

Annual Report and Accounts

For the year ended 31 March 2015



Department for Culture, Media and Sport Annual Report and Accounts For the year ended 31 March 2015

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CORRECTION

Correction made to Title Page

'Accounts presented to the House of Commons pursuant to Section 6(4) of the Government Resources and Accounts Act 2000, as amended by the Government Resources and Accounts Act 2000 (Alteration of Timetables for Accounts) Order 2013' removed to now show '

Correct text is

Accounts presented to the House of Commons pursuant to Section 6(4) of the Government Resources and Accounts Act 2000

July 2015

Department for Culture, Media and Sport

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Annual Report presented to the House of Commons by Command of Her Majesty

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This is part of a series of departmental publications which, along with the Main Estimates 2015-16 and the document Public Expenditure: Statistical Analyses 2015, present the Government's outturn for 2014-15 and planned expenditure for 2015-16.



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Foreword by the Secretary of State



The Rt Hon John Whittingdale MP
Secretary of State for Culture, Media and Sport

As chairman of the Culture, Media and Sport Select Committee for almost a decade, I have long been aware of the scale and scope of the Department's work. However, it's only since becoming Secretary of State after the general election that I was able to fully appreciate the dedication, hard work and expertise of the staff who make DCMS such a success despite its limited resources.

Reading this report, I was particularly delighted to see just how much has been achieved over the past 12 months. And this has not come about thanks to some scattergun approach or happy accident. At the start of 2014-15 the Department set out to reach five key objectives, and those have been efficiently met.

The first objective was to establish world-class connectivity throughout the UK. In 2015, people quite rightly expect and demand to be able to make a phone call wherever they are, or get online with a fast and reliable connection. And DCMS is doing everything possible to make that a reality.

Millions more homes and businesses can now make the most of everything the internet has to offer thanks to our £1.7 billion subsidised rollout of Superfast Broadband. Our £150 million Super-Connected Cities Programme is supporting economic growth by helping employers get online in 22 cities across the UK. And, just before Christmas last year, my predecessor personally negotiated a ground-breaking, legally binding £5 billion deal with the mobile operators to bring phone coverage to at least 90 per cent of the UK's landmass.

The next objective was to make the UK the creative and cultural capital of the world, and once again the Department has done a great deal to make this happen. From working with the Treasury to introduce tax relief in film, high-end and children's television, animation, video games and theatre production to ratifying a film co-production treaty with China, DCMS has consistently supported Britain's creative and cultural sectors. It's no wonder that our creative industries are now worth more than ever before, contributing nearly £77 billion to the economy and providing more than 1.7 million jobs.

Objective number three was to showcase what's great about Britain – its heritage and traditions – nationally and internationally. It's an objective that was reached in spectacular fashion last year, with record numbers of tourists coming to the UK. 2014 saw over 34 million visits, with almost £22 billion being spent in the process. This success is one of many fruits of the £160 million, five-year GREAT campaign, currently active in more than 140 countries worldwide. To encourage more visitors to explore outside London, we have also announced £10 million to grow inbound tourism to the north, and £5 million for the south west.

My Department's penultimate objective was to protect children from harm online and protect the young and vulnerable from problem gambling. It's a difficult line to tread, requiring a

delicate balance between the protection both of individual freedoms and of society's most vulnerable. But I'm pleased to report that impressive progress has been made.

The largest internet service providers are now providing unavoidable choice on family-friendly network level filters to new customers, rolling out to all existing customers in the next few months. They are also now filtering public WiFi in places where children are likely to be, and the Government Equalities Office is funding a project that helps schools teach young people about staying safe online and a pilot scheme helpline for victims of so-called "revenge porn".

Finally, we have been continuing our work to secure a lasting legacy from the London 2012 Olympic and Paralympic Games. This year, the sale of the former Olympic Village was completed, delivering almost a billion pounds in receipts to Government. And the latest estimate of the economic benefits of the Games from international trade and investment now stands at more than £14 billion.

So a great deal has been achieved over the past 12 months, a record the Department and my predecessor as Secretary of State can be rightly proud of. But I'm not about to sit back and relax. Whether it's delivering on our manifesto commitments to expand mobile coverage, support sport in schools, protect the vulnerable online or conducting the comprehensive review of the BBC's Royal Charter, DCMS has much to do in the year ahead. It's certainly a challenge, but the Department's record of delivery over the past 12 months – a record set out in detail in this report - shows that we're more than capable of getting the job done.

Foreword by the Permanent Secretary



Sue Owen
Permanent Secretary and Accounting Officer

2014-15 was a year focussed on delivery at DCMS. We finished the Parliament having delivered 64 of the 67 actions set out in the 2011 business plan, and with significant progress recorded on the remaining three. I consider this a great testimony to the agility of the Department.

The UK is now better connected than ever, important both for enabling growth and social inclusion. Our work has made Superfast Broadband available to over 2 million rural homes and businesses, with over 40,000 new premises being reached every week. We have encouraged take up of Superfast Broadband everywhere. In Cities participating in our super connected programme, we issued over 19,000 vouchers to small and medium enterprises, installed WiFi in over 1,300 buildings and these hotspots were used over 100 million times, and ensured buses, trains and trams have WiFi live. In partnership with business, we agreed a landmark deal with mobile network operators to invest a guaranteed £5 billion in UK mobile infrastructure.

Our sectors are amongst the fastest growing in the economy. Tourist numbers and spending continue to grow, building on the Olympic legacy and through promotion in the GREAT campaign. Visits now total over 34 million annually, up 5% year on year, and spend is up 3% to £22 billion, compared to 2013. Initiatives like the UK-China film co-production treaty and the cultural collaboration between the UK and Mexico continue to expand our reach overseas.

Latest figures show between 2012 and 2013, the Creative Industries grew by 9.9%, adding £8.8 million an hour to the economy, and supporting both exports and employment. Tax relief on film production, high-end television and animation, video games and commercial theatre production all help to increase this output and attract these industries to the UK. In the Arts, we are funding The Factory - Manchester's compelling vision of how a new theatre can regenerate the local economy. A new tax relief for orchestral performances will recognise the artistic importance and cultural value of British orchestras.

Our work also has great social and personal wellbeing value. The 'This Girl Can' campaign is inspirational in changing perceptions of women's participation in sport – with important physical and mental health benefits. Several of our museums have successful programmes for dementia patients and their carers. Some of our music programmes generate spectacular improvements in education and other social outcomes. Our museums and galleries continue to educate and inform like never before, with figures now showing a record 49 million visits annually to DCMS's sponsored museums and galleries.

The First World War centenary commemorations showcased the Department's invaluable organisational and project management capabilities, with moving events in London, Glasgow and St Symphorien, as well as the 'Lights Out' initiative on 4 August 2014. These skills also supported the unveiling of a new statue of Mahatma Gandhi in Parliament Square in record time. We continue to support our unique historic environment with

significant funding provided to English Heritage, and the National Heritage Memorial Fund, which is administering the new Listed Places of Worship Roof Repair Fund.

The Government Equalities Office (GEO) remains part of DCMS for administrative purposes and as their Accounting Officer, I am proud too of their work, particularly in fully implementing the Marriage (Same Sex Couples) Act 2013, tackling homophobic, biphobic and transphobic bullying in schools, playing a leading role in the Women's Business Council's programme, increasing the number of women on Boards and providing a helpline for victims of revenge porn.

Overall then, across all our sectors we are delivering successfully, driving growth and enriching lives.

Report from the Lead Non-Executive Board Member



Sir David Verey, CBE
Lead Non-Executive Board Member

This year has been another busy and productive one for the Department for Culture, Media and Sport.

During the course of the year the Department has continued to focus on a number of significant areas which support growth across the UK; in particular, by investing in communications and digital infrastructure, capitalising on the value of Britain's arts, culture and creative industries, increasing tourism at home and abroad and improving the competitiveness of the creative economy. The organisation of the commemoration of historic events is very ably executed by the Department, including the memorable programme of events marking the centenary of the outbreak of the First World War.

The Department has also been instrumental in bringing about social change in a number of ways. In particular, by capitalising on the Olympic and Paralympic legacy by encouraging greater participation in sport; by enabling the work of the Government Equalities Office to promote fairness in gender and LGB&T equality; and by supporting a vibrant and sustainable arts and culture environment as well as maintaining world-leading museums and galleries.

This year has seen a more settled executive team, after several years of change. Senior appointments in the past two years and the introduction of the joint Department for Business, Innovation & Skills (BIS)/DCMS Digital Economy Unit have strengthened the capability of the senior team and brought increased commercial, digital and major programme delivery expertise.

The Permanent Secretary has continued to provide excellent leadership, driving significant improvements, including increased rigour and accountability. I continue to be impressed with the commitment and expertise I have found within DCMS, and in the wide-ranging and positive impact that the Department's work has on many aspects of UK society.

This year the Non-Executive Board Members (NEBMs) have supported various areas of the Department and shared their expertise, including arms length body governance, risk and audit, women and equality, recruitment of senior staff and public appointments, broadband, arts, triennial reviews and the Government Art Collection. I would like to record my thanks to my fellow NEBMs for their high quality, continued engagement with DCMS and the time they have committed to the Department outside of the formal Board meetings in offering their support and expertise.

The coming year will bring change to all government departments, including DCMS. The NEBMs will continue to provide expertise, support and challenge to DCMS during this period to help the Department to focus on effective delivery of new ministerial priorities.

Strategic Report

Our Structure and Purpose

Our Ministers

**The Rt Hon John Whittingdale MP**

Secretary of State for Culture, Media and Sport

John Whittingdale was appointed Secretary of State for Culture, Media and Sport on 11 May 2015. He was elected Conservative MP for Maldon in 1992.

**Ed Vaizey MP**

Minister of State for Culture and the Digital Economy (joint with BIS)

Ed Vaizey was appointed Minister of State for Culture and the Digital Economy on 15 July 2014. He was previously Parliamentary Under Secretary of State for Culture, Communications and Creative Industries from 21 May 2010. He is the Conservative MP for Wantage.

**Tracey Crouch MP**

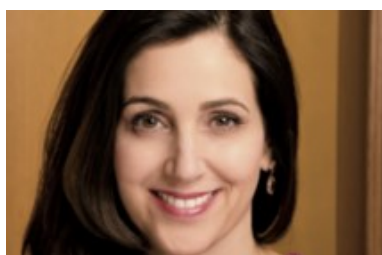
Parliamentary Under Secretary of State for Sport, Tourism and Heritage

Tracey Crouch was appointed Parliamentary Under Secretary of State for Sport, Tourism and Heritage on 12 May 2015. She was elected as the Conservative MP for Chatham and Aylesford in 2010.

**Baroness Neville-Rolfe DBE CMG**

Parliamentary Under Secretary of State (joint with BIS)

Baroness Neville-Rolfe DBE CMG was appointed Parliamentary Under Secretary of State at the Department for Business, Innovation and Skills, jointly with DCMS, and Minister for Intellectual Property, on 13 May 2015.

**Baroness Shields OBE**

Parliamentary Under Secretary of State for Intellectual Property

Baroness Shields OBE was appointed Minister for Internet Safety and Security on 13 May 2015. She became a Life Peer in the House of Lords on 16 September 2014.

Our Former Ministers

The Rt Hon Sajid Javid MP

Secretary of State for Culture, Media and Sport

Sajid Javid was appointed Secretary of State for Culture, Media and Sport on 9 April 2014 until 11 May 2015. In addition, from 9 April 2014 until 15 July 2014, he was Minister for Equalities*. He is the Conservative MP for Bromsgrove.

Helen Grant MP

Parliamentary Under Secretary of State for Sport and Tourism

Helen Grant was appointed Parliamentary Under Secretary of State for Sport and Tourism on 7 October 2013 until 11 May 2015. In addition, from 4 September 2012 until 15 July 2014, she was Parliamentary Under Secretary of State for Women and Equalities*. She is the Conservative MP for Maidstone and The Weald.

The Rt Hon Maria Miller MP

Secretary of State for Culture, Media and Sport and Minister for Women and Equalities

Maria Miller was Secretary of State for Culture, Media and Sport and Minister for Women and Equalities from 4 September 2012 until 9 April 2014. She is the Conservative MP for Basingstoke.

The Rt Hon Nicky Morgan MP

Minister for Women (and Financial Secretary to the Treasury)

Nicky Morgan was Minister for Women from 9 April 2014 until 15 July 2014. On 15 July 2014 she was appointed Secretary of State for Education and Minister for Women and Equalities*. She is the Conservative MP for Loughborough.

Jo Swinson MP

Parliamentary Under Secretary of State for Employment Relations and Consumer Affairs and Parliamentary Under Secretary of State for Women and Equalities

Jo Swinson was appointed Parliamentary Under Secretary of State for Employment Relations and Consumer Affairs (BIS) and Parliamentary Under Secretary of State for Women and Equalities* (DCMS) on 4 September 2012. From 20 December 2013 until 30 June 2014 she was on maternity leave; her portfolio was covered by Jenny Willott MP. She is the former Liberal Democrat MP for East Dunbartonshire.

Jenny Willott MP

Parliamentary Under Secretary of State for Employment Relations and Consumer Affairs (BIS) and Parliamentary Under Secretary of State for Women and Equalities (DCMS)

Jenny Willott was appointed to the above roles from 18 December 2013 until 30 June 2014, as maternity cover for Jo Swinson. She is the former Liberal Democrat MP for Cardiff Central.

*On 15 July 2014, Nicky Morgan was appointed Secretary of State for Education and Minister for Women and Equalities, resulting in ministerial women and equalities portfolio changes for her, Sajid Javid, Helen Grant and Jo Swinson.

Our Management



Sue Owen*
Permanent Secretary and Accounting Officer

Sarah Healey*
Director General



Samantha Foley*
Finance Director



Hugh Harris
Director (from
February 2015)



Clare Pillman
Director



Alison Pritchard
Director (from
November 2014)



Chris Townsend
OBE* Chief
Executive, BDUK



Andrea Young **
Director (from July 2014)



David Rossington replaced Samantha Foley as Finance Director on 1 April 2015.

The following staff also served as members of the Executive Team during 2014-15:

- David Brooker, Director until 5 April 2014
- Rachel Clark, Director until 31 August 2014
- Jon Zeff*, Director until 22 May 2014
- Rita French, Director until 21 January 2015 and on maternity leave as at year end

* Senior staff who are or were members of the Departmental Board.

** Andrea Young was also a Director at the Department for Business, Innovation and Skills.

Our Non-Executive Board Members



Sir David Verey, CBE

Lead Non-Executive Board Member*



Ajay Chowdhury

Non-Executive Board Member



Dr Tracy Long

Non-Executive Board Member*



Ruby McGregor-Smith CBE

Non-Executive Board Member

*In addition to Dr Tracy Long (Chair) and Sir David Verey CBE, Michael Higgin and Chris Walton are the two co-opted independent members that complete the Audit and Risk Committee.

Our Vision

Our Purpose

The image displays three word clouds, each shaped like a Paralympic ring, representing different sectors: Arts, Sport, and Culture. The words are arranged to form the iconic three-ring logo.

- Arts Ring (Left):** This ring is composed of words related to the arts and creative industries. Prominent words include "arts", "media", "creative", "heritage", "superfast", "women", "economy", "broadband", "online", "safety", "libraries", "arts", and "women".
- Sport Ring (Middle):** This ring features words associated with sports and recreation. Key terms include "sport", "tourism", "legacy", "equality", "ceremonials", "museums", "gaming", "sport", and "culture".
- Culture Ring (Right):** This ring highlights cultural and telecommunications themes. Notable words are "culture", "sport", "tourism", "legacy", "equality", "Olympic", "culture", and "sport".

Each ring is a stylized representation of the Paralympic rings, with the words of varying sizes and orientations filling the shape to create a cohesive visual identity for each sector.

Our Objectives

We aim to establish world-class connectivity throughout the UK, and make the UK the creative and cultural capital of the world. We want to showcase what's great about Britain – its heritage and traditions – nationally and internationally. We work to create an equal opportunity society. We work to protect children from harm online and the young and vulnerable from problem gambling. And we continue to secure a lasting legacy from the London 2012 Olympic and Paralympic Games.

Our Structure and our Arms Length Bodies

A crucial element of our work is our sponsorship of a diverse network of arms length bodies (ALBs) and broadcasters. Our family of ALBs covers a huge variety of organisations, from world-renowned museums and galleries to regulators and national funding bodies:

Museums and galleries

British Library	Natural History Museum
British Museum	Royal Armouries Museum
Geffrye Museum	Royal Museums Greenwich
National Museums Liverpool	Science Museum Group
Imperial War Museum	Sir John Soane's Museum
National Gallery	Tate
National Portrait Gallery	Victoria and Albert Museum
Horniman Public Museum and Public Park Trust	Wallace Collection

Bodies that regulate and licence

Gambling Commission	Ofcom
Sports Ground Safety Authority	PhonepayPlus

Bodies that distribute grants and promote their sectors

Arts Council England	Sport England
British Film Institute	UK Sport
Heritage Lottery Fund	English Heritage

Bodies that provide professional and statutory advice

The Reviewing Committee on the Export of Works of Art and Objects of Cultural Interest*	Treasure Valuation Committee*
The Theatres Trust*	

Bodies that promote tourism

VisitBritain	VisitEngland
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The British Tourist Authority is the overarching legal entity incorporating VisitBritain and VisitEngland

Bodies that manage some of our most prized heritage and cultural assets

Churches Conservation Trust	National Heritage Memorial Fund
Historic Royal Palaces*	The Royal Parks

Bodies providing specialist services

English Institute of Sport*	Olympic Delivery Authority**
Horse Race Betting Levy Board	UK Anti-Doping

Bodies that promote equality and non-discrimination

Equality and Human Rights Commission

Broadcasters

BBC*	S4C
Channel 4*	

*The accounts of the Reviewing Committee on the Export of Works of Art and Objects of Cultural Interest, the Theatres Trust, the Treasure Valuation Committee, Historic Royal Palaces, the English Institute of Sport and Channel 4 are not consolidated in the DCMS Annual Report and Accounts. Only that part of the BBC known as Public Service Broadcasting is consolidated in these accounts. Please see the Management Commentary section for further detail.

** The Olympic Delivery Authority (ODA) was established in April 2006, under the London Olympic Games and Paralympic Games Act 2006 and dissolved on 2nd December 2014 on completion of its work. It was responsible for co-ordinating the bodies delivering the London 2012 Olympic and Paralympic Games and for managing the £9.3 billion Public Sector Funding Package for the Games. The final report of the ODA was published 12 March 2015¹.

Lottery funds managed by the Arts Council England, British Film Institute, Sport England and UK Sport are consolidated in DCMS's accounts but not separately listed as DCMS Arms Length Bodies. Whilst the Big Lottery Fund is included in these consolidated accounts it is sponsored by the Cabinet Office.

