this objective at a microeconomic level with projects designed to impact on its sponsored industries. This takes two forms: research aimed at understanding drivers of performance in the industries and policies informed by the research and other evidence.

The impact of these projects is measured and assessed through analysis of the contribution both tourism and leisure, and creative industries make to UK productivity. These projects consist of:

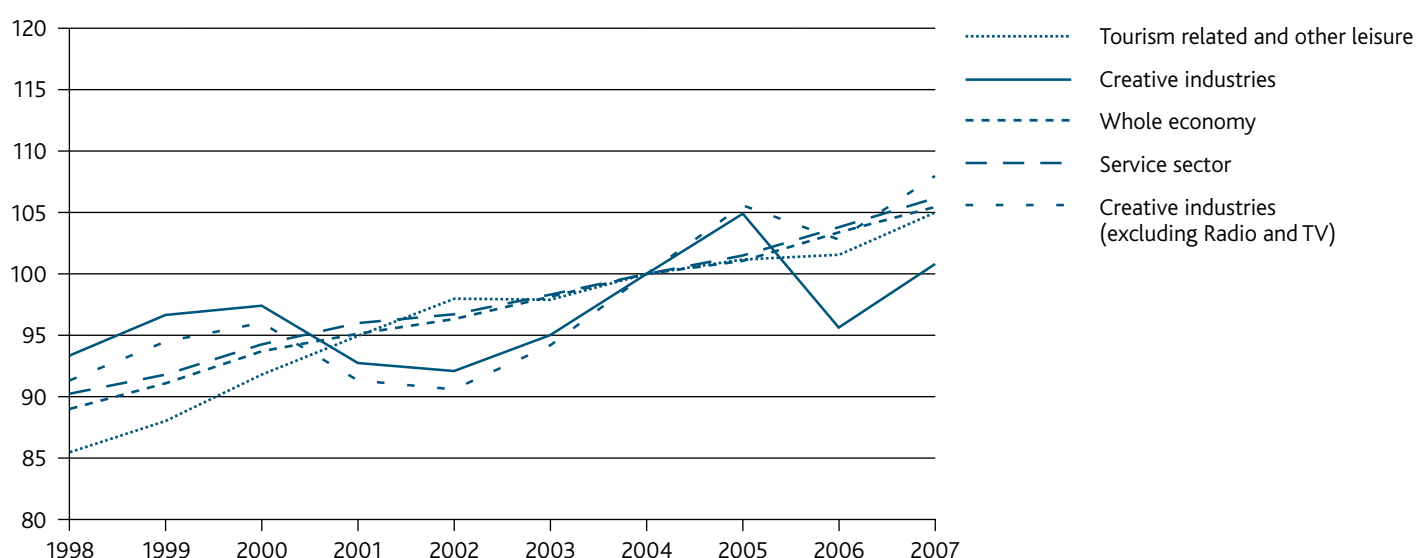
- implementation of the Licensing Act
- implementation of the Gambling Act
- Digital Switchover implementation
- tourism projects, including the Tourism Strategy for 2012 and beyond
- creative industries projects.

The base year for the data on productivity performance is 2004 and the trends in productivity, updated to include **revised data for 2006 and 2007** (the latest available) are shown in Figure 21.

Latest outturn data

Indices in real changes in productivity
See Figures 21 and 22

Figure 21: Indices in real changes in productivity



Commentary

The *revised* data for 2006 and 2007 show continued slippage in progress against the target – most notably for the creative industries. Although the estimated level of productivity in 2007 is above that of the base year for both the 'creative' and 'tourism and leisure' sectors, growth remains below that for the service sector as a whole.

The sharp fall in productivity in 2006 for the creative industries has been caused by a significant revision to the turnover and GVA for the radio and television industry⁹⁹. The revision is identified as due to changes in the nature of the reporting within the industry for 2006 onwards. This is in addition to a downward revision made to the GVA series for this industry for the period 2000–2004 after over-estimation in the source data was identified. [Further detail on this adjustment is available in the DCMS Creative Industries Economics Estimates bulletin¹⁰⁰, January 2009.](#)

For these reasons, an additional productivity index for the creative industries has been presented in the table and chart above that excludes the radio and television industry from the definition agreed in the PSA technical note. While a fall in productivity is still evident in this series between 2005 and 2006 – caused by minor decreases in GVA in other sectors including 'advertising' – the subsequent rise in productivity in 2007 is above that for the service sector as a whole. This has been driven by increased GVA across many of the creative industries sectors, particularly for 'software consultancy and supply'.

For the tourism and leisure industries there has been continued productivity growth, driven by increased GVA for the combined sector (particularly for gambling activities, licensed restaurants and cafes, and travel agencies/tour operators) and steady employment levels. However, the growth in productivity for these industries is still slightly below that for the service sector as a whole.

The updated productivity indices also reflect the latest published comparative series for the whole economy and the service sector. Provisional data for 2008 will be released by the Office for National Statistics (ONS) in late 2009 and will be incorporated into the next report on progress against this target.

[The limitations of the measurement of this PSA are explained in the target's Technical Note¹⁰¹.](#) In particular, low-level results are used which are more prone to sampling variation, meaning that some fluctuations remain in the data. These may indeed be correct but it is nevertheless advisable to consider the trend and averages over several years, rather than solely the change between any two particular years.