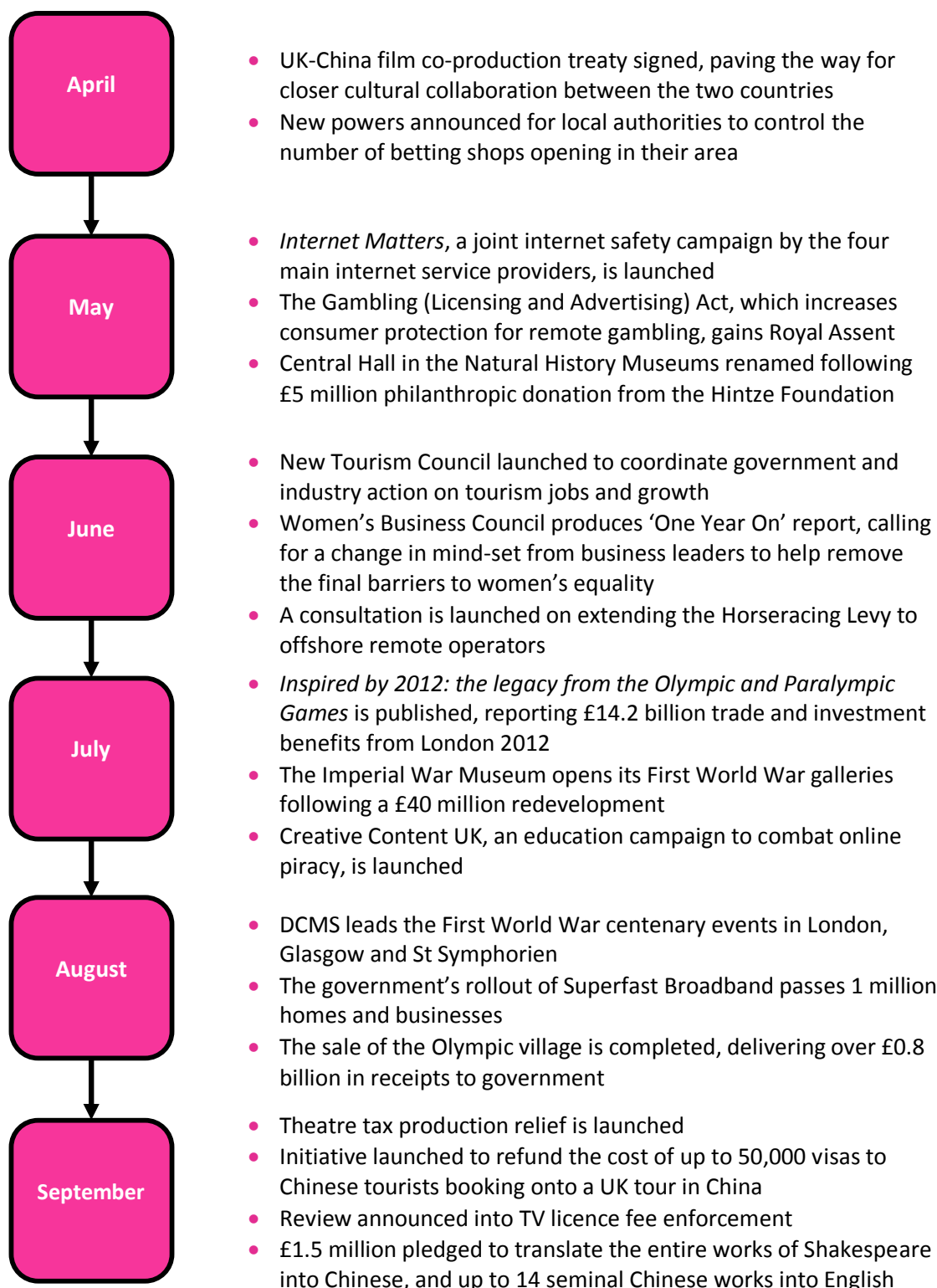


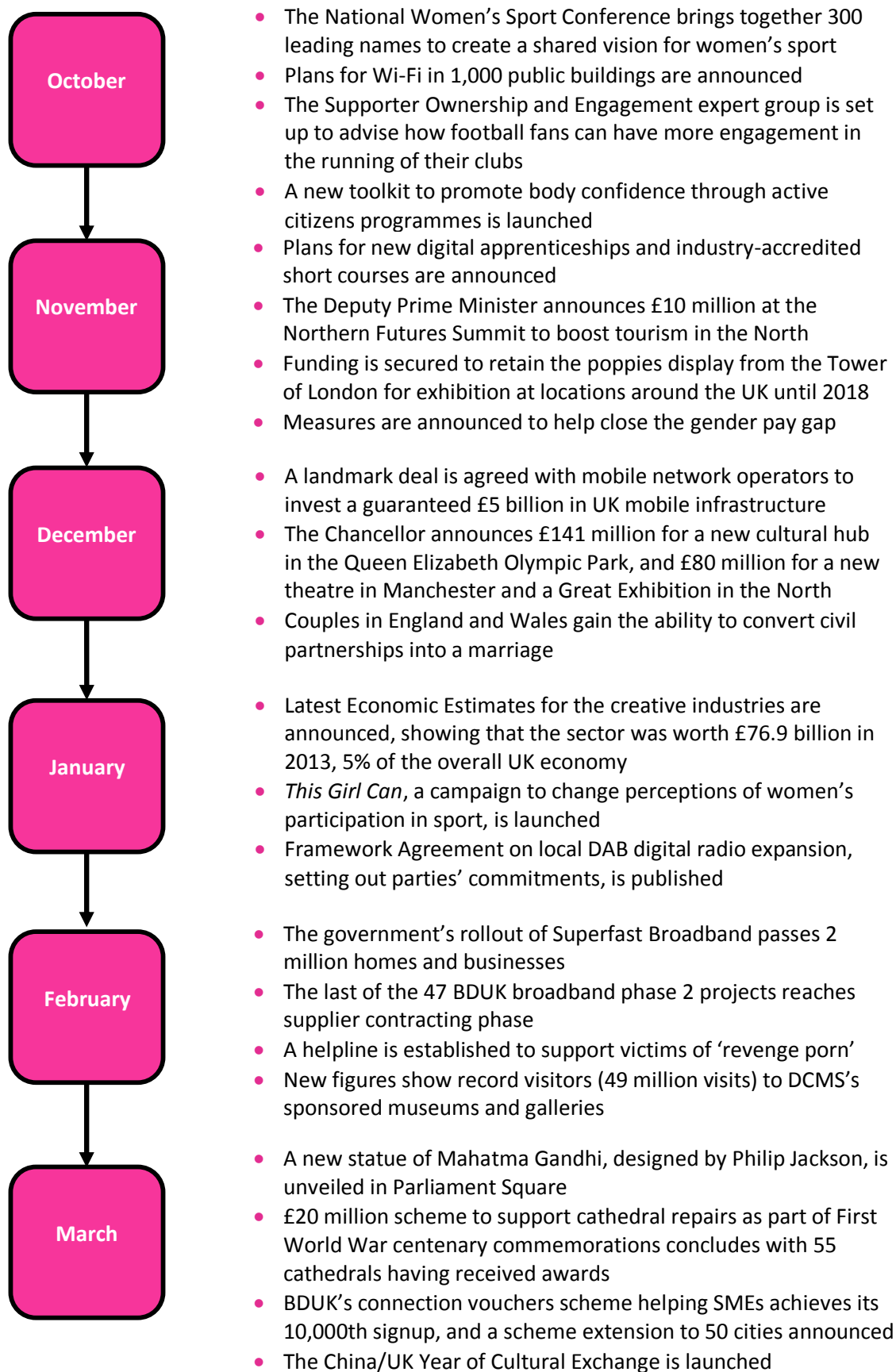
Tête de Paysanne by
Vincent van Gogh.
Photo: National
Gallery
Donated under the
Culture Gift Scheme

¹ www.gov.uk/government/uploads/system/uploads/attachment_data/file/412429/ODA_AR_2014_-_Web_PDF.pdf

Our Performance

Some Achievements in 2014-15





Delivering Against Our Business Plan Objectives

The Department's 2014-15 business plan was structured under five coalition priorities:

- promote UK growth
- facilitate the delivery of universal broadband and improved mobile coverage to promote growth
- market Britain across the world to promote growth
- create a sporting legacy from the Olympic and Paralympic Games
- create a fair and equal Britain

The following table shows the status of actions undertaken in our Business Plan for the year to March 2015:

Business Plan Actions	2014-15
Total number of actions due in 2014-15	26
Actions due 2014-15, completed on time	16
Actions due in 2014-15, completed late	8
Actions due in 2014-15, but overdue (as at 1 April 2015)	2

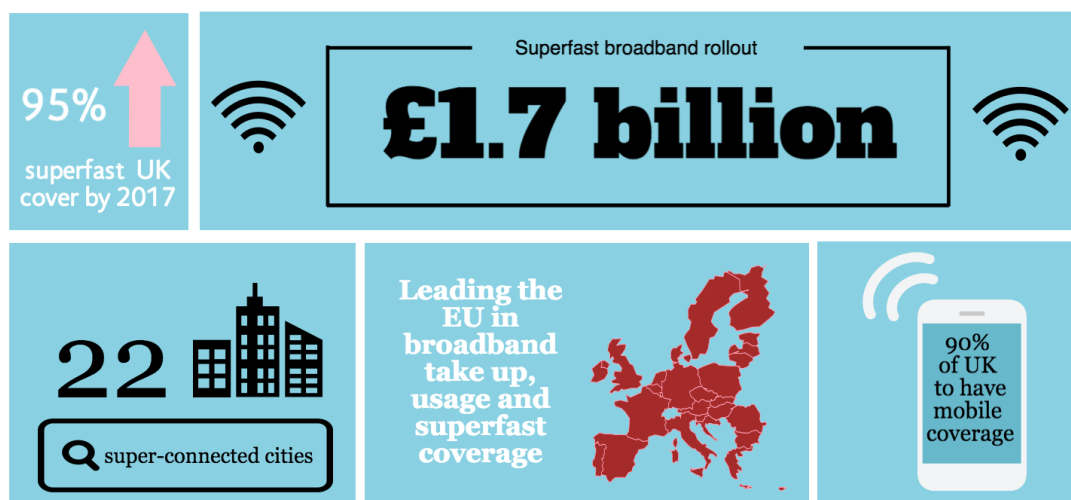
Further information, including progress against our individual Business Plan actions is reported monthly on the Transparency No 10 website.²

² <http://transparency.number10.gov.uk/business-plan/17>

Delivering Against Our Strategic Objectives

In addition to delivering against our specific Business Plan objectives, our work is driven and prioritised by six overall objectives that set out what we as a department aim to achieve.

1. Establish world-class connectivity throughout the UK



We are the lead government department for broadband, mobile, telecommunications and the internet economy. Our broadband and mobile delivery projects stimulate private sector investment in our networks, and our policy interventions support the delivery of communications infrastructure. We have successfully cleared UK Spectrum to foster UK growth, and have set out measures to support telecoms consumers and tackle nuisance calls. Of the five largest European economies, the UK is top when it comes to broadband and mobile coverage, take-up, use, choice and performs well on price.

Digital Economy Unit (DEU)

DEU brings together DCMS's work to establish world-class connectivity and telecommunications regulation, with other economically valuable policy areas, including digital skills, cyber security and widespread connectivity (the so called 'Internet of Things').

DEU galvanises and supports efforts across UK government, education and private sectors, to respond to the opportunities and challenges the digital future brings, through:

- ensuring the UK has world-leading digital and communications infrastructure and a secure and safe cyber environment
- fostering development of digital literacy and specialist skills of citizens and businesses
- creating the optimum business environment to attract and nurture digital entrepreneurs
- supporting the development of innovative technologies and use of data as both a fuel and a by-product of the digital economy
- regulating the telecoms market and ensuring it meets the needs of consumers

The unit started as a DCMS-BIS joint venture. From 2015-16, responsibility rests solely with DCMS.



Broadband

The UK is already one of the best digitally connected countries in the world and we lead in Europe on broadband take-up, usage and Superfast Broadband coverage. Commercial roll-out continues in urban locations and the £1.7 billion subsidised rollout of Superfast Broadband in rural locations is progressing well; as a result of commercial and subsidised roll-outs Superfast Broadband is now available to 80% of UK premises – up from 45% in 2010³.

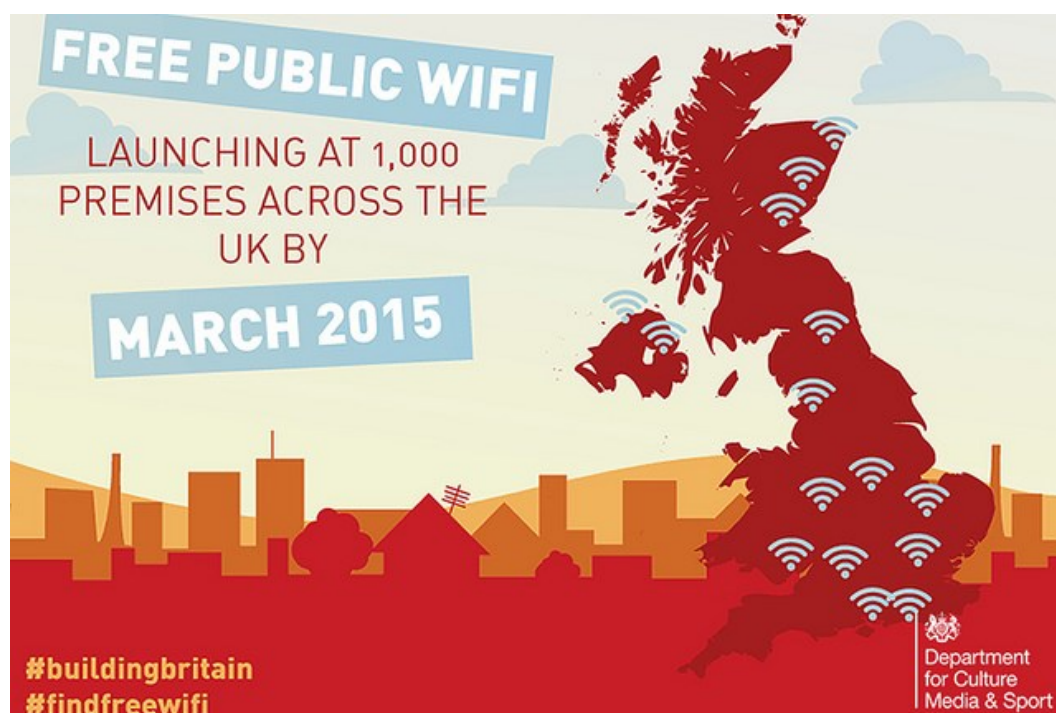
The current aim is to have 95% superfast coverage by 2017, but there are a number of pilot projects looking at how to take superfast coverage further, by exploring ways of delivering to the most commercially challenging locations. This may include urban locations, and the government's £150 million Super-Connected Cities Programme provides connection vouchers of up to £3,000 to small and medium sized enterprises (SMEs) in 22 cities across the UK, to improve their connectivity. The initial target of 10,000 SMEs taking vouchers by end of March 2015 was achieved over a month early. The scheme is to be extended in the 2015/16 financial year to cover 50 UK cities. In October, the government also announced Wi-Fi would be provided to 1000 public buildings by March 2015.



We are not only increasing the coverage but also the take up of Superfast Broadband. At over 22%, Superfast Broadband take up is more than any other major economy in Europe, but the government want to see it rise further. In December 2014, we launched an £8 million awareness campaign to accelerate the rate of take-up, by raising awareness amongst consumers to the availability of Superfast Broadband in their area. UK average fixed line broadband speeds have also improved and are more than three times faster than in 2010 – up from 5.2 Mbps in May 2010 to 23 Mbps in May 2014.

We have implemented policy measures to support the commercial and publicly funded rollout of broadband. We worked with local authorities and communications providers to introduce a Code of Best Siting Practice, to complement 2013 measures streamlining planning procedures for fixed broadband infrastructure and overhead lines. A review concluded that 500,000 premises had benefitted from the measures, leading to Superfast Broadband deployment to areas that would not otherwise have been served and swifter connection times. We are continuing to work with the Department for Communities and Local Government (DCLG) to address barriers to broadband connectivity to new builds.

³ www.gov.uk/government/uploads/system/uploads/attachment_data/file/427218/Broadband_Performance_Indicator_-_March_2015.pdf



To address longer-term considerations we published our Digital Communications Infrastructure Strategy in March 2015, setting out a new vision for the UK's communications infrastructure, making ultrafast connectivity (above 100Mbps) to nearly all UK premises. The strategy sets out a range of measures to facilitate further private sector investment, including improvements to the regulatory framework for broadband and the mobile phone industry, such as Electronic Communications Code. On the 26th February 2015 we launched a nine week consultation on reforming the Code.

The National Audit Office (NAO) provided a Memorandum to the Committee of Public Accounts (PAC)⁴ on the rural Superfast Broadband programme, in January 2015. The report provided an update on the project's delivery and cost. It found that broadband take up has been significantly faster than anticipated, while lower costs suggested a reduced requirement for public funding.

Mobile Coverage and Spectrum Strategy

On 18 December 2014, we announced a deal that locks in £5 billion of investment in mobile infrastructure⁵, funded entirely by the private sector. Each mobile network operator will cover at least 90% of the UK's landmass, halving partial not-spots and reducing complete not-spots by almost two-thirds. On 2 February 2015, Ofcom announced this had now become a legal obligation, through a variation to the operators' spectrum licences. The government is also reducing mobile not spots through its £150 million mobile infrastructure programme, by supporting the building of infrastructure to supply services in the most commercially challenging locations. The project has been challenging. Initial lack of accurate data from Ofcom on the location of not-spots and complexity of the project delayed delivery in 2014-15. As of June 2015, four masts are now built and live with a further 19 masts in the pipeline.

4G mobile broadband is also rolling out and should quickly deliver excellent coverage both indoors and outdoors. As at the end of June 2014, there were over 9.2 million 4G

⁴ data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/public-accounts-committee/rural-broadband-progress-update/written/17767.pdf

⁵ www.gov.uk/government/uploads/system/uploads/attachment_data/file/412618/Government_Response_FINAL__1_.pdf

subscriptions in the UK and over 70% of the UK population can receive 4G services. All four operators are aiming to reach 98% of premises by the end of 2015. This will be the fastest most complete 4G rollout in the EU.



In March 2014 we set out a UK Spectrum Strategy, aimed at increasing the economic value of radio spectrum from £52 billion⁶ to in excess of £100 billion per annum by 2025, through further release of spectrum and more efficient and effective management.

We continued to work with the Shareholder Executive in BIS and with other colleagues in Whitehall towards the release of a total of 500 MHz of spectrum below 5 GHz by 2020. Preparations are well underway for the next release (likely to take place in 2016) which is intended to be spectrum currently held by MoD in the 2.3 and 3.4 GHz bands. We are also working with Ofcom on making the 700 MHz band available for mobile broadband sooner rather than later (around 2020-2022) and Budget 2015 committed up to £600 million to cover the costs of clearing this spectrum.

An expert group is meeting to help us develop a consistent approach to estimating the social value of spectrum. The group will make its recommendations to DCMS in spring 2015. We are also developing legislative proposals, as set out in the Connectivity, Content and Consumers paper⁷. These proposals will support innovative uses of spectrum such as incentive auctions and dynamic spectrum access as well as making a number of minor changes aimed at improving efficient management of spectrum.

⁶ www.analysismason.com/About-Us/News/Insight/Economic-value-of-spectrum-Jan2013

⁷ www.gov.uk/government/uploads/system/uploads/attachment_data/file/225783/Connectivity_Content_and_Consumers_2013.pdf

Nuisance calls

Unwanted and malicious calls can create stress and anxiety particularly for vulnerable groups. The findings of our consultation, which closed in December 2014, showed a majority of respondents were in favour of lowering or removing the legal threshold the Information Commissioner's Office needs to show when taking action against companies making nuisance calls. On 25 February 2015 we laid legislation in Parliament to do this, which became effective from 6 April 2015.

In January 2015 we began discussions about practical and affordable government interventions to protect and empower vulnerable consumers. On 18 March 2015 the Chancellor announced £3.5 million to address the issue through:

- collaborating with Innovate UK to run challenge funding to support the development of innovative call-blocking technology
- partnering with local agencies to provide call blocking devices to vulnerable consumers
- raising awareness about existing tools to report and reduce nuisance calls
- determining where and how to target future government interventions

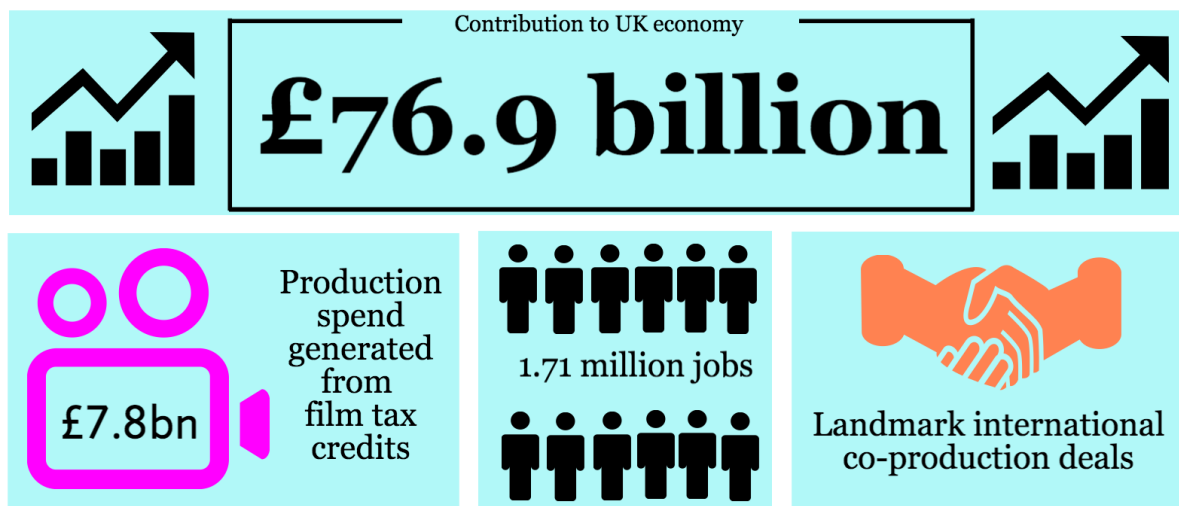
We have also commenced analysis on requiring Caller Line Identification to be provided for unsolicited marketing calls, which will mean that all marketing callers will have to display their telephone numbers and will no longer be able to withhold them. Mandating this will require an amendment to the Privacy and Electronic Communications Regulations 2003 through secondary legislation, following a consultation.

We continue our dialogue and engagement with industry, regulators, consumer organisations and other interested parties, including through our roundtable discussions. We also held a focussed ministerial conference on protecting vulnerable consumers at the end of March 2015. Attendees included charities, vulnerable consumer group representatives, the financial services industry and call technology blocking providers, as well as other government departments.

Bill Liability Cap for Lost and Stolen Mobile Phones

In March 2015 we secured a commitment from all four UK mobile network operators and a major virtual network operator to introduce a liability cap of £100 for usage charges associated with lost or stolen mobile phones, thus reducing the likelihood of unexpectedly high bills for consumers.

2. Make the UK the creative and cultural capital of the world



Our creative industries, arts, culture and media sectors are one of the UK's great strengths. They represent a vital part of the UK economy, and are one of the big drivers of growth in this country. We are world leaders in these industries. However, they are also intrinsically valuable to the country: innovative and challenging arts and culture enrich people's lives and bring communities together, while we are rightly proud of the openness and freedoms within our media industry. We work to support these industries and help them foster growth.