Figure 22: Year-on-year changes to the productivity indices (%)

Sector	2001 %	2002 %	2003 %	2004 %	2005 %	2006 %	2007 %	Average 1998–2007 %	Average 2005–2007 %
Tourism related and other leisure	3.3	3.2	0.0	2.0	1.3	0.4	3.5	2.3	1.9
Creative industries	-4.9	-0.7	3.0	5.3	5.0	-8.9	5.3	0.8	-2.0
Creative industries (<i>excluding Radio & TV</i>)	-4.8	-0.8	4.1	6.1	5.8	-2.8	5.1	1.9	1.1
Service sector	1.8	0.8	1.6	1.7	1.4	2.3	2.4	1.8	2.4
Whole economy	1.6	1.1	1.9	1.9	1.1	2.1	2.2	1.9	2.2

Public Accounts Committee recommendations

The following PAC recommendations are still incomplete or outstanding, as explained on Page 59.

Session 2007–08: Twenty-Eighth Report of 2007–08 – Government Preparations for Digital Switchover (HC416)

Recommendations and conclusions

PAC conclusion (4): Take up of the help scheme in Copeland, the first area to switch to digital, suggests that demand for the scheme will be much lower than the Departments' forecasts, which look increasingly out of date. The Departments should review whether the scheme is reaching enough people and achieving its objectives, based on what happens in the Border region, which will be the first full region to switch. In the light of this review, they should amend the design of the scheme and the funds available as necessary before proceeding with switchover in the Granada region from October 2009.

Response

Recommendation partially accepted

The Departments, along with the BBC, will keep Help Scheme funding under continuous review. The Government considers it to be too early to take decisions on the appropriate level of funding based on the switchovers in Copeland, Scottish Borders and part of the West Country (only 1.5 per cent of the population).

Granada will be the first large urban area to switch, in November 2009, and at that stage it would be sensible to review the level of resources ring-fenced for the Help Scheme. The Help Scheme has recently been extended to all residents of care homes, meaning that more potentially vulnerable people can be helped in making the switch to digital television. This extension of the Help Scheme will be contained within the existing budget.

Recommendations and conclusions

PAC conclusion (7): The Departments' reliance on voluntary labelling and the work of Digital UK to protect consumers from potential miss-selling of analogue televisions in the run-up to switchover has, so far, not worked. The 'Digital Tick' was introduced nearly four years ago, but only half the staff in the two thirds of stores which use the Digital Tick logo understand what it means. Given reliance on the logo to protect consumers, the Departments should set out how, by the end of 2008, they will try to secure take-up of the logo by at least 90 per cent of retailers (by sales), and at least 90 per cent understanding of the Digital Tick among staff selling television equipment in retail stores. This should substantially reduce the risk that consumers will unwittingly purchase televisions with built-in obsolescence.

Response

Recommendation accepted

By April 2009, more than nine out of ten TVs (95 per cent) sold were digital and more than three-quarters of recorders (76 per cent) were digital. Research in March 2008 showed that, for consumers who did buy analogue TVs, nine out of ten understood that they were buying a set that would need converting for switchover. Major stores, such as John Lewis, Dixons Stores Group and Comet, have committed publicly to stop selling analogue sets.

Digital UK has put in place a range of measures to support the retail trade since the beginning of 2008. This includes appointing a field marketing agency, Gekko, to supply retail support teams to visit stores, encourage sign-up to the 'digital tick' logo scheme, and provide advice, training and materials.

Digital UK had secured the take up of the 'digital tick' logo by 86 per cent of retailers (by volume of set top box and TV sales) by March 2009.

By that date understanding of the 'digital tick' by retailers at a national level was 59 per cent (as opposed to 43 per cent at April 2008). This figure is higher in regions closer to switching, where retail support teams are on the ground.

Session 2007–08: Fiftieth Report – Preparations for the London 2012 Olympic and Paralympic Games (HC 890)

Recommendations and conclusions

PAC conclusion (3): Despite the previous recommendations of the Committee, effective programme management arrangements are not yet in place. Three years after London was awarded the Games, the Department's programme planning and risk management arrangements are still not fully developed. The arrangements, which the Department now expects to be fully embedded by the end of 2008, should include:

- a programme plan that brings together the key activities of the delivery organisations and identifies any overlaps, gaps or critical dependencies between different elements of the programme
- consolidated analyses of the risks identified by individual delivery organisations, with their significance rated on a consistent basis using common criteria, and clarity about the mitigating actions needed
- identification of risks beyond the control of the individual delivery organisations. There should be clear assessments of the likelihood of risks being realised and their potential impact. Mitigating actions should be identified, and responsibilities assigned

- regular and user-friendly reporting of the more important risks (for individual organisations and programme-wide) to the Olympic Board, and records of decisions taken
- documented protocols for keeping the overarching programme plan and assessment of risks up-to-date.

Response

Recommendation accepted

Our original response referred to an overarching Programme Plan developed by the Government Olympic Executive (GOE) that brought together the plans and activities of the delivery organisations. The plan would enable the identification of dependencies, overlaps, gaps, complexity and critical path activities – thus exposing areas of risk. The first version of the plan was submitted to the Olympic Board in September 2008.

GOE had also developed a framework for programme-wide risk management. The framework would ensure that the processes for identifying and managing cross-programme risks use common and consistent criteria and ratings, while identifying and monitoring the actions to mitigate risk. This would be embedded by December 2008.

Update

The Programme Plan is now being used to monitor progress, and is regularly maintained and updated to reflect agreed changes. It will also be expanded as stakeholder plans are developed in further detail. This facilitates tracking and reporting of performance across the Olympic programme, and will also enable the continual identification and management of risks.

The framework for risk management arrangements has now been fully embedded.

The risk and issue identification, mitigation and monitoring methodology, including assessment criteria, of the Lead Delivery Stakeholders has been evaluated and is consistent with that used by the Olympic Board and its Steering Group. All of these organisations use standard assessment criteria which are based on likelihood and impact, and can be consistently and coherently interpreted across the programme.

Via the GOE/Programme reporting process, lead Delivery Stakeholders alert the Olympic Board and its Steering Group to any risk or issue that needs the cooperation of more than one stakeholder, and therefore direction from the Board and Group. The risk reports clearly identify the risks, actions required to mitigate or respond to them, and progress against those actions. All identified risks are underpinned by assessments of likelihood and impact.

The most important risks and issues from the Lead Delivery Stakeholders and programme-wide are presented to the Olympic Board and its Steering Group, through the regular reporting process implemented by GOE. Discussions and decisions are recorded.

The GOE Programme Office Handbook identifies all protocols, processes, templates and guidance for updating the programme plan and the assessment of risks and issues.

Recommendations and conclusions

PAC conclusion (4): As well as the preparations for the London 2012 Games, there are other publicly funded programmes aimed at economic regeneration of East London, making it harder to isolate the impacts of the Games. The Department should determine the evaluative methods and criteria it will use to assess the impact of the Games so there is clarity now about how the benefits will be evaluated later. The Department will need to take account of regeneration that would have occurred in East London without the Games, and disentangle the impacts of the Games from those of other regeneration activities.

Response

Recommendation accepted

In the original response, the Department stated that a working group had been established to co-ordinate the evaluation work that would take place across the Olympic family, including the London Organising Committee of the Olympic Games and Paralympic Games, the Greater London Authority and the London Development Agency. Supporting this process, the Department would provide advice on suitable methods of evaluation, emphasising the need to clearly identify Games-specific impacts, including their impact on the regeneration of East London. This would incorporate guidance on how to determine which activities should be included in Olympic-related evaluation, and how to trace the links between Olympic activities and their impact on East London. The Department planned to have this advice available by the end of 2008.

Update

The Department has developed advice on evaluation scope and methodology in the form of a 2012 Games Evaluation Framework, and has disseminated this across the Olympic family. Building on this Framework, the Department is now planning how it will deliver a 'meta-evaluation' of the Games that aims to aggregate the results of evaluations done across the Olympic family, informing an overall assessment of the impact and legacy of the London 2012 Games.

Session 2007–08: Forty-Second Report – Preparing for sporting success at the London 2012 Olympic and Paralympic Games and beyond (HC 477)

Recommendations and conclusions

PAC conclusion (1): The Department has yet to begin raising the £100m it needs from the private sector to fund elite sport, even though we first raised concerns about the size of this challenge nearly two years ago. The Department plans to start its fundraising after the Beijing 2008 Games, although it could not say what it had to offer to attract private sector donors, or provide any guarantees that the money would be raised. The Department should work with its advisors to develop firm proposals for how it will attract private sector donors and in what timeframe it would be realistic to obtain firm commitments.

Response

Recommendation accepted

In our previous responses, we referred to our work on the 'Medal Hopes' scheme with UK Sport and Fast Track Ltd.

Update

On 25 February 2009, our Secretary of State announced a groundbreaking new partnership – Team 2012 – to secure long-term private sector funding for Britain's Olympic and Paralympic hopefuls. LOCOG, BOA, BPA and UK Sport have agreed to work together to help raise additional funds for elite sport in the run-up to London 2012 and beyond. The move builds on 'Medal Hopes' with an enhanced package of rights for sale as an official LOCOG sponsorship programme. This initiative will offer sponsors the chance to be associated with Olympic and Paralympic athletes on UK Sport's World Class Performance Programme (WCPP). There will also be opportunities for regional and local companies, and individual patrons to become involved.

Recommendations and conclusions

PAC conclusion (2): UK Sport is due to give sports the first £20m of the money to be raised from the private sector during 2008–09, but it has yet to receive funds to enable it to do so. If the Department cannot raise the full £100m or it is raised too late, then the Great Britain teams' medal chances at the London 2012 Games could be harmed. UK Sport should identify what action it will take in the 2008–09 financial year to address any shortfall, including how individual sports will be affected. In developing its contingency plans, it should seek to protect the funding of those sports most likely to win medals at the London 2012 Games.

Response

Recommendation accepted

DCMS and UK Sport accept the Committee's recommendation. In our previous responses, we confirmed that the Department would meet the shortfall in private sector funding for the financial year 2008–09, and outlined UK Sport's investment principles, which target resources primarily at those sports and athletes most likely to win medals at London 2012.

Update

DCMS met the £20m shortfall in the financial year 2008/09. UK Sport's investment principles formed the basis for the 2009–13 investment decisions made by its Board at meetings on 2 December 2008 and 29 January 2009.

Recommendations and conclusions

PAC conclusion (3): Concerns about what funding will be available have created uncertainty for the sports' governing bodies, making it harder for them to plan ahead on the basis of firm financial commitments. After the Beijing Games in 2008, UK Sport should share with sports its contingency plans in the event of a shortfall in funding. To help sports to plan up to London 2012, it should discuss with each sport how its funding might be affected, based on up-to-date assessments of how much of the £100m will be raised.

Response

Recommendation Partially Accepted

Our earlier responses outlined UK Sport's key investment principles and indicated that any private sector funding would be allocated to sports in line with this 'no compromise' approach.

Update

As indicated previously, UK Sport's Board made funding allocations to sports on the above dates, based on its investment principles and the available public funding. On 25 February 2009, our then Secretary of State launched Team 2012, which will seek to raise private sector funds in the run-up to London 2012 and establish a long-term funding stream for Olympic and Paralympic sport. This private sector funding will be additional to the record amount of public sector investment of £550m for the final three years of the Beijing cycle and the four years of the London Olympic cycle through to 2013.