Creative industries

The creative industries continue to go from strength to strength, significantly outperforming other sectors of our economy. Latest economic estimates, published in January 2015⁸, show they contributed £76.9 billion to the UK economy in 2013, an increase of 9.9% from 2012, and accounted for 1.71 million jobs. The value of services exported by the creative industries was £17.3 billion in 2012⁹, representing 8.8% of total UK service exports.

In July 2014, Creative Industries Council members published *CreateUK¹⁰, a strategy for overcoming the key barriers to growth for the sector, based around five priority themes: access to finance, education and skills, international (exports and inward investment), intellectual property and infrastructure. We are now working with industry as it implements the strategy's recommendations.

Following the successful introduction in 2013 of tax reliefs for high-end television and animation, reliefs for video games were introduced in April 2014, and for commercial theatre production in the autumn 2014. Tax relief for children's television will be included from April 2015, and we have launched a consultation on a new tax relief for orchestras.

Since its inception, the film tax relief has generated over £7.8 billion of production spend in the UK,



⁸ www.gov.uk/government/uploads/system/uploads/attachment_data/file/394668/Creative_Industries_Economic_Estimates_-_January_2015.pdf

⁹ www.gov.uk/government/news/creative-industries-worth-88-million-an-hour-to-uk-economy

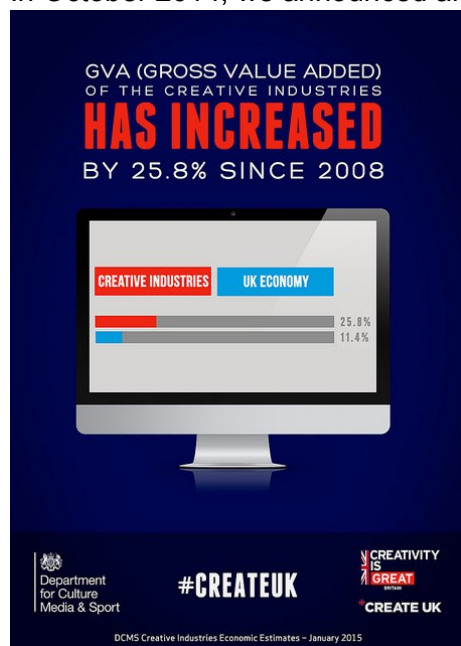
¹⁰ www.thecreativeindustries.co.uk/resources/starcreate-uk-strategy

supporting 1240 qualifying films. In the first full year of operation, over £395 million of investment was made in high-end television programmes in the UK, £52 million in animation projects, and an estimated £35 million for video games since April 2014.

In January 2015, the government announced a £109 million funding programme to support a range of activities to support children's music, film making, dance and local heritage activities in 2015-16, building on the £340 million Cultural Education programme.

In July 2014, the government announced £3.5 million funding towards a three year educational campaign in support of 'Creative Content UK', to raise awareness of copyright and promote legal entertainment online.¹¹

In October 2014, we announced an additional £3 million of funding for the City of London Police Intellectual Property Unit, to cover its operations up to 2017.



Arts

DCMS commissioned researchers from the London School of Economics to develop the evidence base on the social and wellbeing impacts of cultural engagement. The research found that a range of social impacts were significantly associated with cultural engagement.

Our vibrant arts and culture scene continues to engage: participation in the arts is at an all-time high with almost 4 in 5 adults participating in the arts in 2014. DCMS invested £448 million in Grant in Aid to the arts in 2014-15.

To support growth in the theatre sector across the country, the government launched a theatres tax relief in September 2014, which has been well received by the sector. It will help develop new productions and bring theatre to new audiences, promoting economic growth and widening opportunities for people to participate in the arts.

Manchester has proposed a compelling vision of how a new theatre can regenerate the local economy and cultural activity, and in December 2014 the Chancellor announced in the Autumn Statement¹² that the government will provide up to £78 million for a new arts venue, The Factory, in Manchester. DCMS will be supporting Manchester City Council and Arts Council England as this project develops.

The programme of music and cultural education following the Henley Review recommendations continues to make good progress. A number of cultural education programmes have won national awards, such as the Sorrell Foundation's National Art and Design Saturday Clubs which was awarded the Sir Misha Black Award for Innovation in Design Education in 2014¹³. It is now running 32 Saturday colleges with 1000 club members and working with 270 schools, receiving government funding via the cultural education programme.

¹¹ www.gov.uk/government/news/new-education-programme-launched-to-combat-online-piracy

¹² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/382327/44695_Accessible.pdf

¹³ www.mishablackawards.org.uk/the-award

In January 2015, the Treasury launched a consultation on the proposed new tax relief for orchestral performances. The new tax relief will recognise the artistic importance and cultural value of British orchestras, and is due to be available from April 2016. DCMS also created an £18 million cultural exports fund and cultural calendar, promoting arts and culture overseas, and linking to broader UK business interests.

Cultural property

DCMS works with museums and others to ensure the protection, rightful ownership and enjoyment of cultural property. The Cultural Gifts Scheme, which allows private individuals and companies to donate outstanding cultural objects for allocation to public collections in return for tax reductions, continues to flourish. Objects and collections accepted range from some of John Lennon's handwritten song lyrics and a Van Gogh portrait, to a collection of ceramics from the Aldermaston Pottery in Berkshire and a collection of 20th century Italian photographs.



Piergiorgio Branzi
Florence Alley in Via del
Corso, 1954. Photo:
Tate. Copyright:
Piergiorgio Branzi
Donated under the
Culture Gift Scheme

Some important items, at risk of being sent abroad following their sale in the UK, were export-deferred to allow UK institutions an opportunity to acquire them. These included a Roman marble statue of the goddess Aphrodite and an early English version of Erasmus's Handbook of the Christian Knight. The Department also published the government's response to a public consultation on the export licensing of cultural objects.

The Spoliation Advisory Panel, which advises on claims for the return of works of art in UK collections that were looted during the Nazi era, published reports on five claims in what has been its busiest ever year. A review of the panel's work concluded in February 2015, part of the government's programme to review public bodies and ensure they continue to operate effectively. The review praised the panel's high standard of work and made some recommendations to ensure the panel continues to operate effectively. Some of the most significant included: refreshing and expanding the panel on a rolling basis, including the appointment of a second chair and allowing for the possibility of operating multiple panels concurrently.

Philanthropy

In November 2014, the Department published its annual Charitable Giving Indicator¹⁴. It showed a substantial increase in charitable giving to DCMS funded cultural institutions, from £348 million in 2012-13 to £476 million in 2013-14. This means for every £1 of Grant-in-Aid received by the cultural institutions DCMS fund, these institutions generated almost half as much again from fundraising and contributed income.

In 2013-14, the success of the Acceptance in Lieu scheme and the recently introduced Cultural Gifts scheme continued. Objects with a total value of £44.3 million came into public ownership, settling tax bills totalling £30 million.



Valley Farm by John Constable
Photo: Ashmolean
Transferred to public ownership
via the acceptance in lieu scheme

Libraries

The world is changing, and people's requirements of libraries are changing too. Along with DCLG, we jointly commissioned William Sieghart and his expert panel to consider public libraries in England today and opportunities for future improvements. The Independent Library Report for England¹⁵ was published in December 2014 and we are working with interested parties on how we can best support libraries in this new digital age. DCMS laid an annual report in Parliament in December 2014 providing an update on library developments over the previous year.

Media

As envisaged by Lord Justice Leveson's report¹⁶, we have introduced a new system of independent press self-regulation with the creation of the Independent Recognition Panel on 3 November 2014. Work has also continued on the framework for media plurality and Ofcom has been commissioned to produce the measurement framework.

We announced a review of TV licence fee enforcement on 9 September 2014, to conclude in June 2015. We will also be launching a consultation examining the current balance of payments between public service broadcasters (PSBs) and platforms, to ensure broadcasters can deliver the highest quality content, at the best possible price, to the widest

¹⁴ www.gov.uk/government/publications/charitable-giving-indicators-201314/charitable-giving-indicators-201314

¹⁵ www.gov.uk/government/publications/independent-library-report-for-england

¹⁶ webarchive.nationalarchives.gov.uk/20140122145147/http://www.levesoninquiry.org.uk/about/the-report

possible audience. This consultation will include PSB prominence on Electronic Programme Guides. We will consider the findings alongside Ofcom's PSB Review, due in the summer. We have been continuing to support local TV, to date 30 local TV services have been licensed by Ofcom, and 15 services are currently on air, meeting the objective set by the Department's business plan.

We have continued to work closely with the radio industry on supporting the transition to digital radio and are pleased with the progress made. In December 2014 we signed a Framework Agreement on local DAB network expansion¹⁷ that will expand the local DAB network from 72% homes to 91.2% by autumn 2016. DCMS will provide up to £7.75 million of capital funding to support the programme, alongside investment from commercial radio and the BBC, ensuring services until 2030. New transmitters are being built from March 2015. The BBC and Commercial Radio have also been extending their national networks, with BBC national DAB services due to reach 97.5% of households by the end of 2015. Ofcom has recently published details of bidders for the second national commercial DAB multiplex which will add at least 13 new digital radio stations.



Head of EOW III by Frank Auerbach
Photo: Freud Estate. Copyright Frank Auerbach
Transferred to public ownership via the acceptance in lieu scheme

Since its introduction almost 10 years ago, the community radio sector has continued to grow and has demonstrated itself to be an integral part of a modern radio landscape. In 2014-15 the government made available £412,000 to support the community radio sector through the Community Radio Fund, run by Ofcom and through a small grant to the Community Media Association. We consulted on possible changes to the financial restrictions affecting community radio and in January 2015 announced details of a package of changes which will allow all community radio stations to raise more funding from commercial sources and enable renewal of their licences for a third 5-year period.

We also consulted late last year on whether to allow a further renewal for the commercial analogue radio licences which were renewed under the terms of the Digital Economy Act 2010, and which will start to expire from late 2017. We announced on 24 March that we would make provision to renew the affected licences for a further five year period. We introduced a Legislative Reform Order to this effect on 25 March, with a further 40 day scrutiny period and debate in both Houses required before the Order is made.

¹⁷https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/393701/Local_DAB_Framework_Agreement_-_FINAL_VERSION_SIGNED_19_12_14__1_.pdf

We want to see the TV, film and performing arts industries continue to take proactive steps to improve diversity right across their sectors, addressing the under-representation of certain groups, in particular women and people who are black and minority ethnic, disabled and/or LGB&T. Ministers have chaired a series of discussions with leaders in the broadcast, film and performing arts industries on what more should be done to tackle this issue. The government welcomes the announcements made over the last year by the major broadcasters, the British Film Institute and Arts Council England, setting out new commitments and challenging targets for increasing diversity both on and off screen.

The Government Art Collection (GAC)

The Government Art Collection¹⁸ displays works of art in major British government buildings in the UK and around the world to promote British art and contribute to cultural diplomacy.

In summer 2014, the GAC created displays for the GREAT campaign in São Paulo during the World Cup, the British Business Embassy in Liverpool, and the British Business House, Glasgow during the Commonwealth Games. In March 2015 the GAC worked with artist Rana Begum to create a temporary site-specific work of art as part of the GREAT Festival of Creativity in Shanghai. Other displays were completed for Ambassadors' residences in Bogotá, Tokyo, Rome and The Hague where a striking new display of art spanning the five centuries of the Collection was installed. New selections have also been made for Ministerial offices and many other government departments in the UK including 10 Downing Street.



Every year the GAC collaborates with a regional museum to profile key works of art from their collections at Downing Street – this year the GAC worked with the Harris Museum, Preston.

The centenary of the First World War this year was marked with specially curated displays in the entrance hall of 10 Downing Street and at DCMS. On-going research into the Collection led to our painting of an unknown seaman, being formally identified as Cecil Arthur Tooke (1884–1966), imprisoned in Döberitz Camp near Berlin during the First World War. Tooke

¹⁸ The Government Art Collection can be viewed at www.gac.culture.gov.uk

was an artist whose role helping to boost morale led to the award of an OBE on his release at the end of the War.

The 2015 election brought a crop of new Ministerial appointments, impacting on each member of the GAC team, involving as it does research, planning, selection, conservation, transport and installation. A revised planning system was designed to ensure the swift and efficient processing of requests.

The GAC is also working on new displays in Beijing, Mexico and Copenhagen. In June the artist Andy Goldsworthy started rebuilding his sculpture *Slate Cone* first constructed in the grounds of the Ambassador's Residence, Copenhagen in August 1988. In July the GAC will host two in-gallery workshops for Year 6 children from Grafton Primary School, Islington, London. In collaboration with *Pop Up Education*, a not-for-profit children's literature agency, this will be the GAC's first author-led education project. Later in the year the fourth cohort of postgraduate student curators will begin their research towards a curatorial project that will be open to the public in early 2017. All of this in addition to regular public tours and events such as Museums at Night and London Open House weekend during which the GAC will give access to even more members of the public.

**Nearly 14,000 works of art
in 380 government buildings
in 130 capital cities**

Government
Art Collection


Department
for Culture
Media & Sport



British Embassy, Berlin

3. Showcase what's great about Britain – its heritage and traditions – nationally and internationally



Britain's tourism, heritage and museums sectors are one of our great national strengths: they promote everything that is great about our country; they underpin the huge numbers of visitors - domestic and international - who enjoy what Britain has to offer; and they represent a crucial part of the UK economy. We have worked to support these sectors, planned and delivered commemorations, protected our heritage assets and demonstrated to potential overseas visitors that Britain is GREAT.

First World War Centenary Programme

DCMS leads on the national commemoration of the centenary of the First World War. We delivered three highly successful major national events to mark the centenary of Britain's declaration of war: a Service for the Commonwealth at Glasgow Cathedral, an act of reconciliation at St Symphorien Military Cemetery in Mons, Belgium and a Service of Commemoration at Westminster Abbey. We supported the Step Short¹⁹ campaign at Folkestone and an event in Manchester to mark the Battle of Neuve Chapelle.

Our cultural programme is led by 14-18 NOW²⁰ and has included such innovative projects as the Dazzle Ships, the Spectra light installation, and 'Lights Out', in which nearly 17 million people took part. One of the most powerful and poignant projects has to be the Poppies installation 'Blood Swept Lands and Seas of Red' at the Tower of London²¹. We secured the necessary funding to retain and showcase part of the installation around the UK. In the December 2014 Autumn Statement²² the Chancellor announced an additional £3 million to focus future art projects on northern cities.



¹⁹ www.stepshort.co.uk

²⁰ www.1418now.org.uk

²¹ www.hrp.org.uk/TowerOfLondon

²² www.gov.uk/government/topical-events/autumn-statement-2014

We organised events marking the centenary of the Gallipoli Campaign. This included a Commonwealth and Ireland ceremony, at the Commonwealth War Graves Commission Helles Memorial in Turkey, and a service at the Cenotaph in London, which included a march past by many descendants.



We are working with the Royal Navy, the Orkney Islands council and other partners on plans for commemorative events in Orkney on 31 May 2016, to mark the centenary of the Battle of Jutland. These will take place around Scapa Flow – home to the Grand Fleet during the war – and will focus on the war at sea. We are also working closely with the French government and all of our existing delivery partners on plans for the Somme, including the 141 days of the Battle. The government has provided £1.6 million to enable the Commonwealth

War Graves Commission to renovate and create a lighting scheme for the Thiepval Memorial to the Missing of the Somme, in time for the centenary of the Battle on 1 July 2016.

Heritage

We have continued to support our unique historic environment with grant-in-aid of £181 million to English Heritage and £5 million to National Heritage Memorial Fund in 2014-15. We have also supported the cultural heritage of our places of worship, through over £23 million grants to the Listed Places of Worship Grant Scheme, £20 million of grants to the First World War Centenary Cathedral Repairs Fund and £55 million funding announced for the Listed Places of Worship Roof repair fund, of which £30 million has already been awarded.



Charles Ginner
(1878-1952)
The Blouse Factory 1917
oil on canvas
© Unknown
Government Art Collection

In the same period, DCMS received over 2,000 designation cases, which resulted in over 504 buildings and monuments being added to the National Heritage List for England.

Notable projects include structures on the Midland Main Railway line prior to its electrification. Of the 41 structures assessed, 30 are new listings, with Derwent Viaduct, one of the best-preserved examples of the pioneering phase of railway development in England, built by the Stephenson's in 1836-40, being listed at Grade II*. 200 war memorials were added to the List in 2014-15 and DCMS continues to work closely with Historic England on

our target to list an additional 2,500 war memorials by the end of the First World War centenary period.

A new business model for English Heritage was implemented on 1 April 2015. The model splits English Heritage into two, with the creation of an expert advisory non-departmental public body, Historic England²³, delivering planning and conservation services and advice, and a new charity, English Heritage²⁴, operating under licence from Historic England, which will manage the National Heritage Collection of 420 historic sites and properties. The government is providing nearly £80 million of investment in the National Heritage Collection, creating jobs, stimulating local economies, boosting the heritage workforce and improving visitors' experience at the sites.

In the year 1 April 2014 - 30 March 2015, the Heritage Lottery Fund made 2,305 awards with a total value of £456.7 million.

In December 2013, Lord Redesdale and John Howell MP were invited to undertake a review into the future of local government archaeological services in England, with a view to identifying options to improve their long-term sustainability. Their draft report, submitted in 2014, is currently being considered, together with evidence relating to the state of historic buildings conservation services.

We have nominated the Neanderthal Caves and Environments in Gibraltar for World Heritage Site status, and work also continued on the Forth Bridge nomination. The UK's heritage interests were represented at the UNESCO World Heritage Committee in Doha in June 2014.



Alison Wilding (born 1948)

Drone 1 2012

alabaster wall sculpture with
painted cast fibreglass plum

© Alison Wilding

Government Art Collection

²³ www.historicengland.org.uk

²⁴ www.english-heritage.org.uk

Museums and galleries

National Museums delivered consistently outstanding exhibitions in 2014, attracting record breaking visitor numbers. This included the Vikings²⁵ and Ming²⁶ at the British Museum in their brand new exhibition space, Collider²⁷ at the Science Museum, the new Imperial War Museum First World War galleries²⁸ and the Matisse Cut-Outs²⁹ at Tate Modern which welcomed over half a million visitors.

The success of public fundraising campaigns in 2014 has demonstrated strong public interest in our cultural heritage. National Museums have been involved with some major fundraising success stories, including £10 million to save a self-portrait by Van Dyck for the National Portrait Gallery and the acquisition of the £15.8 million Wedgwood Collection by the V&A with help from the Art Fund³⁰ and Heritage Lottery Fund³¹.

National Museums have also achieved major capital build successes in 2014 with support from government, the Heritage Lottery Fund and major private donors, including the Imperial War Museum's new £40 million Regeneration Galleries, the £135 million British Museum's World Conservation and Exhibitions Centre - which included a major contribution of £25 million from the Sainsbury family - a £45 million gallery refurbishment at Tate Britain, and the Science Museum's new £15.6 million Information Age Gallery, which was launched by a Tweet from the Queen.

Key figures:

- £390 million Grant in Aid outturn in 2014-15 for DCMS's 15 sponsored museums and the British Library
- £20 million in 2014-15 from Arts Council England supporting regional museums
- three of the world's top ten most visited museums and six of the ten most visited UK visitor attractions are DCMS-sponsored national museums
- the DCMS/Wolfson Fund will award grants of up to £3 million in 2015³²

The Taking Part survey indicated that in 2013, for the first time, more than half all adults have visited a museum or gallery in the last year and numbers have increased since then.

National Museums continue to loan thousands of objects every year. In 2012-13, DCMS-sponsored museums lent objects to 2,727 venues in the UK, a substantial increase since 2008-09. National Museums ensure that "star objects" such as Henry VIII's armour and the British Museum's largest Ming vase tour the UK to ensure more people around the country can access these treasures.

The Autumn Statement 2014³³ demonstrated the government's commitment to arts and culture with:

- £1 million towards the Great Exhibition, which will highlight the best of Northern art, culture and design.
- £3 million funding for the Museum of Science and Industry (MOSI) to create gallery space to host a programme of visiting exhibitions in the north west.
- A cost-benefit analysis of the relocation of the museum collections currently housed at Blythe House.

²⁵ www.britishmuseum.org/channel/exhibitions/2014/vikings.aspx

²⁶ www.britishmuseum.org/whats_on/past_exhibitions/2014/ming.aspx?fromShortUrl

²⁷ www.sciencemuseum.org.uk/visitmuseum/Plan_your_visit/exhibitions/collider.aspx

²⁸ www.iwm.org.uk/exhibitions/iwm-london/first-world-war-galleries

²⁹ www.tate.org.uk/whats-on/tate-modern/exhibition/henri-matisse-cut-outs

³⁰ www.artfund.org

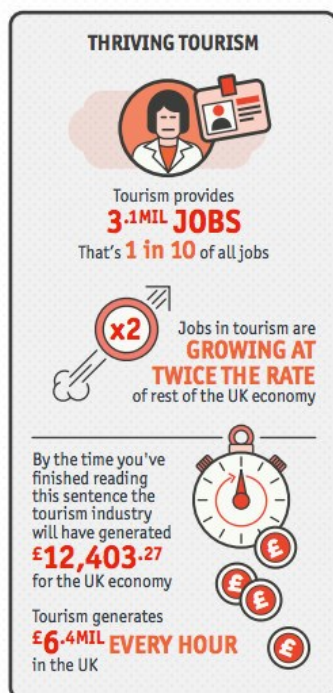
³¹ www.hlf.org.uk

³² www.gov.uk/government/news/3-million-awarded-to-english-museums

³³ www.gov.uk/government/topical-events/autumn-statement-2014

- £141 million investment for 'Olympicopolis', the planned development of the former Olympic Park, including the V&A's new museum on the site.

Tourism



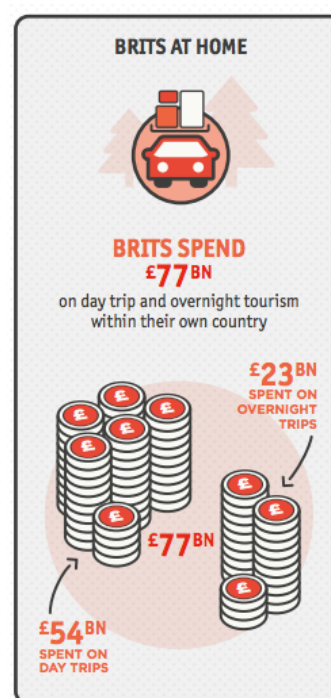
Tourism continues to deliver jobs and growth across the UK. The latest figures³⁴ show that 2014 was another record breaking year for visits and spending, with visits up 5% to 34.38 million and spend up 3% to £21.85 billion, compared to 2013. In October 2014, a new initiative was rolled out allowing Chinese visitors to use the same visa to visit the UK and Ireland. This was expanded in February to include visitors from India.

To encourage more visitors to explore outside London, the government announced £4.4 million in funding to pay for a financial incentive, equivalent to the cost of up to 50,000 visas, to be offered free of charge via tour operators to those booking on UK tours in China that include a minimum number of nights outside London. We have also announced £10 million to grow inbound tourism to the north, and £5 million to grow inbound tourism to the south west.

In 2014-15, we provided over £45 million in funding to VisitBritain and VisitEngland to promote tourism at home and abroad. To

ensure that these tourism bodies are as effective as possible in promoting sustained economic growth across the country, we undertook a triennial review. That review concluded that there should be a clear separation in the roles and responsibilities of VisitBritain and VisitEngland, with VisitBritain focussed on overseas marketing, and VisitEngland taking on a new role in developing world class English tourism experiences.

In June 2014, we convened the Tourism Industry Council, to co-ordinate action on jobs, skills and growth across the tourism sector. Since then, members have been working closely to consider ways in which to boost jobs and skills within the industry. In March 2015, the Council met to discuss their work, including the social media campaign during English Tourism Week, which highlighted careers in the tourism industry.



We have also developed a strategy to support the business visits and events sector, to make the UK even more competitive and attractive to the world's largest global events. The strategy sets out actions and recommendations to be taken forward jointly by industry and government.

³⁴ <http://www.ons.gov.uk/ons/rel/ott/travel-trends/2014/rpt-travel-trends--2014.html>

The government is investing £160 million over five years in the GREAT³⁵ campaign, which is currently active in over 144 countries. The campaign showcases the very best of what Britain has to offer in order to encourage the world to visit, study and do business with the UK. The campaign has already delivered a direct return to the economy of over £1 billion and is supporting the UK's ambitious 2020 Export Plan. This has been confirmed by the National Audit Office's recent report³⁶.



³⁵ www.gov.uk/britainisgreat

³⁶ www.nao.org.uk/report/exploiting-the-uk-brand-overseas

4. Create an equal opportunity society

The Government Equalities Office (GEO) leads the Government's drive for 'equal treatment and equal opportunity for all' in a society proud of its diversity and tolerance. We take action on the government's commitment to remove barriers to equality and help build a fairer society. We lead on gender equality, sexual orientation and transgender equality policy, and manage the entirety of equality legislation across government.

DCMS's Permanent Secretary is the Accounting Officer for GEO, and we report to the Minister for Women and Equality, who is based at the Department for Education.

Following the General Election in May 2015, GEO now has its own dedicated oral parliamentary questions and a new Women and Equalities Select Committee has also been set-up.

Promoting women's economic and social participation

Women are a key source of untapped potential, which we need to harness to boost economic growth in the UK³⁷. Matching women's productivity and employment to that of men has the potential for increased gross domestic product of 35% in the UK.

GEO has supported the Women's Business Council to champion gender equality in the workplace and deliver a wide ranging programme to ensure business and government acts upon their recommendations. With our support they covered the length and breadth of the country taking their work to Davos, the EU, undertaken 1,000 activities and completed 150 wide ranging case studies on the WBC site to inspire action. GEO has led delivery of several key recommendations from the Council's report and published a two-year progress report to demonstrate progress.

Starting out:

Challenging gender stereotypes about careers and school subjects

It is vital that girls' aspirations are as wide as they can be and do not limit their potential. Everyone has a part in this and parents play a vital role.

GEO launched an online guide 'Your Daughter's Future'³⁸ to help parents support their daughters through school subject, qualification and career choices. It provides guidance on what choices their children will face and when, and supports parents to challenge gender expectations.

We established an innovative project to investigate new ways of working with business. We funded the British Chambers of Commerce to set up self-sustaining local partnerships between schools and business, and identify how best to use business involvement to

Starting out →
Girls outperform boys at all levels
 in education.



³⁷Please note all infographics in this section are courtesy of the Women's Business Council.

Ruby McGregor-Smith CBE, Chair Women's Business Council, womensbusinesscouncil.dcms.gov.uk/

³⁸nationalcareersservice.direct.gov.uk/youngpeople/Pages/YourDaughtersFuture.aspx

improve careers guidance with a strong focus on employment. In partnership with DfE we revised the statutory careers advice guidance, which for the first time ever includes directions that schools should consciously work to prevent all forms of stereotyping in the advice they provide. This will ensure that young people from all backgrounds and diversity groups consider the widest possible range of careers. We provided funding to the Institute of Physics to address gender stereotyping in schools.

GEO has continued to address the harm associated with poor body image which can contribute to poor mental wellbeing, eating disorders and low aspirations. Through our body confidence campaign we have produced in partnership with the Advertising Association and Credos a new report looking at diversity in advertising. The findings from this are being actively taken forward by the industry.

A priority this year has been to build a much stronger evidence base. We published research into new areas such as 'Year 3 girls' sports participation' and gender stereotypes and 'Two for the price of one, focusing on the impact of low body image during pregnancy and after birth. Our report 'Costing the invisible' explored how body image impacts on later life employment and skills. Our publication of BSAS data showed that mid-life women are equally affected by these issues as younger women. We held an academic seminar on gender roles and published an accompanying report 'The watched body'. We also produced a new toolkit for those who work with older teenagers to build their own active citizens projects to address body image and with PSHE association we produced new guidance for teachers on choosing and delivering the best resources for teaching body confidence.

Getting On

Getting on →

76% of businesses report that **flexible working improves staff retention.**

76%



Last year saw the biggest ever increase in the number of women on FTSE boards. We worked jointly with BIS, Lord Davies, 30% Club and Cranfield University to deliver this change and reached a significant milestone with no FTSE 100 companies with all-male boards. Women now account for around 23% of FTSE 100 boards (up from 12.50% in 2011). We have funded and published new pieces of research to increase the levels of transparency and closely track progress.

Our campaign, *Think, Act, Report*, to improve gender equality in the workplace and drive change within business to increase transparency on pay, means we now have over 275 major UK employers, covering 2.5 million employees, all pledging to improve gender equality in the workplace. We held a major conference in November to coincide with the Cranfield School of Management report on progress for Women on Boards and to stimulate further action to close the pay gap. There is now a commitment to introduce regulations, following consultation, requiring larger employers to report on gender pay differences.

GEO has awarded in excess of 5,000 grants totalling over £1.5m from the Childcare Business Grants Scheme³⁹ to new childcare businesses in England (including childminders /nurseries / out of school clubs). Following the success and popularity of this Scheme, the Chancellor, in his 2014 Autumn Statement, announced a further one-year extension and an additional investment of £2 million.

³⁹ www.childcarebusinessgrants.dcms.gov.uk/

Staying On (Older women workers)

Fully utilising older women's skills could provide a huge boost to the economy. If 0.6m more older women worked full-time that could add up to £20 billion to UK's GDP and if the same number worked part time it would add £9 billion. That is why we provided nearly £1.2 million for a series of Carers in Employment Pilots. This fund supports carers to balance their work and caring commitments. Nine pilot sites will explore how technological

innovations to help carers to know the person they care for is safe while they're at work and how business can give employees with caring responsibilities more help, for example by promoting flexible working patterns.

Staying on →

Providing **greater support for carers** to stay in work could benefit the economy by up to £1.5bn.



We funded the UK Commission for Employment and Skills (UKCES) with just under £1 million to help women to move from low-paid, low-skill work to higher-paid, higher-skill work. The UKCES programme helped women develop skills in STEM (science, technology, engineering and mathematics), retail, hospitality and agricultural sectors.

Women's Enterprise

Enterprise →

If women were engaged in entrepreneurial activity at the same rate as men, there could be an **extra one million female entrepreneurs**.



GEO funded a £1.1 million 'Women and Broadband Programme' to support women entrepreneurs to move and grow their businesses online. Sixteen local authority projects in England have received grants of up to £75,000 to deliver the government's Superfast Broadband programme to maximise women's contribution to the economy and to support women to build their digital confidence and skills, and take advantage of the government investment in Superfast Broadband.

Working across government to improve information to women who want to start up and grow their businesses we have developed new and accessible information on the GREAT Business website for 'Women in Enterprise'⁴⁰, outlining the support available for women looking to start or grow their businesses. It sets out the government's advice and resources alongside organisations offering support. In addition, we awarded £150,000 to UK Sector Skills Body for Enterprise (SFEDI) and the Institute of Enterprise and Entrepreneurs (IOEE) to run 12 'Meet a Mentor Roadshows' across the UK, for potential and existing female entrepreneurs. The Women's Business Council and the British Bankers Association hosted the new Mentor Me Awards at BT Tower.

⁴⁰ www.greatbusiness.gov.uk/women-in-enterprise/

Safety on-line

GEO funded a new specialist helpline for those who are victims of 'revenge porn' - the growing problem of people sharing intimate images online as a way of seeking revenge or ridiculing individuals. The helpline has received more than 1,000 calls to date. We are also providing £500,000 to the UK Safer Internet Centre. This will ensure schools and teachers are equipped to teach our young people about how to be safe online and to ensure every child is aware of both the benefits and dangers posed by the internet.

Promoting Women's views and experience domestically and Internationally

To bring women's voices and experience to government policy making we launched an extensive consultation to mark Beijing Platform for Action's 20th anniversary. Civil society plays a vital role in advocating women's needs to be incorporated into domestic and national policy. We worked closely with them to promote our online public survey and co-hosted a nationwide series of roadshows across England, Scotland, Wales and Northern Ireland. We feed the findings into the UK's priorities for women.

We championed women's rights internationally through leading the UK's participation in the Commission on the Status of Women (CSW) 59th session in March 2015⁴¹. We held our annual national pre CSW event with civil society in October. We took our work on online abuse and revenge porn to the United Nations co-hosting a successful side event with Denmark.

Promoting LGB&T rights

For the fourth year running, the UK was recognised as number one in Europe for LGB&T rights, by the International Lesbian and Gay Association-Europe.⁴² This was a welcome recognition of the steps the Government has continued to take to remove barriers to equality for LGB&T people - and we are rightly proud.

GEO also completed implementing secondary legislation to bring The Marriage (Same Sex Couples) Act 2013 fully into force. These provisions mean that:

- marriages of same sex couples can take place in British consulates and armed forces bases overseas
- couples can convert their civil partnerships into marriage if they wish
- couples can remain married, if both parties wish, when one and both of them changes their legal gender.

Within the first three months of marriage of same-sex couples being possible (29 March – 30 June 2014), 1,409 same-sex couples took advantage of the new law to get married.

In June 2014 the Government completed its review of the future and operation of the Civil Partnership Act as required by Parliament. The review concluded that given the lack of consensus on the way forward, the Government would not be making any changes. GEO also launched a new £2 million fund to support schools to prevent and tackle homophobic, biphobic and transphobic bullying more effectively. Eight partner organisations have been awarded funding to undertake innovative and sustainable initiatives to build schools' capacity to tackle this type of bullying. These will be delivered over the next year and we will evaluate their impact so that we can share the learning more widely.

⁴¹ www.unwomen.org/en/csw/csw59-2015

⁴² ILGA Europe

To support UK citizens living and travelling abroad, GEO has continued to press other countries to recognise civil partnerships and marriages of same sex couples formed in the UK. The Government has written individually to over 70 jurisdictions to seek this information.

During this year, GEO awarded a range of grants to support and empower the LGB&T voluntary sector to promote broader understanding of LGB&T people's needs and to feed this into policy and practice. These included:

- a grant to the LGB&T Consortium to develop a sector-wide LGBT Research Network, undertake extensive mapping of relevant research and build the available evidence base on LGB&T issues.
- a grant to the Albert Kennedy Trust to support the development of an e-mentoring scheme to provide one-to-one support to young LGB&T people at risk of homelessness, as well as promoting wellbeing, resilience and the development of core life skills.

Promoting equality

The Equality Act 2010 (Equal Pay Audits) Regulations 2014⁴³ have been introduced, requiring Employment Tribunals to order an employer to carry out an equal pay audit where it is found to have breached equal pay law. Another change to the Equality Act 2010 enabled the Church of England to progress its measure for the ordination of women bishops.

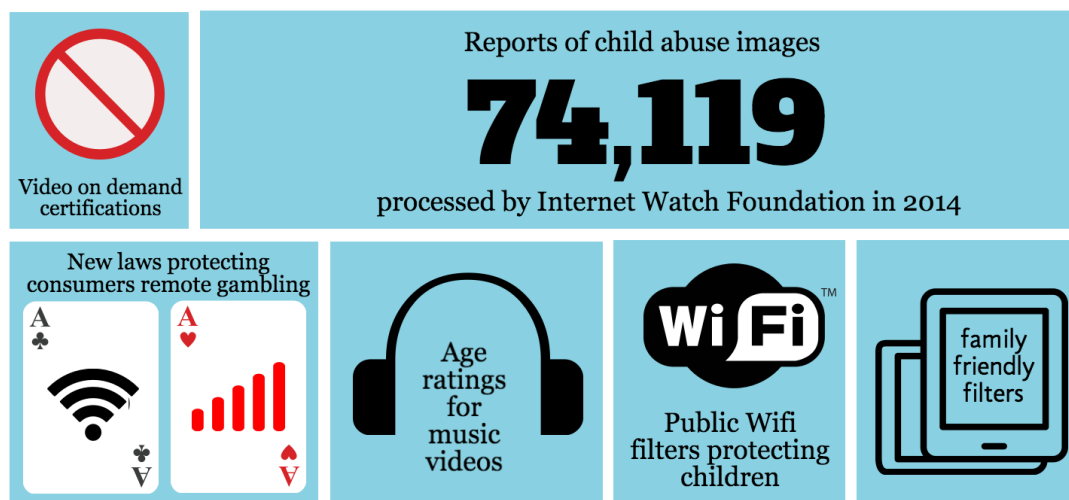
The pilot 'Access to Elected Office for Disabled People Fund'⁴⁴ was extended from 1 July 2014 to June 2015. The work of the GEO was recognised internationally as one of 11 Innovative Policies by the World Future Council's Zero Project.

GEO also continued to provide victims of discrimination with advice and support through the award-winning Equality Advisory Support Service.

⁴³ www.legislation.gov.uk/ukdsi/2014/9780111116753

⁴⁴ www.access-to-elected-office-fund.org.uk/

5. Protect children from harm online and the young and vulnerable from problem gambling



A vital element of our work is ensuring that children are safe online, and that people who wish to gamble enjoy appropriate protections. Making the internet safer for children is a priority for the government, championed by the Prime Minister, and DCMS has led the work to do this. We have made significant progress on parental controls, friendly public WiFi and proactive blocking of illegal online images. On gambling, we work to ensure that the gambling industry is run responsibly, providing a safe and enjoyable leisure activity while protecting younger people and vulnerable adults from the risks of harm. We also have responsibility for the policy on licensing entertainment activities.

Child Internet Safety

In his speech on internet safety⁴⁵ in July 2013, the Prime Minister made clear his aim to make the internet safer for children. Since then we have made significant progress, working with industry and other government departments, in meeting the Prime Minister's commitments. We have achieved considerable success in prompting parents to switch on parental internet controls and promoting friendly public Wi-Fi. We are continuing our efforts this year to build on this work and maintain our position as a world leader in child internet safety.

We do not accept the presence of child sexual abuse material on the internet. We will continue to work closely with industry and other parties to prevent access to this illegal content. An international statement supporting zero tolerance was signed by industry representatives, at the Prime Minister's 'We Protect' child protection online summit, on 11 December 2014.

The UK's internet service providers (ISPs) have answered our call to do more to protect children online. The largest four have delivered on their commitment to provide unavoidable choice on family friendly network level filters to new customers, and are rolling out filters to all existing customers by summer 2015. Some smaller ISPs like Claranet, EE and Kingston Communications are filtering content and we are working with the Internet Providers Association to encourage other small providers to follow suit.

The six largest providers now provide filtered public WiFi in places wherever children are likely to be. The Registered Digital Institute (RDI) and Tesco launched the Friendly WiFi logo on 17th July 2014, and this is now in place in many stores, including Starbucks. The

⁴⁵ www.gov.uk/government/speeches/the-internet-and-pornography-prime-minister-calls-for-action

four leading mobile operators (EE, O2, Vodafone and Three) have introduced adult content filters for mobile content, as have several of the smaller providers, and these are default-on for the majority of phones sold in the UK. We hope that the other smaller networks will follow suit shortly.

We have also raised awareness of this issue to ensure that parents have the facts they need to help protect their children online. Internet Matters, the parental awareness campaign, reached up to 20 million people on its first day alone. Since July 2014, the website had had almost 500,000 unique visitors. In January 2015, it launched its personalised interactive guide to parental controls, which provides parents with step-by-step instructions by device.

Gambling and licensing

We want to make sure that the gambling industry continues to be run responsibly and in April 2014 announced a suite of stronger gambling controls, focused on identifying gambling-related harm and effective action to combat the problem. The measures included returning powers to local communities, by requiring planning applications for new betting shops to be submitted to local authorities. We have ended unsupervised high stake play by requiring those accessing stakes over £50 to use account-based play or load cash over the counter, and it will require all players of Fixed Odds Betting Terminals to be presented with a choice to set time and money. Both these measures came into force in April 2015.

The Gambling (Licensing and Advertising) Act, increasing consumer protection for consumers of remote gambling, came into force on 1 November 2014. As a result, all remote gambling operators selling to consumers in Britain are required to hold a Gambling Commission licence.

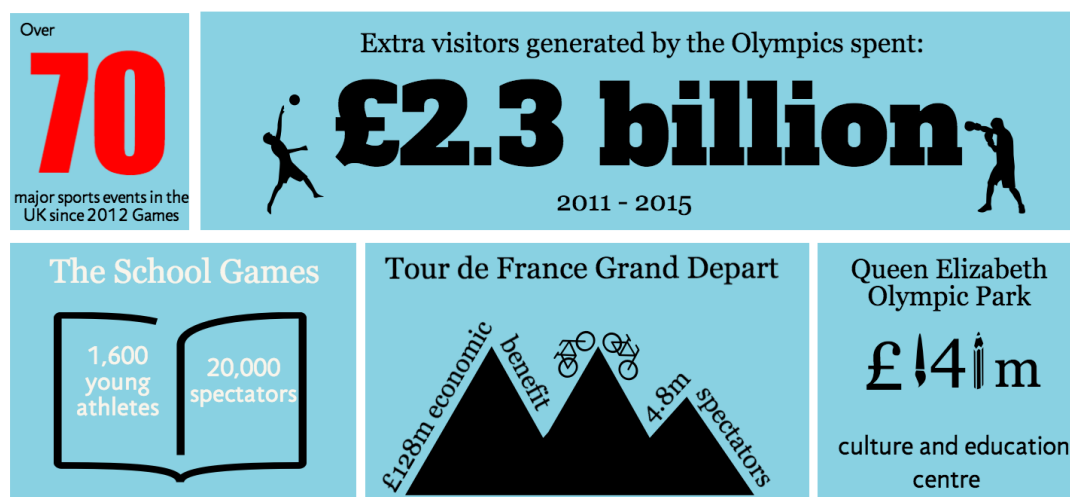
We have consulted on options to reform or replace the current Horserace Betting Levy. The main aim was to ensure that we arrived at a fair solution, which extends to all bookmakers equally, so all betting operators who benefit from bets made on British racing in this country contribute to funding the sport. The 2015 Budget announced government's intention to bring forward legislative proposals to replace the Levy with a new Horserace Betting Right.

The Legislative Reform (Entertainment Licensing) Order 2014⁴⁶ will lift burdens on providing entertainment for culture and voluntary groups, as well as commercial organisations. These measures came into force on 6 April 2015.