Recommendations and conclusions

PAC conclusion (4): The Department and UK Sport's medal table goals at the London Olympic and Paralympic Games in 2012 are demanding and UK Sport acknowledges that meeting them will require a step change in the performance of athletes. The Beijing Olympic and Paralympic Games later this year will provide a key indicator of progress towards UK Sport's medal table goals for the London 2012 Games. UK Sport should within six months of the Beijing Games, publish an action plan setting out how it will address any weaknesses in the performance of the Great Britain teams. It should set out clearly what impact its assessment of performance at Beijing has on the medal targets set overall, and for individual sports for the London 2012 Games. UK Sport should also make clear the consequences of any changes it makes to targets on its funding allocations.

Response

Recommendation accepted

The previous responses referred to UK Sport's Mission 2012 performance reviews with sports post-Beijing.

Update

The Beijing Olympic and Paralympic performances were exceptional and demonstrated both the successful impact of the investment made up to Beijing and the progress being made through to London 2012.

The results of the post-Games Mission 2012 reviews were published in December 2008 and UK Sport announced its high-level targets for London 2012 – top four in the Olympics and second in the Paralympics, and more medals won in more sports.

UK Sport continues to work with all sports to identify any issues and challenges to performance and the achievement of these goals through the Mission 2012 process.

Recommendations and conclusions

PAC conclusion (5): Following our 2006 Report, UK Sport has agreed a broader range of targets to measure its own performance, all of which it has comfortably exceeded, indicating that the targets set were not sufficiently stretching. The performance targets UK Sport has agreed with the Department are set at the level of 75 per cent of the targets it sets for individual sports. We do not consider that agreeing targets at 75 per cent of the level it sets for others is satisfactory as an indicator of UK Sport's own performance. In the new Funding Agreement covering the period April 2008 to March 2011, UK Sport and the Department should agree targets for UK Sport at the same level as the aggregate of the targets for individual sports.

Response

Recommendation partially accepted

The original response stated that DCMS and UK Sport would agree an appropriate percentage level for UK Sport's overall targets for each year of competition bearing in mind PAC recommendations.

Update

The performance in Beijing demonstrated that UK Sport's goals in the period leading up to the Olympic and Paralympic Games were effective in ensuring success.

Since then the performance targets for 2012 have been agreed as:

- top four in the Olympic medal table and more medals across more sports
- second in the Paralympic medal table and more medals across more sports.

The consolidated performance targets for the most significant events of each year are agreed between DCMS and UK Sport annually at the first quarterly review meeting of the year.

At the April 2009 meeting, DCMS and UK Sport agreed to move towards a medal range approach with sports (where the top end of the range represents the best possible outcome and the low end represents unacceptable performance). UK Sport's target is based upon the mid-point of the sum of the medal ranges for the sports in those most significant events. For 2009–10, the targets are as follows:

Olympic – 37 medals

Paralympic – 117 medals

Recommendations and conclusions

PAC conclusion (6): The Department is aiming to secure a sustained improvement in sports participation before and after the London 2012 Games, but there is no conclusive evidence that winning Olympic and Paralympic medals influences levels of participation in the community. The Department has a target for 2m more people to participate in a sport or physical activity by 2012. It should review existing evidence on how elite sporting success impacts on sports participation and undertake new research where there are gaps in the evidence. In the light of this research, it should work with UK Sport and the home country sports councils to develop an action plan on how it will use sporting success at the London 2012 Games to improve levels of sports participation before, during and after the Games.

Response

Recommendation accepted

Our earlier response referred to DCMS issuing an invitation to tender as part of our Joint Research Programme, the purpose of which is to more generally understand participation across all our sectors.

We also referred to UK Sport conducting its own 'sporting preferences' survey of the general public. At the time the follow-up post Beijing was underway.

Update

The first phase of the Culture and Sport Evidence (CASE) programme is now underway. A consortium of the University of London's EPPI-centre (Evidence for Policy Practice Information) and Matrix Knowledge Group is undertaking a key evidence and data review on the drivers and impacts of public participation in culture and sport, due to report in early 2010.

The results of the Sporting Preferences survey were published on 29 December 2008. The survey was based on the responses of a UK-representative sample of 2,111 adults aged 16 or over. In terms of sports participation, interviewees were asked whether the success of Team GB at the Beijing Olympics or Paralympics had led to any specific changes in their participation, involvement or interest in sport. Eighteen per cent of respondents (362 people) said it had. Of these, 48 per cent said they were simply more interested in sport than before Beijing. However, 14 per cent (about 2 per cent of the UK public) claimed to have taken up a new sport; 7 per cent (1 per cent of the UK public) said they had been to a sports event that they probably would not have attended pre-Beijing; and 7 per cent (again, 1 per cent of the UK public) said they were taking part in sport or physical activity more often than they were before the start of the Olympics.

Recommendations and conclusions

PAC conclusion (7): UK Sport believes elite athletes can act as role models and inspire young people from all walks of life to take up sport. It holds no data on the background of the 1,400 elite athletes it currently funds, however, and told us it did not consider the information to be relevant. We believe, on the contrary, that this information would provide a clearer picture of who is receiving public funding, and be a basis for identifying opportunities for the Department, UK Sport and the home country sports councils to work together to increase the socio-demographic spread of athletes in some sports, from grass roots to elite participation. In common with other lottery distributors, UK Sport should collect data on the socio-economic and educational backgrounds of the athletes it funds and we find the refusal to do so both unjustified and disturbing.