We want to see continued growth across the lotteries sector for the benefit of good causes. We have undertaken a call for evidence to explore the current balance across society lotteries, the National Lottery and competing gambling products in raising funds for good causes and maintaining player protection. The Culture, Media and Sport Select Committee has recently completed a report focusing on society lotteries, and the committee's recommendations will make a valuable contribution to our analysis.

⁴⁶www.gov.uk/government/uploads/system/uploads/attachment_data/file/328490/Entertainment_Licensing_Legislative_Reform_Order.pdf

6. Secure a lasting legacy from the Olympic and Paralympic Games



We have continued to secure a lasting sporting legacy for the UK. We and our ALBs continue to support elite sports, increase participation and physical activity, ensure the legacy of the Queen Elizabeth Olympic Park and deliver future major sporting events for the UK.

Olympic and Paralympic legacy

We are using the inspirational power of the London 2012 Olympic and Paralympic Games to deliver lasting change in sport, communities, the economy, regeneration and disability equality.

In July 2014 we published the government and Mayor of London report 'Inspired by 2012: the legacy from the Olympic and Paralympic Games'⁴⁷, which showed that we continue to maintain the momentum in delivering lasting benefits from London 2012. The economic benefits of the Games from international trade and investment stand at £14.2 billion, and the UK is on track to meet the target of attracting 4.7 million additional visitors to Britain, spending an extra £2.3 billion over the 4 years 2011-15.

The area south of Queen Elizabeth Olympic Park (QEOP) re-opened in April 2014, and the Lee Valley Hockey and Tennis Centre, in the north of the Park, opened to the public in June 2014. The Park has now received over 4 million visitors since it started to re-open in 2013, and in 2014 it played host to a number of major events, such as the second National Paralympic Day, the inaugural Invictus Games for injured, wounded and sick military personnel, Ride London, and the NEC Wheelchair Tennis Masters.

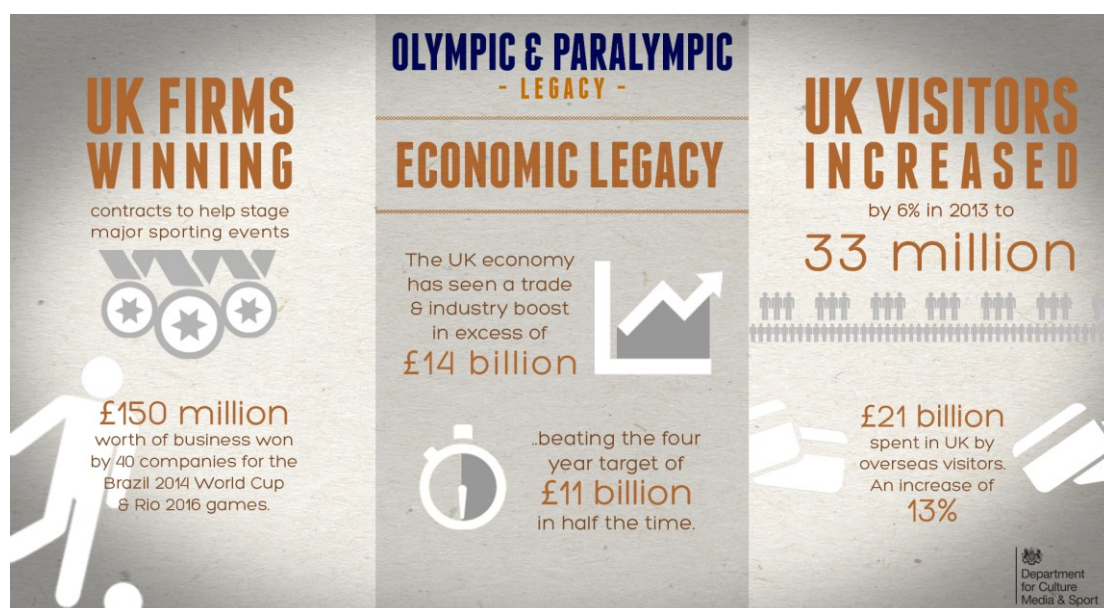
The conversion of the Athletes' Village (now 'East Village') to residential accommodation has been completed, providing over 2,800 apartments and townhouses, around half of which are affordable homes, and returning £839 million to the public purse. In December 2014 the Chancellor announced £141 million for 'Olympicopolis', a major new cultural and higher educational quarter in Queen Elizabeth Olympic Park, as part of the Autumn Statement.

'Moving More, Living More'⁴⁸, the government and the Mayor of London's initiative to promote physical activity as part of the 2012 Games' legacy, continues to drive cross-government activity, including publication in October 2014 of its delivery framework, Public

⁴⁷ www.gov.uk/government/uploads/system/uploads/attachment_data/file/224148/2901179_OlympicLegacy_acc.pdf

⁴⁸ <https://www.gov.uk/government/publications/moving-more-living-more-olympic-and-paralympic-games-legacy>

Health England's 'Everybody Active Every Day' report, alongside Mayor of London projects, such as London Healthy Schools and the Mayor's Sports Legacy Programme.



Join In, the London 2012 legacy charity that puts volunteers into community sport, has built on the success of the Games Makers. The independent charity continues to promote the vital role volunteers play in grassroots sport and creating a happier, healthier nation. Join In and patron Eddie Izzard led the nation's biggest ever thank you to sport volunteers at the BBC Sports Personality of the Year show, in December 2014. Team London ambassadors continue to be deployed around major sporting events in the capital as well as at tourist hubs in the summer, and increasingly in London schools.

Twelve built environment professional institutions now support the government and Greater London Authority's legacy project, aimed at ensuring that inclusive design is a standard part of the curriculum in the education of built environment professionals. During 2014, the Chartered Institute of Architectural Technologists and the British Institute of Facilities Management both amended their professional standards framework to include inclusive design and are now considering qualifications and training courses to help educators address their revised criteria.

DCMS now has sole responsibility for Olympic legacy. The Cabinet Office previously also had some accountability.

Sport

The Department invests around £500 million each year in sport in the UK, through UK Sport and Sport England, around £150 million and £350 million per annum respectively.

Sport participation

Figures from the Active People Survey show the long-term trend of sport participation is increasing, with positive trends in the number of young people, women and disabled people taking part in sport, since London won the bid to host the Olympic and Paralympic Games in 2005. 15.6 million people over the age of 16 are now playing sport at least once a week, every week.



Julian Treveleyn (1910-1988)
Rowers 1972
 Etching and aquatint
 ©Mary Fedden
 Government Art Collection

We are committed to continuing this positive trend and opening up opportunities for everyone to take part in sport. Sport England administers exchequer and lottery funding, channelling to both the existing National Governing Bodies (NGBs) and to individual projects that drive up participation. In cases where the NGBs are unable to produce the required uplift in participation, Sport England is able to re-route some of their funding to other projects to achieve this goal.

Sport England has invested £10 million into 148 local sport facilities through the latest round of its Inspired Facilities Fund, which were announced in October 2014. Sport England has now invested £100 million through Inspired Facilities to upgrade over 1,800 sports clubs.

Satellite Clubs⁴⁹ is Sport England's £49 million programme that brings community sports clubs into schools and colleges. With over 3,600 clubs already up and running, Sport England is on track to meet its target of setting up 5,000 clubs by 2017. There are over 480 clubs, which are girls only, and Sport England estimates that through these clubs over 18,000 girls are playing sport regularly.

Sportivate⁵⁰ is Sport England's £56 million National Lottery funded Olympic legacy programme which, since June 2011, has reached half a million 11-25 year olds and introduced them to sport through a six to eight week coaching courses. The courses offer over 80 sports, including traditional sports like football, cricket and rugby, and also activities like windsurfing, parkour and skateboarding.

School Sport

We continue to support the PE Primary Premium fund⁵¹, contributing to the government's total spend of £150 million in 2014-15. This allows for head teachers to tailor their PE and sport offer, taking into account the needs of their students. According to a recent Ofsted report and a Department for Education survey, the Premium is being well used by schools to increase opportunities and time spent on sport. £18 million of Lottery funds were awarded to over 600 primary schools as part of the 'Primary Spaces Facilities Fund'⁵² in 2014, to improve sports facilities in primary schools for the benefit of both school children and the wider community.

⁴⁹ www.sportengland.org/our-work/children-and-young-people/satellite-clubs

⁵⁰ www.sportengland.org/our-work/children-and-young-people/sportivate

⁵¹ www.gov.uk/government/policies/getting-more-people-playing-sport/supporting-pages/school-pe-and-sport-funding

⁵² www.sportengland.org/funding/our-different-funds/primary-spaces

We also continue to lead on the School Games, coordinating input from DCMS, Department for Education and the Department of Health, with £150 million spent during the 2010-2015 Parliament. The Sainsbury's School Games provides schoolchildren from 18,000 schools with opportunities to take part in competitive sport at all skill levels. Level 4 of the Games is a national final, which takes place every September. The 2014 final was held in Manchester, with 1,446 elite young athletes from across the UK competing in 12 Olympic and Paralympic sports.



Image courtesy of Sport England

Women and sport

We are determined to get more girls and women playing sport. Women's participation is up by over 657,500 people since we won the Olympic bid in 2005. We launched 'This Girl Can' in January, a £10 million campaign celebrating active women across the country. It aims to normalise women participating in sport and seeks to change perceptions.

The Women and Sport Advisory Board published its interim report in October 2014, outlining the work it has undertaken so far in five areas: increasing women's participation in sport, improving the media profile of women's sport, increasing commercial investment in women's sport, increasing women in leadership and workforce, and encouraging greater recognition of women's sporting achievements. The publication was launched at the government's national Women and Sport Conference on 30 October 2014.

Major sporting events

Over 70 major international sporting events have been secured for the UK following the London 2012 Games, including over 30 World and European championships.

We had another successful summer of sport in 2014 with our support of the Tour de France Grand Depart - which attracted 4.8 million spectators and had an economic impact of £128 million⁵³ - and the Glasgow Commonwealth Games, including the Queen's Baton Relay.

UEFA announced in September 2014 that Wembley Stadium will stage the semi-finals and finals of the 2020 European Football Championships. In addition, Hampden Park in Glasgow is due to host four tournament matches. DCMS, liaising with other government departments, provided several government guarantees in support of these bids.

Earlier this year we were successful in securing the 2019 Netball World Cup and, since October, we have successfully hosted several events, including the WTF World Taekwondo Grand Prix Series in Manchester and the ITF Wheelchair Tennis Singles Masters Series at the Olympic Park.

Later this year we will proudly host the Rugby World Cup - expected to deliver an economic benefit of £1 billion across the UK - and the World Artistic Gymnastics Championships, among other events.

We continue to strive towards identifying and securing events and, in March 2015, DCMS published a framework, setting out how the government, working with UK Sport, will continue to support major sporting events.

Elite sport

We have provided nearly £50 million of grant-in-aid to UK Sport, which alongside lottery funding is used to support our world class athletes, enhance the UK's sporting profile and promote the value of sport through mutually beneficial partnerships.

UK Sport announced the results of its annual investment reviews of summer Olympic and Paralympic sports, resulting in significant funding 38 Olympic and Paralympic sports with medal potential for Rio 2016 and/or Tokyo 2020.

Following a successful Sochi 2014 Winter Olympics, UK Sport confirmed a near doubling of investment, to £31 million across the Pyongchang 2018 cycle, in the eight winter Olympic and Paralympic sports with credible medal potential in both 2018 and 2022.

In December we marked that Britain's Olympic and Paralympic athletes, as backed by UK Sport's National Lottery funded World Class Programme, have now given back over 10,000 days to schools and communities since London 2012, in a bid to inspire the next generation through sport.

Football

The government remains committed to helping fans have more of a say in how their clubs are run. An expert working group, on supporter ownership and engagement, was launched by the Parliamentary Under Secretary of State for Sport and Tourism, in partnership with the football authorities and supporter representation groups, in October. It will deliver a full report to DCMS later in 2015.



⁵³ sites.yorkshire.com/assets/tourdefrance/impact/THREE%20INSPIRATIONAL%20DAYS%20FULL%20FINAL%20-%20Summary.PDF

The government also continues to invest in the Football Foundation. With the Premier League and the Football Association (FA), we are also providing over £100 million combined funding over three years to the Football Foundation's Facilities Fund, that helps to improve existing facilities, and create new pitches across the country, including the invaluable artificial turf pitches that do much to increase use.



Image courtesy of Sport England

The government has also committed to £10 million annual investment into improving grassroots football, focused on local community multi-sport facilities and football coaching.

Following the FA report into the future of English football, which cited the need for more artificial football pitches and more high quality coaches to develop grassroots English football, the government has dedicated £8 million of funding a year, for 5 years, toward 150 multi-sport hubs across 30 cities.

In addition, a further £2 million per year, for 5 years, will support 25 new coach educators that can help triple the number of high level coaches nationally, and a bursary scheme to fund qualifications, with specific targets for female coaches and coaches from a Black, Asian Minority Ethnic (BAME) background.

The government investment will be matched by the FA, alongside further contributions from other partners such as the Premier League, Football League clubs and local authorities, with a shared ambition for over £200 million of total funding. We are continuing to maintain momentum in building equality and inclusion in football and continue to meet key figures across football to ensure coaches from BAME background continue to rise through the ranks to the top of the sport.

Match fixing

The government and the Gambling Commission supported the launch of the independent Sports Betting Integrity Forum in November 2014. The forum was established primarily to combat the threat of match fixing and the manipulation of sports competitions from illegal and irregular betting.

The Department contributed to the UK's first Anti-Corruption Plan which was published in December 2014 by setting out the measures which both DCMS and the Gambling Commission are taking to combat match fixing and corruption in sport.

Anti-doping

UK Anti-Doping (UKAD) delivered doping control services for the Glasgow 2014 Commonwealth Games and also educated every athlete competing for England, Scotland, Northern Ireland and Wales prior to the Glasgow Games.

UKAD collaborated with the Union Cycliste Internationale (UCI), the Irish Sports Council (ISC) and the Cycling and Anti-Doping Foundation at the Tour de France Grand Depart and Giro d'Italia.

The UK implemented revised UK anti-doping rules in line with the 2015 World Anti-Doping Code and conducted extensive face-to-face education sessions with athletes, national governing bodies and key stakeholders about the changes to the Code. UKAD also delivered an intelligence-led, predominantly targeted out-of-competition testing programme. Our Corporate Challenges and Successes.

ALBs and appointments

We are a relatively small central Department but with Arms Length Bodies with a workforce of over 34,000 people. We have continued our work to increase the efficiency of our ALBs through the Triennial Review (TR) programme. DCMS has completed reviews of the BFI, a joint review of Visit Britain/Visit England and has an on-going joint review of Sport England/UK Sport. We are working with each to ensure the savings and efficiencies identified are realised. The TR programme for 2015-16 includes Arts Council England, Heritage Lottery Fund and Equality and Human Rights Commission.

Our engagement with our ALBs is strategic and risk-based, which is appropriate for a small Department with a large number of ALBs to sponsor and is reflected in our internal governance structures. The work of our ALBs requires oversight by non-executive Boards of Trustees and Chairs. DCMS Ministers appoint or make recommendations to the Prime Minister to appoint, the Chairs and Trustees of almost all DCMS's ALBs. In total, Ministers have responsibility for appointing approximately 320 Board Chairs and Trustees to ALBs sponsored by DCMS. During 2014-15, DCMS made 128 Board appointments and reappointments, including Dame Mary Archer as Chair of the Science Museum Group and Nicholas Coleridge as Chair Designate of the V&A. 47% of all the new appointments made by the Department went to women.

Machinery of government changes

On the 26 March 2015 the Prime Minister issued a Written Ministerial Statement announcing that the transfer of responsibility for promoting high quality design in the built environment would transfer from DCMS to DCLG with immediate effect⁵⁴. There is no associated budget or transfer of budget for this function and therefore the accounts have not been restated.

Until the 9 April 2014 Maria Miller was Minister for Women and Equalities. From the 9 April 2014 the former Secretary of State for Culture Sajid Javid was appointed Minister for Equalities and the Rt Hon Nicky Morgan was appointed Minister for Women. On 15 July 2014, the Rt Hon Nicky Morgan was appointed Education Secretary and Minister for Women and Equalities. There were no Machinery of Government changes as a result of these changes in responsibilities.

BBC World Service (BBC WS), a segment of the BBC Group, transferred into DCMS on 1 April 2014. From then the BBC WS has been funded by the BBC PSB Group. BBC WS was previously Grant-in-Aid funded and consolidated by the Foreign and Commonwealth Office.

On the 1 June 2015, the Prime Minister issued a Written Ministerial Statement⁵⁵ announcing responsibility for the Digital Economy Unit will transfer from being jointly held between BIS and DCMS, to being the responsibility solely of DCMS. This change was effective immediately.

Efficiencies

Efficiency is a priority for DCMS and we have already undergone a significant change programme. This includes a reduction in workforce, the adoption of more flexible working practices and upgraded IT, in keeping with the 'the way we work' programme led by Government Property Unit (GPU⁵⁶), and participation in Whitehall shared service programmes. We are also working to drive down our average floor space to Full Time

⁵⁴ www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2015-03-26/HWS503

⁵⁵ <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2015-06-01/HWS8>

⁵⁶ www.gov.uk/government/groups/government-property-unit-gpu#transforming-the-way-we-work

Equivalent (FTE) employee ratio, and are on target to meet the Treasury target of 10 square metres per FTE by the end of 2015.

We have engaged the government Digital Service to procure a new set of IT services, in line with the common approach being adopted across government. On current forecasts, the DCMS IT project is estimated to make savings of over 25% in 2014-15, through reduced data centre costs and the ending of IT contracts.

The Department is also working to join the Independent Shared Service Centre (ISSC1) for HR, which includes pay, finance and procurement. This will provide greater resilience and savings in the region of £200,000 per annum in recurring costs.

Supported by DCMS, ALBs have strengthened their alternative revenue streams through new commercial and digital models, which has led to significant operational changes. Measures include increased museum freedoms, match-funding, investment in fundraising skills, and the building of ties with foreign donors. Charitable giving has risen from £293 million to £455 million in the last three years.⁵⁷

In 2015, we will deepen our evidence base of spending and efficiency through a benchmarking exercise with some of our ALBs, to assess costs, draw comparisons and identify potential savings. This will be coordinated with our rolling Triennial Review programme which, for 2015, will include UK Sport, Sport England and Arts Council England.

All these activities help ensure that every pound of UK taxpayer money is spent as effectively as possible; it underpins public confidence and cements DCMS's reputation as an economic department which promotes economic growth and prosperity.

CASE STUDY: ENGLISH HERITAGE – A NEW MODEL

- Following formal business case sign off by HM Treasury, DCMS confirmed on 14 October 2014 that a new model for English Heritage would be implemented.
- Supported by special funding of £80 million, the new Charity will be licensed to run the 420 sites and monuments of the National Heritage Collection.
- Within 8 years, it is expected that the Charity will be able to grow the business to the point where it no longer requires public subsidy, thus delivering significant efficiency savings.
- Public subsidy will be reduced from £27 million in 2013-14 to nil by 2022-23.
- The £80 million fund will be used to address conservation defects in the Collection and support a programme of capital investment in visitor facilities, site presentation and interpretation.

Departmental Reforms

In 2014-15 the Department continued its change programme of reforms and undertook a number of reforms, while building upon previous improvements. The governance framework of the Department is being restructured to enable additional committees to support the work of the Executive Board and Sub-Board in governing. A number of committees focussing on key areas - for example people, finance, policy and delivery - now have their own boards accountable for their own decisions and report into the Executive Board.

⁵⁷ www.gov.uk/government/statistics/charitable-giving-indicators-201314

The management of resources and finances was restructured to give managers more accountability through increased delegation of budgets and responsibilities. This has led to more localised and timely allocation of resources to priorities and improved management of resources.

The Department has reformed its human resources function following staff consultation on a number of structural and policy areas. New clearer policies have been communicated to staff, while systems and processes have been documented, analysed and streamlined. Adoption of civil service recruitment processes delegated to managers has improved efficiency and also clarified ownership of the recruitment process.

DCMS has completely modernised its ICT (Information, Communication and Technology) moving to the Cabinet Office Common Technology Platform, which is expected to reduce our ICT costs by 25%. The platform is a Cabinet Office design system in response to Action 11 of the Government Digital Strategy.⁵⁸

The Department has improved its performance reporting systems, to produce a common set of reports to the Board, focusing on delivery and risk and key business plan deliverables. DCMS compliance with Cabinet Office data requests has reached 100% and DCMS data is available with other departments on Cabinet Office websites such as the Government Interrogation Spending Tool (GIST⁵⁹).

The Department continued to build upon its arms length body (ALB) risk management approach, through risk analysis of ALBs and has introduced a new extranet, *DCMS Connect*, to better communicate with its bodies.

Performance Indicators

We use a range of performance measures, split into input and impact indicators. The indicators published here are based on the most up to date data available⁶⁰. Indicators may be published some time after the end of the period to which they apply; in some cases this can be up to twelve months later. A historical series of these performance indicators can be found at: www.gov.uk/government/publications/performance-indicators.