Response

Recommendation accepted

The earlier response indicated that UK Sport held background data on the gender, age, ethnicity and disability of the 1,400 WCPP elite athletes it currently funds, but not their educational background.

DCMS and UK Sport accepted that such information might be useful for wider sports policy purposes and agreed to add in an educational background question to the UK Sport annual athlete survey. The survey was due to take place in November 2008, with the final report published by March 2009.

Update

A question relating to educational background will be included in the next major athlete survey conducted by UK Sport. However, this will now take place in Autumn 2009 (after the summer competition season), because UK Sport is seeking to align better its athlete survey with the end of year reviews of sports that are conducted as part of Mission 2012.

Recommendations and conclusions

PAC conclusion (8): UK Sport is aiming to establish a world-class system of support for elite athletes which will last beyond 2012. Its success in doing so will depend on its ability to work effectively in partnership with a range of other parties in the public, private and voluntary sectors. The Department should establish a steering group to co-ordinate the activities of all those seeking to deliver its sporting objectives before, during and after the London 2012 Games. The group's remit should be to exploit opportunities for its members to work together on initiatives to maximise the sporting benefits and legacy of host nation status. A key objective should be to enhance the links between grass roots and high performance sport so as to make the most of the opportunity presented by the increased spending on both sports participation and elite athletes.

Response

Recommendation accepted

Our earlier responses indicated our intention to establish a new Sports Legacy Board, chaired by the Minister for Sport.

Update

The first meeting of the Board was held on 31 March 2009.

Session 2007–08: Forty-Ninth Report – Making grants efficiently in the culture, media and sport sectors (HC 641)

Recommendations

PAC conclusion (1): The Department does not require grant-makers to report their costs against a common set of measures and has done little to encourage grant-makers to compare the costs of their grant programmes. The Department should take the lead in agreeing with grant-makers ways to measure and report the cost of making grants on a like-for-like basis. Where there is evidence of inefficiency, it should challenge them to identify the main drivers of cost and to find ways to make savings.

Response/Progress

Recommendation partially accepted

Discussions have continued between the Finance Directors of the distributors concerning cost information, in order to ensure that best practice is shared. Big Lottery Fund is continuing to develop its own costing system, and it is intended to share this when it is complete in September 2009.

Recommendations

PAC conclusion (2): In 2006–07, ACE spent 35 pence to award a pound of grant to individual artists on its Grants for the Arts programme, compared to a cost of between 3 and 8 pence for the other grant programmes we examined. The Arts Council commits significant resources to supporting the work of individual artists, but does not know exactly how much this work costs. It should:

- identify separately the cost of the development work it carries out with applicants, and evaluate whether the cost of such work is proportionate to the outcomes delivered
- assess whether the purely administrative cost of making these grants is in line with that of other programmes and, if it is not, seek to learn from other grant-makers to see how its processes might be streamlined.

Response/Progress

Recommendation partially accepted

ACE's organisation review process, delivering savings for GIA targets and Lottery administration from 2010–11, is expected to save £1.5m from the current direct costs of managing the Grants for the Arts programme, by centralising more of the assessment and monitoring functions, and placing these in their Manchester support centre. Once implemented this will make the direct costs of the scheme much more transparent.

Recommendation

PAC conclusion (3): On average, English Heritage spent nearly £10,000 to award a grant under its *Repair Grants for Places of Worship* scheme, and estimates that providing technical support, such as from surveyors and architects, to grant applicants, represents over half of the cost incurred. English Heritage should keep under review the cost of awarding these grants and should identify separately the cost of providing specialist technical support. It should seek ways to reduce this cost, such as introducing a risk-based approach which ensures that the level of specialist support, in particular the input of architects, is commensurate with the demands of each project.

Response/Progress

Recommendation partially accepted

English Heritage (EH) is continuing to seek ways of reducing the cost of the Repair Grants for Places of Worship (RGPW) scheme, and is in ongoing discussions with the Heritage Lottery Fund, as joint funders, to improve the efficiency of the management of the scheme.

English Heritage has now written to national contacts for faith groups introducing the RGPW scheme, following the setting up of the faith contacts database referred to in the response to the PAC Report.

Recommendation

PAC conclusion (4): Applying for a grant can be a complex and time-consuming process but grant-makers do not seek to understand what costs their processes are imposing on applicants. For Big Lottery Fund's Reaching Communities programme, applicants took on average 21 days to prepare an application, although the application had a one in five chance of being successful. Grant-makers should routinely monitor how much it costs applicants to complete the forms and provide the information necessary to apply for funding. Wherever possible they should make it easier to apply for grants by simplifying application forms, by improving guidance and access to advice, and by requesting only the information they need to make funding decisions.

Response/Progress

Recommendation accepted

Big Lottery Fund's Business Re-engineering process is specifically addressing the issue of cost to applicants. The go-live date is currently set at 30 November 2009, with full implementation of online applications from April 2010. The widespread move to online applications by the grant giving bodies will also help reduce costs to applicants. By identifying these accurately it will be possible to refine systems to reduce that cost.

Recommendation

PAC conclusion (5): The Big Lottery Fund has increased the spread of successful applications across the United Kingdom and from different social groups, but more could be done by other grant-makers to raise potential grant applicants' awareness of available funding and to stimulate higher quality applications. Grant-makers should seek to learn from Big Lottery Fund's approach, including its regional outreach operations. They should work together in the regions, and with other partners such as local authorities, to establish one-stop shops and run events to promote grant programmes and offer advice.

Response/Progress

Recommendation accepted

Lottery distributors are sharing best practice through the Lottery Forum and are continuing to refresh and update the website www.lotteryfunding.org.uk, with the aim of enabling potential applicants to make more successful applications for lottery funding with the minimum burden.

Recommendation

PAC conclusion (6): There is little effective sharing of information on the costs and processes of grant-making. The Department should facilitate an initiative across the sector to share information about the administrative costs of grant programmes. It should:

- work with the Lottery Forum to develop its role in sharing good practice and compare the costs and effectiveness of the grant-making process
- promote the exchange of information and learning about good practice, both within and beyond the sector, for example, by helping grant-makers set up a benchmarking club.

Response/Progress

Recommendation partially accepted

Lottery distributors are continuing to share best practice through the Lottery Forum. However, because their businesses are very diverse, it is not appropriate to benchmark but rather to adopt each other's best practice where relevant.

Recommendation

PAC conclusion (7): Despite recommendations made by this Committee that they should work together, grant-makers have worked independently to rationalise office accommodation and identify efficiency savings. The sector has made little progress in sharing services, systems or accommodation and the Department should be more pro-active in encouraging sharing and co-operation between bodies in areas such as office accommodation. It should require those grant-makers with a regional presence to evaluate the costs and benefits of sharing office accommodation and facilities.

Response/Progress

Recommendation partially accepted

Visit Britain is in the process of winding down the lease on their present building and will be relocating to surplus public sector premises.

Recommendation

PAC conclusion (8): Grant-makers have procured and developed independently their own IT systems to manage grants and have done little to share information about each system's strengths and weaknesses. This approach is symptomatic of an apparent unwillingness to work together. The Department should promote closer working between the grant-makers in researching, testing, procuring and developing new systems. Before approving funding for new IT systems, it should require an evaluation of the scope to share or adapt systems already in use by other grant-makers.

Response/Progress

Recommendation partially accepted

Discussions are being held between lottery distributors exploring the possibility of sharing certain services, but the diversity of their businesses means that common systems are not necessarily appropriate.

Recommendation

PAC conclusion (9): Only Sport England of the four grant-makers has the ability to process applications online, even though such an approach can reduce the costs of their processes, simplify the grant application process and improve the grant applicants' experience of the process.

Grant-makers should work together to explore how to increase the use of online applications in their processes. As a starting point, the development work being carried out by the Big Lottery Fund to introduce online applications should be shared with others.

Response/Progress

Recommendation accepted

Big Lottery Fund (BIG) is progressing with the implementation of its new funding system. The go-live date is currently set at 30 November 2009, with full implementation of online applications expected from April 2010.

Preliminary discussions have been held between BIG and ACE to share information on the capabilities of BIG's new system. ACE has commenced the Office of Government Commerce (OGC) process of tendering for their online grant applications system, which will deliver that service to grant applicants for 2010–11.

Recommendation

PAC conclusion (10): The lottery distributors have established a common website which refers applicants to the distributor most relevant to their circumstances, but grant-makers have yet to establish a one-stop-shop for grant applications, as exists in the United States. In the United States, a common website, which is shared by 26 Federal grant-making organisations, lets applicants know about grant opportunities and enables them to submit applications online. The Department should encourage grant-makers to work together to make better use of technology, such as by developing a shared grant application system similar to that in the USA.

Response/Progress

Recommendation partially accepted

The Lottery distributors are continuing to refresh and update the website www.lotteryfunding.org.uk, so that potential applicants for lottery funding are clear about the appropriate distributors and programmes to which they can apply.

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References

Culture

- Over 279m visits were made to public libraries in 2007/08.

Source: Annual Public Library Statistics published by Chartered Institute for Public Finance and Accountancy (CIPFA) in 2008
- Capital of Culture 2008 generated an £800m boost to the regional economy.

Source: Liverpool'08 European Capital of Culture, 2008
- There were 5.0m visitors to English Heritage staffed properties in 2008/09 plus an estimated 6m visits to unstaffed properties.

Source: English Heritage Annual Report 2008/9 (due to be laid in the Houses of Parliament 15 July 2009)
- 40.4m visits were made to the national museums and galleries last year.

Source: DCMS monthly museums figures published online

Media

- Over 9m Digital Audio Broadcasting (DAB) radio receivers have been sold

Source: Digital Radio Development Bureau
- £950m was taken at cinema box offices in 2008, a 5 per cent increase on 2007. Nine British films accounted for 31 per cent of takings, up from 28 per cent in 2007.

Source: Cinema attendance facts
www.cinemauk.org.uk/mediacentre/_39/

Production statistics published by UKF
www.ukfilmcouncil.org.uk/news?show=15119&page=3&step=
- 87 per cent of 5–16 year olds have a games console at home.

Source: Safer Children in a Digital World – The Report of the Byron Review
www.dcsf.gov.uk/byronreview/pdfs/Final%20Report%20Bookmarked.pdf

Sport and leisure

- Sport Unlimited, a new £36m programme of innovative taster sessions, will attract 900,000 extra young people into sport by 2011.

Source: Sport Unlimited Delivery Plan, PE and Sport Strategy for Young People, Sport England, April 2008

- 90 per cent of 5–16 year olds now participate in at least two hours of PE and sport a week.

Source: School Sport Survey 2007/08, DCSF

- The eight Royal Parks have 37m visitors a year.

Source: Visitors To The Royal Parks: Results Of Steady State Count (2007)

- 20m people can now swim for free in pools the length and breadth of England.

Source: www.culture.gov.uk/what_we_do/sport/5809.aspx

2012 Olympic and Paralympic Games

- Nearly one in ten workers on the Olympic Park are doing a traineeship, apprenticeship or work placement.