Input indicators show what is being 'bought' with public money, i.e. the resources being invested into delivering the results that we and our partners are aiming to achieve:

- **Number of premises covered per £ million of broadband delivery expenditure**
By December 2014, there had been £252 million of funding for Broadband Delivery UK (BDUK) with 1,908,725 premises with Superfast Broadband made available through that funding. This is equivalent to 7,572 premises covered per £ million spent on broadband delivery. In September 2014 this was 13,870 premises per £ million spent (£99.8 million funding; 1,383,777 premises).⁶¹
- **Public funding per eligible student at schools participating in the School Games (£ per student)**
By 1 August 2014 there were 7.09 million eligible students in schools participating in the School Games. In 2013-14 there was £22 million of public funding announced for the School Games. This equates to an average public sector cost of £3.10 per eligible student at schools participating in the School Games in 2013-14. The

⁵⁸ www.gov.uk/government/publications/government-digital-strategy

⁵⁹ www.gist.cabinetoffice.gov.uk/

⁶⁰ As at 16 February 2014

⁶¹ www.gov.uk/government/collections/broadband-performance-indicators

equivalent figure for the previous year was £9.43 (£51 million funding; 5.41 million eligible students).⁶²

- **Ratio of charitable giving (donations and sponsorship) to grant-in-aid for cultural institutions funded by DCMS (Arts Council England, English Heritage, national museums and galleries)**

For every £1 of grant-in-aid received by DCMS-funded cultural institutions in 2013-14, around 48.8 pence was received in fundraising/contributed income by these institutions. In 2012-13, this was around 33.7 pence for every £1 of grant-in-aid received.⁶³

Impact indicators give information on the outcomes of our work. They reflect the quality and effectiveness of the programmes and priorities set out in our Business Plan and the impact they have on society. They provide a broad picture of performance, with a particular focus on whether fairness is being improved.

- **Proportion of children participating in competitive sport**
In 2013-14, 78% of 5-15 year olds had participated in competitive sport in the last 12 months; 74% had taken part in competitive sport in school, whilst 34% took part outside school. In 2012-13, 83% of 5-15 year olds had participated in competitive sport in the last 12 months; 79% had taken part in competitive sport in school, whilst 37% took part outside school.⁶⁴
- **Total amount of charitable giving to cultural institutions funded by DCMS**
In 2013-14 DCMS-funded cultural institutions raised around £476 million in contributed income (£21 million of this was from donated objects). In 2012-13, £348 million was raised in contributed income (£55 million of this was from donated objects).⁶⁵
- **Proportion of people directly employed in tourism**
The ONS Tourism Satellite Account estimated that there were 1,666,900 jobs directly supported by tourism expenditure in the UK in 2011. This equates to around 1,310,600 FTEs in direct tourism employment. The Account estimated 1,549,100 jobs were directly supported by tourism expenditure in the UK in 2010. This equates to around 1,222,100 FTEs in direct tourism employment.⁶⁶
- **Ofcom European Broadband Scorecard (measuring coverage, speed, price and choice of broadband service)**
The latest scorecard of European comparable indicators, shows that of the five largest European economies (France, Germany, Italy, Spain, UK), the UK is top for broadband and mobile coverage, take-up, use and choice, and performs well on price.⁶⁷
- **Number of overseas visitors to the UK**
The number of overseas visitors to the UK, as measured by the International Passenger Survey, was 32.8 million in 2013; an increase on 2012, when the figure was 31.1 million.⁶⁸

⁶² www.gov.uk/government/organisations/department-for-culture-media-sport/series/school-sport-indicators

⁶³ www.gov.uk/government/organisations/department-for-culture-media-sport/series/charitable-giving-indicators

⁶⁴ www.gov.uk/government/organisations/department-for-culture-media-sport/series/sat--2

⁶⁵ www.gov.uk/government/organisations/department-for-culture-media-sport/series/charitable-giving-indicators

⁶⁶ www.ons.gov.uk/ons/rel/tourism/tourism-satellite-account/index.html

⁶⁷ stakeholders.ofcom.org.uk/binaries/research/broadband-research/scorecard/European_Broadband_Scorecard_2014.pdf

⁶⁸ www.ons.gov.uk/ons/rel/ott/travel-trends/index.html

- **Total number of people employed in the Creative Economy in the UK**
There were 2.62 million jobs in the creative economy in 2013; an increase from 2.55 million in 2012.⁶⁹
- **Total number of visits to DCMS-sponsored museums and galleries**
Between April 2013 and March 2014 there were 48.7 million visits to DCMS sponsored museums and galleries. There were 46.9 million visits to the same institutions in the previous year.⁷⁰
- **Percentage of employees within medium and large organisations (over 150 employees) recognised as supporting Think, Act, Report on gender equality**
By October 2014, 22% of employees were working within medium or large organisations supporting Think, Act, Report, an increase from 17% in October 2013.⁷¹

⁶⁹ www.gov.uk/government/collections/creative-industries-economic-estimates

⁷⁰ www.gov.uk/government/organisations/department-for-culture-media-sport/series/sponsored-museums-annual-performance-indicators

⁷¹ www.gov.uk/government/publications/think-act-report-3-years-on

Management Commentary 2014-15

DCMS manages the financial arrangements for a large and diverse group of Arms Length Bodies, working under a variety of different accounting frameworks, and with a wide range of budgetary complexities. In preparing its Estimate for Parliament, the Department, in discussion and agreement with the Treasury, took a number of decisions about its budgets to manage specific and known risks to the position. In doing so, both departments were aware that there was the potential for significant underspends should those risks not materialise during the year. They were also aware that DCMS would not be able to take those risks without the necessary budgetary cover as doing so would expose the Accounting Officer to a high probability of an excess vote and, potentially, of having misled Parliament about the size of the financial liabilities it was managing.

The outturn is within the Estimate for each control total. It should be noted that the variances are smaller than those reported last year in all categories (most notably in Resource AME); this is as a result of improvements made to forecasting and the use of more accurate data in arriving at the Supplementary Estimate. The improvement is notable considering the complex set of variables involved: for instance, provision for Museum Freedoms, delivery of a national programme of broadband roll-out, the completion of the sale of the Olympic Village and subsequent dissolution of the ODA.

The commentary that follows relates to the key features of the outturn position as reported in the Statement of Parliamentary Supply and the supporting analysis in SoPS Notes 2.1 and 2.2.

Resource DEL

The voted Resource DEL outturn position, as reported in these accounts, was £189m lower than the Estimate.

Museums and Galleries sponsored ALBs (Line B) shows a £106m saving of which £51m is due to underspends against depreciation budgets and the inclusion of potential impairments, resulting from revaluations that did not ultimately arise. Other favourable variances arose as a result of the Museum Freedoms arrangement whereby budgetary cover is provided to allow the museums to utilise their own reserves. Other favourable variances total £40m, which has emerged for a variety of reasons but largely as a result of successful fundraising and trading together with financial investments outperforming against benchmarks.

Libraries sponsored ALBs (Line C) shows a £14m saving of which £9m relates to depreciation. The full depreciation cover was not required following the revaluation of the British Library's St Pancras site; as a consequence the cumulative depreciation was reversed and in-year depreciation reduced. The remaining saving was due to higher than expected income-generation at the British Library.

Heritage sponsored ALBs (Line I) shows an £11m excess, which is a result of an extra £13m allocated to church roofs via the National Heritage Memorial Fund, as announced in the Budget of March 2014. Treasury allowed the Department to use an existing funding allocation to pay for the costs of repairs to church roofs.

Support for the broadcasting and media sector (Line M) shows a saving partly offset by Administration and research (Line O) costs: the net saving across the two lines being £8m. This net saving is almost wholly Administration, £3m of which relates to depreciation and £4m to savings on the running costs of major capital projects, as noted below.

Broadcasting and Media sponsored ALBs (Line N) shows a £20m saving, of which £15m are Administration savings by Ofcom, as noted below. The remaining £5m is due to Ofcom Programme budget savings, mainly attributable to orphan costs (expenditure in respect of duties for competition enquiries, media literacy work, public interest test activity, local media assessments, nuisance calls, consumer protection and joint ventures) as a result of the timing of investigations and some income that was not included in forecasts.

Savings on the Olympics (Lines R and S) relate to the completion of the sale of the Olympic Village and final settlements with the GLA and OLDF. It also includes related expenditure either settled by the ODA prior to its dissolution in December 2014 or by the Department subsequently, which was delivered at a lower cost than budgeted.

Administration expenditure

There was a total underspend of £37m against the Administration budget. The depreciation across the group was £6m less than the Estimate, half of this relating to core DCMS.

A saving of £4m resulted from the careful management of the costs of running major capital projects by Broadband Delivery UK. Savings were made in consultancy as civil servants were up-skilled and took on a greater number of roles, through making greater use of in-house legal support, and in advertising campaigns.

Ofcom shows a saving of £15m due to lower than forecast expenditure across Spectrum Management projects and release of contingencies in the Spectrum Management and the Spectrum Clearance projects. This is mostly offset by the corresponding Spectrum management receipts which are classified as non-voted and shown in Line V; the real saving in net expenditure therefore being just over £1m.

Small savings in Administration expenditure have been made in various Arms Length Bodies, often with compensating small increases to Programme expenditure, amounting to £10m in total.

For core DCMS the Administration expenditure - for administration, research and support to all the policy sectors - was broadly in line with the Estimate.

Resource AME

The Resource AME budget showed a saving of £212m, which mainly arose as a result of the BBC and ODA outturn.

The BBC outturn is £115m less than the Estimate (Line W). This is made up of the following elements: the pension scheme costs were less than forecast (£77m); additional income from subsidiaries (£17m); revaluation of investment properties (£17m); BBC Three Online service costs being transferred to the next financial year (£12m); and, various other specific variances across the Public Sector Broadcasting element of the BBC. The BBC operates independently from the Department, with oversight and scrutiny provided by the BBC Trust.

The saving in Line X was £101m, the most significant variance being the ODA. The ODA reflected AME income of £39m due to a reversal of the previous impairment of inventory and the utilisation of existing provisions, both relating to the completion of the Village sale prior to the dissolution of the ODA.

The remaining element of the saving in Line X, £62m, is largely due to Estimate cover requested but not required across a number of areas across the ALBs: potential downward revaluations and impairments, £29m; increase in pension liabilities, £10m; depreciation of

donated assets, £23m; and take up of or increase in provisions, £3m. This is partially offset in Line Y by AME expenditure for the Horserace Betting Levy Board relating to loans advanced to racecourses net of repayments.

Non-voted resource and capital expenditure (AME)

Non-voted expenditure resource outturn on Lottery grants was £239m higher than estimated and capital was £57m higher than estimated. The nature of Lottery grant-making is variable and makes forecasting challenging, which is recognised by its classification within the AME budget. The variance here is relatively small in percentage terms.

Non-budget expenditure

Non budget expenditure (Line AA) shows an underspend of £26m as cover had been provided in the Supplementary Estimate for potential prior period adjustments which may have a budgetary effect. In the event, the prior period adjustments had smaller budgetary implications.

Prior Period Adjustment (PPA) Control Total

The DCMS Group is large and complex with a number of technical challenges, including the need for some significant alignment adjustments, to bring the three additional accounting frameworks that exist onto a FReM basis. Recognising this, previous experience and an awareness of a material BBC PPA, DCMS sought budget cover of £40m. Were DCMS to exceed the PPA control total, this would result in the accounts being automatically qualified.

The PPAs which impact on this Estimate line are:

- BBC Monitoring (see Note 28): the 2013-14 Departmental Group accounts are restated to reflect that BBC Monitoring transferred into the Departmental Group on 1 April 2014; and,
- the BBC PSB Group's investment in Daunus (see Note 28): this reclassifies the investment from being a financial asset to a joint venture. This was not anticipated and resulted in a credit, accordingly reducing the total PPA that arose.

Two restatements in respect of Lottery Bodies also arose (see Note 28). HM Treasury has confirmed that, since the Lottery Bodies are non-voted, these restatements do not impact on the PPA control total.

Capital DEL

The voted Capital DEL outturn position, as reported in these accounts, was £133m lower than provided in the Estimate.

Museums and Galleries sponsored ALBs (Line B) shows capital expenditure £30m lower than provided for in the Estimate; this is due to higher income than forecast relating to donations received to purchase capital assets and some expenditure on capital projects being written off as resource.

Support for the broadcasting and media sector (Line M) shows a saving of £79m, almost wholly relating to the Broadband Delivery UK projects. The Super Connected Cities Voucher Scheme has had a longer than expected time lag between the vouchers being issued and the claim being made, hence some of the expenditure has moved into 2015-16. The Superfast programme has made savings because 2014-15 milestones were delivered at a lower than contracted cost as a result of supplier efficiencies, but also due to some delivery delays. The Mobile Infrastructure Programme has delivered in line with the forecasts

reflected in the Estimate. There has been some slippage into 2015-16 for the Market Test Pilots.

Broadcasting and Media sponsored ALBs (Line N) shows a £20m underspend as a result of delivery of the Spectrum Clearance and Awards Programme at a lower cost than provided for in the Estimate.

London 2012 (Line S) shows a saving of £18m; this reflects the net income relating to the final element of the sale of the Olympic Village to Triathlon Homes LLP and QDD AVUK. This final element of income was higher than the prudent forecast in the Estimate.

Capital AME

Capital AME budget showed a saving of £24m. The BBC (Line W) are showing a saving of £20m mainly due to expenditure on technology projects of £13m that was forecast as capital expenditure but subsequently written off as resource. The remainder relates to general underspends on other capital projects. Line Y shows a saving of £4m on Horserace Betting Levy Board loans advanced to racecourses, which is the reverse of the resource effect noted above.

Directors' Report

Our Resources

Workforce size and composition

Grade structure, full time equivalent payroll staff, in post:

Grade	2015	2014
Permanent Secretary	1	1
Senior Civil Service pay band 3	1	1
Senior Civil Service pay band 2	6.9	5.8
Senior Civil Service pay band 1	31.3	27.5
Grade A (Upper) (Grade 6)	25	16
Grade A (Grade 7)	146	112.6
Grade B (HEOD fast stream)	8	6
Grade B (HEO/SEO)	130.8	126.8
Grade C (EO)	88.3	50.6
Grade D (AO/AA)	22.6	33.9
Total	460.8	381.2

Senior civil servants by pay band:

Grade	Number of Staff (SCS)
£60,000 - £64,999	9
£65,000 - £69,999	10
£70,000 - £74,999	5
£75,000 - £79,999	5
£80,000 - £84,999	2
£85,000 - £89,999	1
£90,000 - £94,999	6
£95,000 - £99,999	0
£100,000 - £104,999	1
£105,000 - £109,999	0
£110,000 - £114,999	0
£115,000 - £119,999	0
£120,000 - £124,999	0
£125,000 - £129,999	0
£130,000 - £134,999	0
£135,000 - £139,999	0
£140,000 - £144,999	0
£145,000 - £149,999	0
£150,000 - £154,999	1
£155,000 - £159,999	0
£160,000 - £164,999	0
£165,000 - £169,999	0
£170,000 - £174,999	1

Number of staff split between male and female:

Grade	Headcount			FTE		
	Female	Male	Total	Female	Male	Total
Exec Team	6	2	8	5.9	2	7.9
Other SCS	18	15	33	17.3	15	32.3
A(U)	14	11	25	14	11	25
A	74	77	151	69.2	76.8	146
B	78	59	137	71.8	59	130.8
HEOD	6	2	8	6	2	8
C	49	41	90	47.3	41	88.3
D	13	10	23	12.6	10	22.6
Total	258	217	475	244	216.8	460.8

All figures at 31 March 2015.

Sickness Absence Data

The average days' sickness absence per full time equivalent employed by DCMS during the year was 2.0 days (2013-14: 5.3 days), below the Government average.

Health and Safety Reporting

DCMS has online training and a self-assessment package for use on computers. This has helped to ensure the health and safety of staff in a hot-desking environment. DCMS is represented on the building health and safety group.

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.

All DCMS employees are treated equally and fairly and decisions on recruitment, selection, training, promotion and career management are based solely on objective and job-related criteria. DCMS encourages arrangements for flexible working patterns and is committed to creating a culture where individual differences are valued and respected. The Department does not tolerate any form of discrimination, harassment or victimisation.

The Department encourages its employees to access a range of cross-government learning modules, available via Civil Service Learning, which reinforce and embed these behaviours. These activities include but are not limited to training in the following areas:

- Unconscious bias
- Diversity & Equality
- Lesbian, Gay, Bi-Sexual & Transgender Awareness
- Disability awareness
- Supporting vulnerable people

Employment of Disabled Persons

DCMS does not discriminate against staff or eligible applicants for posts on any grounds, including disability. Job application forms and other documents are available in alternative formats. The Department has been re-accredited with the 'Positive About Disabled People Two Ticks Symbol', which re-affirms our commitment to ensuring equal opportunities for all. A disability reference group reviews related issues. We also work closely with the Employer's Forum on Disability on all disability issues including recruitment.

Employee Engagement

In the 2014 People Survey, DCMS's participation rate increased from 66% (in 2013) to 91.5%, while the overall employee engagement index rose from 51% (in 2013) to 60%. DCMS employees are regularly updated by senior management on developments within the Department via weekly team cascades, regular all employee sessions with the Permanent Secretary, blogs from the Director General, all-staff away days and Q&A sessions on important subjects like the internal resourcing system. The DCMS internal strategic narrative, which sets out the vision, aims and objectives of the Department, was also developed with extensive input from employees.

Regulation and Other Public Interest

Reporting on Better Regulation and One In, Two-Out

DCMS has continued to play an important role in reducing the regulatory burdens on business and civil society and delivering better regulation within its sectors. The Department regulates in line with the better regulation framework, ensuring that regulation is only pursued where it has been demonstrated that satisfactory outcomes cannot be achieved by alternative, self-regulatory or non-regulatory approaches. The DCMS Business Plan for 2013-15 contained an objective to "take forward proposals to reduce and reform the stock of statutory instruments and regulations for which the Department has overall responsibility".

From January 2011, government departments were required under 'one-in one-out' rules to offset any increases in the cost of regulation by finding deregulatory measures of at least an equivalent value. From January 2013 this was doubled to 'one-in two-out', with departments expected to offset any increases in the cost of regulation by finding deregulatory measures of at least twice the value. One-in, two-out continued to the end of the last Parliament.

Departments' performance on deregulation and one-in, two-out was tracked by regular statements of new regulation, published every six months by the Department for Business, Innovation and Skills. In the Ninth Statement of New Regulation⁷², published in December 2014, DCMS's and GEO's deregulatory 'credit' for measures coming into force between January 2011 and July 2015 was confirmed as £34.5 million (i.e. £34.5 million more deregulatory measures than regulatory measures). From January 2013 to July 2015 - under one-in, two-out rules - DCMS's and GEO's regulatory 'credit' was £5.0 million.

DCMS's most significant deregulatory measure was the triennial review of gaming machine stake and prize limits, which came into effect on 1 October 2014 and represented an annual saving to business of £34 million. In addition, the Department delivered a Legislative Reform Order (coming into effect on 6 April 2015) and an enabling clause in the Deregulation Act to remove burdens on entertainment providers. This has made it easier for local authorities, pubs, voluntary arts groups, circuses, friends of hospitals, film societies and other community groups to put on cultural and sporting events, particularly music entertainment. DCMS has also delivered a number of important policy outcomes using non-regulatory options, for example the coverage agreement with mobile network operators in December 2014.

Red Tape Challenge (RTC)

DCMS was responsible for the sports and recreation and equalities themes of the RTC, the cross-government programme to tackle unnecessary regulation and remove business and the public from the burdens of red tape.

The sports and recreation theme was a package of measures covering sport, gambling, the National Lottery and cultural regulations. A number of these measures were earmarked for scrapping in order to reduce burdens on business or because they were redundant; a further tranche of measures were identified for improvement.

DCMS prioritised the deregulatory measures with the biggest effect on business, implementing the measures to reintroduce the triennial review for stakes and prizes for gaming machines in pubs and other premises, referenced above. We also delivered measures to improve National Lottery legislation, and consolidated a large number of sports ground Designation Orders into a single Order.

We are continuing to review the remaining outstanding measures from the sports and recreation theme with the aim of further reducing burdens to business and the public within the sector.

The equalities RTC theme, announced in 2012 and led by GEO, balanced the need to provide important legal protection from discrimination with repealing unnecessary legislation and supporting small business. We successfully delivered this programme of improving equality regulation by the end of the last Parliament. We completed seven of the eight planned repeals. These included the legislation that made employers liable for harassment of staff by a third party and the power of employment tribunals to impose recommendations for a business's wider workforce when they have lost a discrimination case. Parliament voted

⁷² www.gov.uk/government/uploads/system/uploads/attachment_data/file/397237/bis-14-p96b-ninth-statement-of-new-regulations-better-regulation-executive.pdf

to retain the eighth proposed repeal of the Equality and Human Rights Commission's general duty in the Equality Act 2006.

We developed innovative non-legislative approaches to promoting equality such as the Think Act Report initiative on gender pay reporting. We provided better guidance for employers, for example around disability related questions during recruitment. Where appropriate, we held back on implementing measures in the Equality Act such as dual discrimination. Our independent review of the public sector equality duty found widespread support for its aims while warning against needless bureaucracy, making recommendations on data gathering and guidance, and suggesting a further review in 2016. Our work has helped business owners understand what they are required to do to without unnecessary over-compliance with the law.