Source: ODA Employment and skills update – April 2009

- LOCOG has generated just under £500m worth of sponsorship revenue, which is about two thirds of the way towards its target.

Source: London 2012 website, presented to IOC in April www.london2012.com/news/media-releases/2009-04/strong-partnership-brings-good-progress.php

- The LDA held over 120 community outreach events in 2008 and consulted with over 3,000 local people on their ideas for the legacy of the Olympic Park.

Source: Opportunities for 2012 – Legacy Now Update February 2009 www.legacy-now.co.uk/userfiles/file/Opportunities_for_2012_-_legacy_Now.pdf

- Over 4,000 people are working for contractors on the Olympic Park – 9 per cent were previously unemployed.

Source: ODA Employment and skills update – April 2009 <http://www.london2012.com/documents/oda-publications/jobs-skills-futures/jsfupdate-april-2009.pdf>

- The ODA is exceeding its target of reclaiming 90 per cent of demolition materials for re-use or recycling.

Source: London 2012 Olympic and Paralympic Games – Annual Report 2009 www.culture.gov.uk/images/publications/DCMS_GOE_Annual_Report_2009.pdf

Performance and delivery

- 3.5m first time visitors were attracted to the city during the Liverpool '08 Programme.

Source: www.culture.gov.uk/what_we_do/communities_and_local_government/6015.aspx

Endnotes

- 1 The Department for Business, Innovation and Skills (BIS) was created in June 2009 from the Department for Business, Enterprise and Regulatory Reform (BERR) and the Department for Innovation, Universities and Skills (DIUS) – references in this report are to BIS unless they relate to the period before it was created, in which case BERR or DIUS are used.
- 2 The nature of DCMS's relationship with our public bodies is set out in the managing resources section of this document. All those bodies are listed in the management commentary to the resource accounts. The majority of them are Non-Departmental Public Bodies (NDPBs). During 2008-09, there were also eight Regional Cultural Consortia and one other NDPB.
- 3 www.culture.gov.uk/reference_library/publications/5085.aspx
- 4 Details of the indicators used to measure these objectives can be found in our DSO framework: www.culture.gov.uk/about_us/our_priorities_and_targets/953.aspx
- 5 Further information on PSAs is published on HM Treasury's website: www.hm-treasury.gov.uk/psp_index.htm
- 6 www.anightlessordinary.org.uk/
- 7 www.findyourtalent.org/
- 8 www.engagingplaces.org.uk/
- 9 www.heritagegateway.org.uk/
- 10 www.mgm.org.uk
- 11 www.openhouse.org.uk/public/london/event.html
- 12 www.london2012.com/get-involved/cultural-olympiad/about-the-cultural-olympiad.php
- 13 www.london2012.com/get-involved/cultural-olympiad/culture-projects.php
- 14 www.london2012.com/get-involved/inspire-programme/index.php
- 15 www.culture.gov.uk/images/publications/Lessons_learned.pdf
- 16 www.culture.gov.uk/what_we_do/broadcasting/5944.aspx
- 17 www.culture.gov.uk/reference_library/media_releases/6220.aspx
- 18 Between now and 2012, analogue TV channels will be switched off TV region by TV region, and transmitter group by transmitter group, and replaced with digital TV services that can be received through an aerial.
- 19 www.digitaltelevision.gov.uk/helpscheme/hs_home.html
- 20 http://ec.europa.eu/avpolicy/reg/avms/index_en.htm
- 21 Video-on-demand services allow users to select and watch video content on demand, at a time of their own choosing.
- 22 Product placement is when broadcasters and programme-makers are paid to include branded goods or services (which are often not explicitly mentioned) in a context usually devoid of advertisements, such as the story line of TV shows.
- 23 Creative Britain – New Talents for the New Economy: www.culture.gov.uk/reference_library/publications/3572.aspx
- 24 www.cabinetforum.org
- 25 www.dcsf.gov.uk/byronreview/
- 26 www.sportengland.org.uk/research/active_people_survey.aspx
- 27 More details can be found at: http://www.culture.gov.uk/what_we_do/sport/5809.aspx
- 28 www.sportengland.org.uk/about_us/what_we_do.aspx
- 29 www.youthsporttrust.org/page/pesscl/index.html
- 30 Achieving the Full Potential of the Visitor Economy www.visitbritain.com/en/campaigns/tourism-review/reports.aspx
- 31 www.culture.gov.uk/reference_library/default.aspx
- 32 Accessible at www.culture.gov.uk/reference_library/publications/5161
- 33 The founder members of the Olympic Park Legacy Company are the Mayor of London, the Secretary of State for Communities and Local Government and the Minister for the Olympics.
- 34 Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest

- 35 www.london2012.com/news/archive/2008-09/the-uk-welcomes-the-paralympic-games.php
- 36 www.london2012.com/get-involved/inspire-programme/index.php
- 37 www.london2012.com/news/archive/2009-06/more-than-ten-million-people-to-take-part-in-inspire-programme.php
- 38 Source: ODA Employment and skills update – April 2009 www.london2012.com/documents/oda-publications/jobs-skills-futures/jsfupdate-april-2009.pdf
- 39 Source: ODA Employment and skills update – April 2009
- 40 Source: www.london2012.com/news/media-releases/2009-06/local-businesses-steered-towards-london-2012-opportunities.php
- 41 DSOs will underpin PSAs where the Department is responsible for delivering outcomes under the PSA e.g. DCMS has lead responsibility for PSA22, whose key indicators are directly reflected in DSO4.
- 42 www.culture.gov.uk/reference_library/publications/3577.aspx/
- 43 www.sportengland.org.uk/about_us/what_we_do.aspx
- 44 www.visitbritain.com/en/campaigns/tourism-review/index.aspx
- 45 www.culture.gov.uk/reference_library/publications/3572.aspx
- 46 Further indicators for DSOs 1-3 may be developed, in consultation with NDPBs, where they are considered necessary.
- 47 The Taking Part survey was commissioned in 2005 with the aim of improving understanding of the users and non-users of the culture and sport sectors. The current survey will interview around 14,000 adults and 3,000 children across England and Wales and collect quality-assured data on engagement, attitudes and behaviours.
- 48 www.sportengland.org.uk/about_us/what_we_do.aspx
- 49 www.culture.gov.uk/images/research/PSA21_Indicator_6_Provisional_results_08_09TPsurvey.pdf
- 50 www.culture.gov.uk/reference_library/research_and_statistics/4872.aspx
- 51 www.culture.gov.uk/reference_library/publications/5934.aspx
- 52 www.culture.gov.uk/reference_library/publications/5674.aspx
- 53 www.helpscheme.co.uk/
- 54 www.ofcom.org.uk/research/tv/reports/dtv/dtu_2008_04/q42008.pdf
- 55 Progress on this indicator is also reviewed by the PSA12 Board, which is responsible for delivery of the Government's vision for improving the physical, mental and emotional health of all children.
- 56 www.culture.gov.uk/images/publications/DCMS_playingtowin_singles.pdf
- 57 RAG status is explained as follows:

G = Green: 'Good – requires refinement and systematic implementation'

AG = Amber Green: 'Mixed – aspect(s) require substantial attention, some good'

AR = Amber Red: 'Problematic – requires substantial attention, some aspects need urgent attention'

R = Red: 'Highly problematic – requires urgent and decisive action'
- 58 www.artiststakingthelead.org.uk/
- 59 www.mla.gov.uk/news_and_views/press/releases/2009/Stories_of_the_World
- 60 www.culture.gov.uk/reference_library/publications/6145.aspx
- 61 www.anightlessordinary.org.uk/
- 62 www.mla.gov.uk/what/programmes/renaissance
- 63 www.mla.gov.uk/what/strategies/library
- 64 www.heritageopendays.org.uk/
- 65 The NIS is the only means of measuring national priorities for local authorities that have been agreed by Government. There are now 188 national indicators.
- 66 BIS is lead department – www.berr.gov.uk/aboutus/corporate/performance/performance_Framework/page23502.html

- 67 www.culture.gov.uk/reference_library/publications/5727.aspx
- 68 DCSF is lead department – www.hm-treasury.gov.uk/d/pbr_csr07_psa12.pdf
- 69 www.culture.gov.uk/reference_library/publications/3681.aspx
- 70 DCSF is lead department – www.hm-treasury.gov.uk/d/pbr_csr07_psa14.pdf
- 71 www.findyourtalent.org/
- 72 GEO is lead department – www.equalities.gov.uk/default.aspx?page=1013
- 73 CLG is lead department – www.hm-treasury.gov.uk/d/pbr_csr07_psa20.pdf
- 74 The original target of £148m was increased by £20m to reflect the Department's contribution to the £5bn Government efficiency programme announced in the 2009 Budget.
- 75 www.sportengland.org.uk/about_us/what_we_do.aspx
- 76 www.dcms.gov.uk/images/publications/CapabilityReviewDCMS.pdf
- 77 The report is available on the DCMS website at http://www.culture.gov.uk/reference_library/publications/6023.aspx
- 78 Further information on these public bodies (including how to obtain copies of their annual report and accounts) and an explanation of the characteristics of the different types of public bodies can be found on our website: http://www.culture.gov.uk/reference_library/6014.aspx
- 79 www.bis.gov.uk/
- 80 For more information visit the official website of the British Monarchy: www.royal.gov.uk
- 81 www.culture.gov.uk/reference_library/publications/5948.aspx
- 82 www.publications.parliament.uk/pa/cm200708/cmselect/cmpublic/416/416.pdf
- 83 www.publications.parliament.uk/pa/cm200708/cmselect/cmpublic/477/477.pdf
- 84 www.publications.parliament.uk/pa/cm200708/cmselect/cmpublic/890/890.pdf
- 85 www.publications.parliament.uk/pa/cm200708/cmselect/cmpublic/641/641.pdf
- 86 The Museum of London was transferred to the Greater London Authority on 8 April 2008.
- 87 www.hm-treasury.gov.uk/pespub_index.htm
- 88 www.berr.gov.uk/files/file38839.pdf
- 89 www.culture.gov.uk/reference_library/publications/3596.aspx
- 90 www.culture.gov.uk/images/freedom_of_information/109272_report.pdf
- 91 For instance, if someone with a disability applies for a job with DCMS, they are guaranteed an interview as long as they can do the main parts of the job - see page 15 of www.culture.gov.uk/images/publications/DCMS_Equality_Scheme_2007-2010_Easier_to_Read_Summary_Word.doc
- 92 www.culture.gov.uk/images/publications/AnnualPublicAppointmentsPlan.pdf
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- 97 www.culture.gov.uk/images/research/PSA3_report_12_08.pdf
- 98 Percentages refer to percentage point increases
- 99 Standard Industrial Classification 92.20 (SIC2003) – "Radio and Television activities". Source: Annual Business Inquiry, Office for National Statistics
- 100 DCMS Creative Industries Statistical Bulletin, January 2009: http://www.culture.gov.uk/reference_library/research_and_statistics/4848.aspx
- 101 SR2004 PSA4 Technical Note: www.culture.gov.uk/reference_library/research_and_statistics/6241.aspx

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