Regulatory Policy Committee

The Regulatory Policy Committee provides an opinion on the quality of evidence put forward in impact assessments that support policy proposals in scope of the better regulation framework, at both the consultation and final stage of the policy making process. The following table sets out the performance of the Department in each year since 2011:

	2011	2012	2013	2014
No. of impact assessments	34	17	15	18
Fit-for-purpose at first attempt	76%	82%	67%	78%

DCMS's performance on impact assessments has been relatively consistent across this period. We are committed to evidence based policy making, and have a clear governance structure for policy development. Our policy officials engage with evidence specialists early in the policy development process to identify where government should intervene, consider scope for alternatives to regulation, and assess impacts on business. All impact assessments are subject to an internal analytical peer review process (a process we are working to strengthen further) and are signed off by the Chief Economist.

Public Accounts Committee (PAC) recommendations

Following two PAC hearings on the rural broadband programme during 2013-14, the committee held a further oral evidence session on 28 January 2015 for a progress update. The Department indicated it would follow up additional points made at that session. As agreed, we are looking at SME connectivity in rural areas and have met the Federation of Small Businesses (FSB) following their survey. In addition, the Department has provided the committee with a table setting out estimates of Superfast Broadband coverage in the constituencies of each of the members of the Committee. We continue to follow the points and recommendations made by the Committee in the course of implementing the broadband programme with local authorities and the devolved administrations.

Transparency at DCMS

DCMS continues to take forward the transparency programme first set out in the Coalition Agreement. DCMS and its ALBs continue to publish data on spend, organisational structure and senior salaries at data.gov.uk/ or www.gov.uk/government/publications, dependent on data set and organisation. The Department regularly provides data to the Treasury and

Cabinet Office, including Oscar data and the Quarterly Data Summaries, published at www.gist.cabinetoffice.gov.uk/oscar/2013-14.

Information is also published on meetings with external organisations for Ministers, special advisers and the Permanent Secretary and on overseas travel, hospitality and gifts for Ministers, special advisers, the Permanent Secretary and senior officials.

The Department has opened up the data sets set out in its Open Data Strategy, at data.gov.uk/library/dcms-open-data-strategy, and continues to work with ALBs through the Arms Length Bodies Open Data Forum to open up more datasets and to digitalise collections. A number of the Department's ALBs are open data leaders in their fields, including the British Library and British Museum. The British Library's British National Bibliography is included in the National Information Infrastructure. Others are currently digitalising their collections, in the case of the Natural History Museum, 80 million specimens are being digitalised.

Correspondence Performance

In 2014-15, DCMS received just over 5,200 items of ministerial correspondence (letters from Parliamentarians and others that require a response from Ministers). Our target is to reply to 90% of ministerial correspondence within 20 working days and in 2014-15 we replied to 76% within our target, compared to 68% the previous year.

DCMS accords correspondence a high priority and measures are now in place to raise performance in this area. For the calendar year 2014 overall performance was 85%, and we aim to improve on this in 2015.

Information Management Standards

In response to the introduction of the 20-year rule transferring records to the National Archives, the Department has instigated a 5-year project to cleanse our paper file metadata. This will improve DCMS's response to requests for information from the public, from public inquiries and other authorised bodies.

The introduction of a new IT system in 2014-15 has provided the opportunity to improve information management across our digital assets. Work is progressing on the utilisation of system add-ons to manage governance tools for improving security access, retention and search capabilities. Team champions will be used to raise awareness and encourage an active involvement in information management using the new system.

Policy on payment of suppliers

The Department paid 93.7% (2013-14: 93.4%) of valid invoices within 10 days of receipt and 98.8% within 30 days (2013-14: 99.6%). Following the Budget 2010, the government announced a new target for central government departments to pay 80% of valid invoices within five working days. DCMS's (department only) performance against the target in 2014-15 was 75.6% (2013-14: 77.2%). The Department does not currently operate a Procure to Pay (P2P) system, which would allow automatic invoice matching and increase performance against the five day target. A P2P system will be introduced as part of the move to shared services, currently in train across Whitehall. In the meantime, DCMS will continue to monitor and work to improve its performance against the five day target through training of and regular communication with authorising officers in the Department.

Reporting of Personal Data Incidents

In the Cabinet Office's interim progress report on data handling procedures, published on 17 December 2007, the government made a commitment that departments will cover information risk management in their annual reporting. It stated that "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 the Cabinet Office report. 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. 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.

In 2014-15, DCMS did not report any personal data related incidents to the Information Commissioner's Office.

Auditor Remuneration

These financial statements have been audited, under the Government Resources and Accounts Act 2000, by the Comptroller and Auditor General, who is appointed under statute and reports to Parliament. His certificate and report is included in the accounts on page 91. The external audit cost of the Departmental Group was £3,096,000 comprising £446,000 notional and £2,650,000 cash. Further information is provided in Notes 4 and 5 of the Notes to the Accounts.

Disclosure of Relevant Audit Information

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

Sue Owen
Accounting Officer and Permanent Secretary
8 July 2015

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000 (the GRAA), HM Treasury has directed the Department for Culture, Media and Sport to prepare, for each financial year, consolidated resource accounts detailing the resources acquired, held or disposed of, and the use of resources, during the year by the Department (inclusive of its executive agencies) and its sponsored non-departmental and other arms length public bodies designated by order made under the GRAA by Statutory Instrument 2014 no 3314 (together known as the 'departmental group', consisting of the Department and sponsored bodies listed at Note 29 to the accounts). The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department and the departmental group and of the net resource outturn, application of resources, changes in taxpayers' equity and cash flows of the departmental group for the financial year.

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

- observe the Accounts Direction issued by the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- ensure that the Department has in place appropriate and reliable systems and procedures to carry out the consolidation process
- make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by non-departmental and other arms length public bodies
- 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
- prepare the accounts on a going concern basis

HM Treasury has appointed the Permanent Head of the department as Accounting Officer of the Department of Culture, Media and Sport.

The Accounting Officer of the Department has also appointed the Chief Executives or equivalents of its sponsored non-departmental and other arms length public bodies as Accounting Officers of those bodies. The Accounting Officer of the Department is responsible for ensuring that appropriate systems and controls are in place to ensure that any grants that the Department makes to its sponsored bodies are applied for the purposes intended and that such expenditure and the other income and expenditure of the sponsored bodies are properly accounted for, for the purposes of consolidation within the resource accounts. Under their terms of appointment, the Accounting Officers of the sponsored bodies are accountable for the use, including the regularity and propriety, of the grants received and the other income and expenditure of the sponsored bodies.

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 assets of the Department or non-departmental or other arms length public body for which the Accounting Officer is responsible, are set out in Managing Public Money published by HM Treasury.

Governance Statement

This Statement sets out the governance structures, risk management and internal control procedures that have operated within DCMS during the financial year 2014-15 and accords with HM Treasury guidance. It also integrates material information about the Department's ALBs included in the Department's Consolidated Accounts for 2014-15.

How we have managed DCMS

In order to manage the Department efficiently, I am supported by formal governance structures with agreed remits. These governance structures comprise the Departmental and Executive Boards, Committees and a Programme Board for the UK Broadband programme, designed to maintain clarity and accountability, delegate authority to the relevant level and to allow me and other Board and Committee members to make decisions, monitor performance and manage resources and risk. Details of ministers, senior staff and Non-Executive Board Members (NEBMs) are listed in the Strategic Report.

Governance Structure

The governance structure set out below applies to the core Department, also referred to as DCMS in this Statement.

The Department's ALBs are governed by their own independent Boards and each has separate governance and internal assurance structures, whose details can be found in their individual Annual Report and Accounts (which are all individually reviewed as part of the process of preparing the Group Accounts). The ALB risks are reviewed at each bi-monthly meeting of the ALB Governance Board and escalated to the Executive Board as necessary.

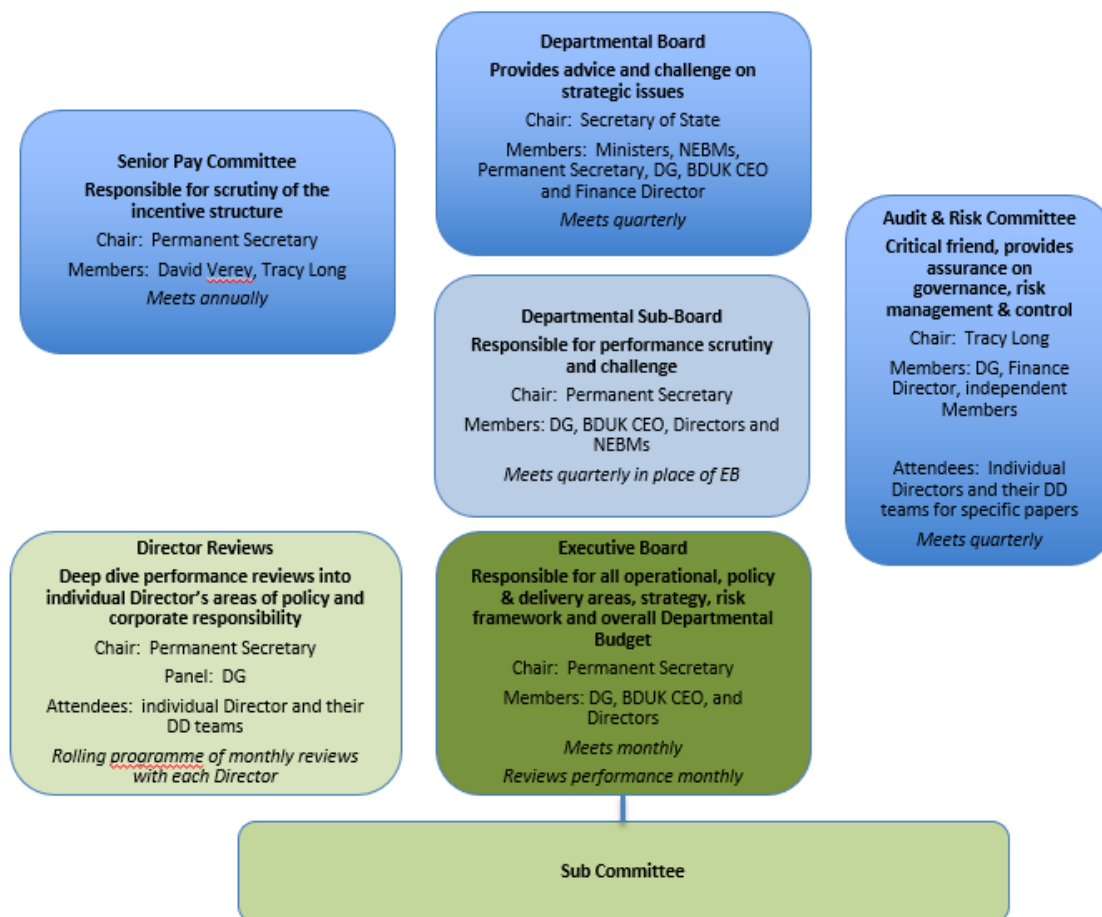
The Department is responsible for the oversight of the National Lottery regime. The activities of the National Lottery licence holder are regulated by the Gambling Commission (formerly the National Lottery Commission and which merged on 1 October 2013 with the Gambling Commission). The Gambling Commission is the independent regulator, responsible for, among other things, monitoring and reporting on the performance of the licence holder and enforcing the terms of its Section 5 licence. The Department exercises its oversight of the National Lottery regime through controls over the Gambling Commission.

The amounts raised through the National Lottery for Good Causes are paid into the National Lottery Distribution Fund (NLDF) which is managed and run by staff employed by DCMS, together with the residual Olympic Lottery Distribution Fund (OLDF) which was wound up on 30 January 2015. I held separate Accounting Officer responsibility for these Funds. However, their management followed the normal processes for DCMS, and consequently the governance policies of the DCMS operated in the same way with regard to the NLDF and to OLDF until it was wound up on 30 January 2015. Lottery monies are independent of Government and are distributed by independent Lottery Distributors. DCMS implements appropriate controls over Lottery Distributors, including Financial Directions, to ensure propriety, regularity and accountability in their handling of Lottery monies drawn down. DCMS also conducts annually an assurance review of the existence within, and satisfactory application by, Lottery Distributors of key systems of internal control.

The BBC is established by Royal Charter, with the current Charter expiring on 31 December 2016. It is funded through the TV licence fee, and a dividend from BBC Worldwide. In 2010, as part of the wider Spending Review, the Government froze the licence fee at £145.50 until March 2017. Under the Charter, Ministers appoint the Chair and other members of the BBC Trust who are responsible for holding the BBC Executive to account for the use of licence

fee monies, on behalf of licence fee payers. Neither Ministers nor the Department have direct responsibility or accountability for the BBC's day-to-day expenditure, nor operational, managerial or editorial decision-making, as these roles are vested in the BBC Trust and executive, under the Charter and Agreement.

High Level Governance Framework



DCMS enhanced its Departmental Board during 2014, with the introduction of a Departmental Sub-Board, comprising Non-Executive Board Members (NEBMs), the Permanent Secretary, the Director General and Directors. The Departmental Board is chaired by the Secretary of State and is composed of Ministers, Senior Executives and Non-Executive Board Members. Committees of the Departmental Board include:

- Audit and Risk Committee: reports to and advises the Departmental Board on governance, risk management and control; comprises a NEBM as chair, plus one other NEBM and two other independent members.
- Senior Pay Committee: advises on decisions on senior remuneration and reward.
- Departmental Sub-Board: supports the Departmental Board through performance scrutiny, and advice and challenge on operational and delivery issues.

The Board was also supported by the:

- Executive Board: provides corporate leadership to the Department and ensures delivery of the business plan in support of the Ministers' objectives. The Executive Board regularly reviews budgets and management internally and across the group. In addition, the sub-committees of the Executive Board were:
 - Corporate Committee – manages DCMS resources and infrastructure. In the new structure which was introduced in spring 2015 the functions of the Committee have been taken over by other committees and it no longer meets.

- Delivery and Resourcing Committee – provides project/programme assurance and allocates the flexible resourcing pool.
- Investment Committee – approves and monitors major capital projects (for the Department and its Arms Length Bodies {ALBs}). The Investment Committee is supported by the Borrowing Committee. The Investment Committee and the Borrowing Committee have now been subsumed into a broader Finance Committee in the new structure.
- BDUK Programme Board - supports BDUK to deliver its objectives.
- ALB Governance Board – provides assurance that risks are being managed across the Department's ALBs including Lottery Distributors and the Gambling Commission, and takes account of new museum freedoms.
- Senior People Development Committee – manages performance and talent of Senior Civil Servants. This has now been replaced by a broader People Committee covering issues relating to all staff.

Departmental Board and Committee attendance for financial period 1 April 2014 to 31 March 2015					
	Board/ Committee members	Departmental Board	Audit & Risk Committee	Pay Committee	Departmental Sub-Board
Ministers	Rt. Hon. Sajid Javid	3/3			
	Ed Vaizey	3/3			
	Helen Grant	2/3			
	Rt Hon Nicky Morgan	1/2			
	Jo Swinson	1/1			
	Jenny Willott	1/1			
Non-Executive Board members/ independent members	Sir David Verey CBE	3/3	4/4	1/1	3/3
	Dr Tracy Long	3/3	4/4	1/1	3/3
	Ajay Chowdhury	3/3			2/3
	Ruby McGregor-Smith CBE	2/3			1/3
	Michael Higgin		4/4		
	Chris Walton		2/4		

Departmental Board and Committee attendance for financial period 1 April 2014 to 31 March 2015					
	Board/ Committee members	Departmental Board	Audit & Risk Committee	Pay Committee	Departmental Sub-Board
Executives	Sue Owen	3/3	3/4	1/1	3/3
	Sarah Healey	3/3	4/4		3/3
	Alison Pritchard				1/1
	Andrea Young				2/2
	Chris Townsend OBE	3/3			3/3
	Clare Pillman				1/3
	Helene Reardon-Bond OBE				1/1
	Rita French				0/1
	Samantha Foley	3/3	4/4		2/3

Note: late but unavoidable changes to some meeting dates meant that some members were unable to attend meetings due to previous commitments.

The Departmental Board met three times between 1 April 2014 and 31 March 2015 and provided advice and challenge to the Department and its Ministers on strategic and operational issues. It focused its attention on the Department's vision and strategic priorities, broadband, ALB accountability and risk assessment, Departmental implications of the Scottish referendum, the strategic property agenda as well as Departmental performance and finance.

Sir David Verey CBE, the Lead Non-Executive Board Member, carried out the annual review of the Board's effectiveness in April and May 2014, with independent input from Dame Sue Street. This noted that DCMS has been through a period of considerable change, including to the membership of the Departmental Board with a change of Permanent Secretary, new Ministers and a new Secretary of State and Minister for Women. This has provided the opportunity to build a new team and refocus on providing support and challenge to the department on future direction, change, performance, strategic risk management and succession planning.

Notable improvements have been made to take forward issues from the last annual Board Effectiveness Evaluation; including content of the meetings; quality of information provided to the Board and strengthened secretariat support. All of this has improved the effectiveness of the meetings and the engagement of Board members in the meetings. There is more to do in the coming year to clarify the Board's priorities, and further refine the management information and progress reporting against key performance indicators. With over 50% of the Board membership having changed over the course of the last year, another priority will be making time for Board members to spend time together to ensure that the team continues to be effective, operating within a framework with clear priorities.

The NEBMs have worked in various areas of the Department to share their expertise, including ALB governance, risk, women and equality, recruitment of senior staff and public appointees, broadband, arts and DCMS's property portfolio. Systematic engagement of NEBMs across the work of the Department outside of formal Board meetings was a priority for 2014-15. In addition to their invaluable contribution to the Department's governance arrangements, our NEBMs shared their considerable skills and experience on a wide range of topics including broadband, triennial review of the British Film Institute, public appointments, interviewing for a new Director, shared services and flexible resourcing, as well as working with Cabinet Office on cross Government governance, management information and risk management. Ruby McGregor-Smith CBE provides invaluable support for the Government Equalities Office (GEO) in her role as chair of the Women's Business Council.

The Departmental Board has been supported in its work by the Audit and Risk Committee, the Senior Pay Committee and the Departmental Sub Board.

The Audit and Risk Committee (ARC) met four times between 1 April 2014 and 31 March 2015. In line with the ARC's Terms of Reference to support the Accounting Officer and the DCMS Board in their responsibilities for governance, risk management and control, the ARC focused its attention primarily on high risk and high profile items, especially the Broadband programme, national lottery assurance review, ALB governance and risk review, and legal risk reporting.

Additionally, the ARC provided substantial advice and challenge to the Department in the preparation of the DCMS's consolidated Annual Report & Accounts, the OLDF and the NLDF Annual Report & Accounts, as well as considering external and internal audit plans and reports. The ARC also provided regular oversight of corporate resilience including the improvement programme, people resourcing, compliance with Government management information requirements, embedding good Government debt management, the

department's programme for obtaining shared back office finance and human resources services from a private sector supplier, the department's transition to a new desktop IT system and information assurance and system security.

In discharging her responsibility, the ARC Chair meets regularly with the Accounting Officer, Director General, Finance Director, members of the Executive Board, Internal Audit and the NAO, and holds strategic risk workshops with senior management.

Appointment of Head of the Department and the DCMS Board

The head of the Department (the Permanent Secretary) and other executive 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 (where appropriate).

Disclosure of senior staff salaries and production of organisation charts

As part of the Government's Transparency agenda, DCMS and its executive NDPBs have published data on the remuneration of senior staff within their organisations as at 1 October 2014, as well as organisation charts which give senior staff structure and summary information for staff at junior levels. The DCMS Organogram can be found at: <http://data.gov.uk/organogram/department-for-culture-media-and-sport>, with the supporting data tables found at: <https://www.gov.uk/government/publications/dcms-disclosure-of-senior-and-junior-salaries-and-production-of-organogram-1st-october-2014>

Directorships and other Significant Interests

Board members completed their annual declarations of interest. Board members are asked to declare any relevant interests in agenda items at the start of each Board meeting and absent themselves from those discussions. No directorships or other significant interests were held by Executive Board members, which may have conflicted with their management responsibilities.

Ministers' and Board Members' Remuneration

The details of ministers' and board members' remuneration are set out in the remuneration report.

Compliance with the Code of Corporate Governance

DCMS fully complies with the Code of Corporate Governance with the following variations:

- The Senior Pay Committee, which comprises the Permanent Secretary and two NEBMs, fulfils the role of the Nominations and Governance Committee, focusing primarily so far on scrutinising the incentive structure, and is supported by the Senior People Development Committee
- The Head of Internal Audit attends the Audit and Risk Committee. The Chair of the Audit and Risk Committee regularly reports to the Board on key issues and the work of the Committee.

Quality of Data received by the Board

The Departmental Board received regular updates on Departmental performance, in addition to corporate information covering finance, procurement, human resources and correspondence. A fuller information pack on finance is being developed for 2015-16. The

information provided to the Board was sourced from the Departmental performance plans and highlight reports along with information from the financial and management accounting systems and the Human Resources database. Work continues to ensure that data going to the Board are quality assured by the relevant committee or member of the Executive Board.

DCMS provides information including the Quarterly Data Summary (QDS) and OSCAR returns to the Cabinet Office and HM Treasury and transparency information which is published at data.gov and announced in a Cabinet Office Quarterly Written Ministerial Statement. The quality of this data is regularly assessed by DCMS, Cabinet Office and HM Treasury as well as being available for public scrutiny. This data is consistent with data provided to the Board.

Key Governance Issues

Machinery of Government Changes

During 2014-15, DCMS was subject to three inter-Departmental transfers of functions. On 1 April 2014, responsibility for the Olympic and Paralympic Legacy was transferred from Cabinet Office to DCMS. On 26 March 2015, responsibility for promoting high quality design in the built environment transferred from the Department for Culture, Media and Sport to the Department for Communities and Local Government. In addition the BBC World Service transferred from the Foreign and Commonwealth Office to the Department.

Tax Policy for Off-Payroll Appointees

The Government's review of the tax arrangements of public sector appointees highlighted the possibility of artificial arrangements to enable tax avoidance, such as by the use of personal service companies. The results and recommendations of the review were published on 23 May 2012, including measures for Departments to implement by 23 August 2012.

In response, we have promulgated the central guidance across the DCMS family. All new contracts and contract renewals have been amended to include a clause which allows us to gain assurance that individuals are paying the correct amount of tax.

Tax assurance evidence has been sought and is requested annually to ensure compliance, the expectation is that where this is not the case contracts will be terminated. Our partner organisations have also been asked to provide assurance of compliance with this tax policy.

Personal details of all engagements where assurance is requested but not received, for whatever reason, except where the deadline for providing assurance has not yet passed, is passed to HMRC for further investigation.

A summary of the DCMS tax assurance data is available at:

<https://www.gov.uk/government/publications/dcms-tax-reporting-data-for-off-payroll-workers-april-2014-to-march-2015>

Internal Controls, Risk Management and Assurance

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Department for Culture, Media and Sport'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. That also applies across the DCMS Group, within the context of the governance arrangements applicable to each body within the Group.

The Department completed its Departmental Improvement Programme, improving DCMS's strategic focus, rebalancing and flexibly deploying existing resources in accordance with priorities and improving governance and performance reporting arrangements. When considering the Department's control systems and risk management I have taken into account the impact of these major changes.

I work closely with Ministers, meeting them to discuss significant matters individually or at the Board. I alert them promptly to risks, especially those strategic to DCMS or its major policies and to potential regularity, propriety or value for money implications of their decisions.

I have designated the Chief Executives of the Royal Parks and DCMS's executive NDPBs as Accounting Officers for their respective bodies, responsible for signing their own Governance Statements and Annual Accounts – now consolidated with the Department's Accounts; fulfilling the terms of their Management Agreement or other control document; and promptly reporting any significant internal control systems breakdowns to me. The Department regularly monitors these, alongside taking a risk based approach to engagement with the bodies.

The Department is also responsible for some advisory NDPBs; public corporations and public broadcasting bodies, which have greater levels of independence; and other ALBs that receive DCMS grant funding. In addition, the Department has oversight of the National Lottery and exercises appropriate controls, working with the Gambling Commission which carries out these functions.

For those areas significant to the Group's Accounts, an overview of the governance arrangements is set out below:

The BBC: under the terms of its Charter, responsibility for governance of the BBC is vested in the BBC Trust, which holds the Executive to account for how the licence fee is spent, on behalf of licence fee payers, to ensure value for money. The BBC is funded through the TV licence fee (and a dividend from BBC Worldwide), which is set and received by Government and paid to the BBC via grant-in-aid in accordance with the licence fee settlements made for 2010-11 to 2016-2017. The BBC has responsibility for the collection of the licence fee, and the Trust must ensure that the collection of the licence fee is efficient, appropriate and proportionate (as set out in the Charter).

National Lottery: income is collected by the operator, Camelot, and overseen by the Gambling Commission, a DCMS ALB; it is passed to the National Lottery Distribution Fund (and in the case of the Olympics to the Olympic Lottery Distribution Fund), which are DCMS related parties, and for which I hold a separate Accounting Officer responsibility.

The Olympic Delivery Authority was dissolved on 2 December 2014 following the conversion and sale of the Olympic Village and the completion of its work. The Accounts of the Olympic Delivery Authority for the period from 1 April to 2 December 2014 were prepared by the Secretary of State DCMS under the terms of Article 5 (1) the Olympic Delivery Authority (Dissolution) Order 2014/3184 and were signed by the Accounting Officer DCMS and presented to Parliament pursuant to articles 4(3) and 5(5) of that Order.

During the current Spending Review period, the Department is undertaking a major programme of reform to its ALBs, including abolitions, mergers and transfers to other public bodies. In 2014-15, the Department abolished the Olympic Delivery Authority following the

completion of its work on the Olympic Park. We are piloting a package of financial and operational freedoms for national museums and galleries and have implemented the reform of English Heritage into two bodies. From 1 April 2015 we have agreed an ambitious programme of triennial reviews and completed reviews of the British Film Institute and a joint review of VisitBritain/VisitEngland. A Triennial Review of Sport England and UK Sport is currently under way. The Triennial Review process examines whether ALBs in their current form remain fit for purpose, and has an overarching focus on delivering greater efficiencies. The ALB risk assessment methodology has been strengthened and the risk assessments are reviewed on a bi-monthly basis at the ALB Governance Board. All associated risks are being identified and managed within the sector teams and report into the ALB Governance Board. This programme is expected to deliver increased accountability, greater transparency, and increased value for money.

The Purpose of the System of Internal Control

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 on-going 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 from 1 April 2014 to 31 March 2015, and accords with Treasury guidance. Similarly, individual Accounting Officers and Boards are responsible for maintaining adequate systems of internal control within their own organisations.

Managing the Risk of Fraud in DCMS

The Department's policy towards fraud, malpractice and corruption is one of zero tolerance, whether by the Department itself or the ALBs for which it is responsible. The Department's fraud policy, which sets out the policy in more detail, and the Department's fraud response plan, which sets out the arrangements for reporting and responding to fraud, have both been developed to address fraud.

The main emphasis of the fraud response plan is keeping staff alert to risks. To facilitate this process DCMS has a Fraud, Error and Debt Champion, (the Financial Controller) supported by an Alerts System Co-ordinator (the Treasury Reporting Officer). They keep up with and disseminate good practice across DCMS, including lessons arising from fraud investigations, and inform the National Fraud Intelligence Bureau of frauds. There were no instances of reported fraud in 2014-15 in the core Department, although there has been a suspected, and unsuccessful, attempt at fraud in early 2015-16.

Five instances of fraud and theft were reported by DCMS ALBs in 2014-15. These included: a fraudulent refund, a fraudulent invoice, theft of takings, theft of an item from a museum, and theft from a museum shop.

Capacity to Handle Risk

As Accounting Officer, my responsibility for high standards of corporate governance includes effective management of risk throughout the Department.

The Department's risk framework identifies risk management as a key role of the Board, the Executive Board and its sub-committees. Policy and guidance are available to staff on the intranet.

The Risk Management framework consists of three management levels at which risks are managed: Local/Project, Committee, and Board levels.

- At the local level, risk is managed and risk registers maintained by policy and operational teams and by project and programme teams across the Department.
- At the committee level corporate risk was managed by the Corporate Committee until December 2014. The Corporate Committee maintained its own risk register and managed red rated operational risks within the corporate area. Since December, these risks have been managed by the Executive Board via regular performance reporting. The Finance Committee considers the financial implications of, and risks inherent in, individual large DCMS and ALB capital projects. Senior Responsible Officers and project/programme boards monitor major programmes such as the Change Programme and Broadband delivery, as well as ALB risk.
- Risks escalated by the Finance Committee, and Department-wide operational, delivery and strategic risks are managed by the Executive Board, which also considers strategic risk at workshops facilitated by the Chair of the Audit and Risk Committee.

In addition, while responsibility for managing risk remains with ALBs, the Department has a system of regularly reviewing known ALB risks. The outputs of these reviews are used to set the level of Departmental engagement with individual ALBs.

To address the issues identified by Internal Audit, during 2014 the department has undertaken a performance reporting refresh which is now well embedded. There has also been a broader governance refresh which will support the appropriate articulation and escalation of corporate and policy risk.

Following a review of risk management in 2013, Internal Audit have recently carried out a further review of the Department's performance reporting and risk management. This supported the performance reporting changes and recommended further enhancement of risk management. This is being implemented in 2015-16.

The risk and control framework

In line with the scope of my responsibility, the Department has agreements with The Royal Parks and all directly funded ALBs setting out the Department's expectations in return for the public funds supplied, and associated financial arrangements or accountability lines. Lottery Distributors and Regulators have similar arrangements relating to their own circumstances. I make Accounting Officers of all ALBs aware of the continual importance of managing risks proportionately, maintaining a sound internal control system and ensuring propriety, regularity and value for money in all aspects of governance, decision making and financial management. During the financial year (or after the year end and before the Department's Accounts are signed), they are required to notify the Department of significant internal control weaknesses or issues arising. To provide me with assurance at the year end, they must incorporate a Governance Statement in their Accounts. The Department takes prompt follow up action as necessary on any matters identified from these Governance Statements or notifications. Matters of sufficient significance are considered for disclosure in this Statement. In addition, the Department's ALBs have their own Audit Committees.

Assurance reporting exercises supplement the Department's risk management process. Senior managers and Directors are requested to report on their compliance with internal control procedures and must identify any significant exceptions. Those responsible for key internal control systems must indicate what main risks exist and their responses to them.

National Audit Office Reports

In addition to the annual Departmental Overview, the National Audit Office published a memorandum on the superfast (rural) broadband programme on 28 January 2015. This set out the current position regarding roll-out plans, cost data, competition, and progress with delivery. The Department has noted the contents of the memorandum.

The NAO also produced a report into government travel expenditure. DCMS currently have a Travel and Subsistence Policy which specifies principles that ensure all travel is necessary, provides value for the taxpayer by using cost-effective means of travel and use non-standard class rail travel and non-economy class air travel as an exception. Any misuse will result in disciplinary proceedings. This policy is undergoing a further review with a view to providing improved management of government travel expenditure including better reporting to monitor the usage and cost of travel, accommodation and expenses to ensure the costs are managed.

DCMS encourages employees to use alternative means of communication such as video conferencing to reduce the demand for travel and subsistence where possible. Underpinning this policy is the Greening Government commitment which DCMS supports by encouraging the use of environmentally friendly travel methods such as rail or car pool where possible.

Models Statement of Assurance

I am satisfied that quality assurance of the models which are business critical to DCMS is of appropriate design and has been conducted according to professional standards. All models are professionally managed under adequate systems of supervision and control and, over the past year, have been used only for purposes related to those for which they were designed. As a consequence, I conclude that the Department's business critical models pose low business risks.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control, key elements of which are set out above. My review is informed by:

- Key elements of the Department's governance structure: the DCMS Departmental Board, the Executive Board and the Audit and Risk Committee.
- The work of the internal auditors and all executive managers within the Department who have responsibility for the development and maintenance of the internal control framework.
- Comments made by the external auditors in their management letter and other reports.
- Relationships with DCMS's ALBs, including reviews of their own individual accounts, and any information passed to me via the ALB Audit Committees.

Despite all the systems, processes and controls that I have put in place, exceptions do occur, and I have emphasised that I need to be promptly alerted to any significant ones. I consider all such control issues for potential inclusion in this statement and for wider dissemination to minimise the likelihood of similar occurrences.

Procurement by British Tourist Authority

The NAO identified that not all procurement of marketing by the British Tourist Authority (BTA) was being placed through the Government's Framework Contract as required by the Cabinet Office's Efficiency and Reform Group (ERG). BTA subsequently sought and secured approval from the Department and ERG for the award of the contracts on the

grounds that they were nevertheless demonstrably informed by considerations of best value for money. Further details can be found in the Annual Report and Accounts of the BTA.

Big Lottery Fund's Financial Management System

The Big Lottery Fund is sponsored by the Cabinet Office. I and my senior team continued to receive regular updates about the Big Lottery Fund's Financial Management System, reported in the 2013-14 Annual Report and Accounts. I remain satisfied that appropriate action has been and continues to be taken to address the issues arising. I have also taken note of the National Audit Office's reports earlier this year of its investigations into grants made by the Big Lottery Fund and others to Big Society Network projects. I am reassured that the NAO found that the Big Lottery Fund followed its procedures in assessing and awarding these grants.

Internal Audit Annual Report

The Government Internal Audit Agency (GIAA) provide Internal Audit services for DCMS and operate to the Public Sector Internal Audit Standards. GIAA discusses its programme of assurance work with the Department to focus it most efficiently on key Departmental risks. GIAA submits regular reports, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of arrangements for risk management, control and governance, plus actions for improvement agreed with management. Implementation within agreed timescales of these actions is monitored by GIAA but is a management responsibility. For the year ended 31 March 2015, as a consequence of their work, GIAA noted no significant control weaknesses and therefore gave moderate assurance on the adequacy and effectiveness of the system of internal control over the course of the year. They saw some significant and encouraging progress during the year, but also stated that there is room for further improvement in formalised rigour, greater consistency and levels of appropriate resources and/or skills in DCMS. In response to the GIAA opinion, the department is developing a more formalised approach to risk management to be implemented during 2015-16, and improving its financial management data. It has also set up a Director General chaired Knowledge Management and IT Committee and established a commercial team. It has increased staff numbers and is placing a stronger emphasis on improving skills in finance and hr as well as commercial skills. GIAA also undertook an audit of the NLDF and provided assurance that appropriate governance arrangements, risk management and control processes are in place.

Sue Owen
Principal Accounting Officer and Permanent Secretary
8 July 2015

Remuneration Report: Core DCMS Only

This annual remuneration report is prepared with reference to guidance contained in the annual Employer Pension Notice (EPN 430) issued by the Cabinet Office on 18 March 2015.

Equivalent information relating to The Royal Parks is given in its separate accounts. Other ALBs provide equivalent information in their own accounts where required to do so.

Remuneration Policy

The Prime Minister, following independent advice from the Senior Salaries Review Body, sets the remuneration arrangements for Senior Civil Servants.

The Review Body also advises the Prime Minister from time to time on the pay and pensions of members of Parliament and their allowances; on Peers' allowances; and on 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 is to have 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; and
- 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

The Constitutional Reform and Governance Act 2010 require Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, and with the exception of Chris Townsend OBE whose appointment is for a fixed term of three years, 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 Commission can be found at www.civilservicecommission.org.uk.

Remuneration (including salary) and Pension Entitlements

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

Remuneration (salary, benefits in kind and pensions – audited)

Single total figure of remuneration		Salary (£)		Benefits in kind (£'000)		Pension benefits (£, to the nearest £000) ⁷³		Total (£, to the nearest £000)	
Ministers		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
		65,817 ⁷⁴	-	-	-	21,000	-	87,000	-
The Rt Hon Sajid Javid MP, Secretary of State, from 10 April 2014		18,564 ⁷⁶	68,169	-	-	600	25,000	19,000	94,000
The Rt Hon Maria Miller MP ⁷⁵ , Secretary of State, to 9 April 2014		29,004 ⁷⁸	23,039	-	-	10,000	8,000	39,000	31,000
Ed Vaizey MP, Minister of State ⁷⁷		22,375	11,148 ⁷⁹	-	-	6,000	3,000 ⁸⁰	28,000	14,000
Helen Grant MP, Parliamentary Under Secretary of State, from 7 October 2013		-	16,694 ⁸¹	-	-	-	5,000 ⁸²	-	22,000
The Rt Hon Hugh Robertson MP, Minister of State, to 7 October 2013									

⁷³ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights

⁷⁴ The full year equivalent salary is £67,505

⁷⁵ Maria Miller resigned as Secretary of State effective 9 April 2014. The Right Honourable Sajid Javid MP was appointed as Secretary of State on 10 April 2014

⁷⁶ The full year equivalent salary is £67,505. This figure quoted comprises salary of £1,688 representing accrued and actual earnings to 9 April 2014 and severance pay of £16,876 representing a quarter of Maria Miller's claimed annual salary of £67,505

⁷⁷ Ed Vaizey was promoted from Under Secretary of State to Minister for State on 15 July 2014

⁷⁸ The full year equivalent salary is £31,680. On 15 July 2014, Ed Vaizey's annual salary increased from £22,375 to £31,680 per annum. The figure disclosed represents his actual and accrued earnings for the full year

⁷⁹ Helen Grant was appointed Under Secretary of State on 7 October 2013. The full year equivalent salary is £23,039

⁸⁰ Pension benefits from 7 October 2013 to 31 March 2014

⁸¹ The full time equivalent salary is £32,344

⁸² Pension benefits from 1 April 2013 to 7 October 2013

Remuneration (salary, benefits in kind and pensions – audited)

Single total figure of remuneration		Salary (£'000)		Bonus payments (£'000)		Benefits in kind		Pension benefits (£, to the nearest £000)		Total (£'000)	
Officials		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Sue Owen, Permanent Secretary & Accounting Officer**	150-155	75 - 80 (*FYE 150 - 155)	-	-	-	-	-	64,000	98,000 ⁸³	215-220	175-180
Sarah Healey, Director General**	100-105	30-35 (*FYE 100-105)	-	-	-	-	-	50,000	17,000 ⁸⁴	150-155	45-50
Samantha Foley, Finance Director**	90-95	90-95	-	-	-	-	-	12,000	44,000	100-105	135-140
Rita French, Director, Media ⁸⁵	80-85 (*FYE 90-95)	70-75 (*FYE 90-95)	-	-	-	-	-	13,000	11,000	95-100	80-85
Hugh Harris, Director, Media, International & Gambling ⁸⁶ , from 16 February 2015	10-15 (*FYE 90-95)	-	-	-	-	-	-	(2,000) ⁸⁷	-	5-10	-

⁸³ Pension benefits from 1 October 2013 to 31 March 2014⁸⁴ Pension benefits from 9 December 2013 to 31 March 2014⁸⁵ Rita French was on Maternity Leave from 17 September 2012 to 24 November 2013 inclusive and reduced her Full Year Equivalent Hours (FYE) from 1.0 to 0.8 effective 1 February 2014. Rita increased her FTE from 0.8 to 0.9 effective 1 April 2014. Rita commenced maternity leave until year-end on 21 January 2015⁸⁶ Hugh Harris appointed as Director on 16 February 2015⁸⁷ Pension benefits from 16 February to 31 March 2015. The value of pension benefits accrued for the period is calculated as the real increase in pension multiplied by 20, plus the real increase in lump sum (if applicable) less member contributions. The negative figure in Hugh Harris's case is explained by the fact that the both the real increase in pension is less than the pension and lump sum at the closing date. This results in a negative figure when the formula is applied. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights

Single total figure of remuneration	Salary (£'000)		Bonus payments (£'000)		Benefits in kind		Pension benefits (£, to the nearest £000)		Total (£'000)	
	Officials									
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Clare Pillman, Director, Culture, Tourism & Sport	90-95	90-95	10-15	5-10	-	-	13,000	11,000	115-120	105-110
Alison Pritchard, Director GEO ⁸⁸ , from 10 November 2014	35-40 (*FYE 90-95)	-	-	-	-	-	6,000 ⁸⁹	-	40-45	-
Chris Townsend OBE, CEO BDUK ^{**90}	170-175 ⁹¹	-	-	-	-	-	65,000	-	230-240	-
Rachel Clark, Director GEO ⁹² , to 31 August 2014	35-40 (*FYE 90-95)	90-95	-	-	-	-	5,000 ⁹³	148,000	40-45	235-240
Helene Reardon-Bond OBE, Director GEO (Interim Appointment) ⁹⁴ , from 1 September 2014 to 30 November 2014	20-25 (*FYE 85-90)	-	-	-	-	-	61,000 ⁹⁵	-	80-85	-

⁸⁸ Alison Pritchard was appointed as Director GEO on 10 November 2014

⁸⁹ Pension benefits from 10 November 2014

⁹⁰ Chris Townsend OBE was appointed as CEO BDUK effective 1 April 2014 for a fixed employment term of 3 years

⁹¹ Salary for 2014-15 also comprises a non-consolidated performance related payment of £3,726 as compensation for work undertaken for the Department prior to joining on 1 April 2014

⁹² Rachel Clark left DCMS on 31 August 2014 to undertake a secondment at Ofcom on 1 September 2014

⁹³ Pension benefits from 1 April 2014 to 31 August 2014

⁹⁴ Helen Reardon-Bond OBE was appointed as Director - GEO on an interim basis from 1 September 2014 to 30 November 2014 while a Whitehall wide competition for a permanent replacement was undertaken to fill the vacancy created by the departure of Rachel Clark

⁹⁵ Pension benefits for the period 1 September 2014 to 30 November 2014

Single total figure of remuneration	Salary (£'000)		Bonus payments (£'000)		Benefits in kind		Pension benefits (£, to the nearest £000)		Total (£'000)	
	2014-15		2014-15		2014-15		2014-15		2014-15	
	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
Officials										
David Brooker, Director ⁹⁶ to 5 April 2014	0-5 (*FYE 95-100)	-	-	-	-	-	0 ⁹⁷	(6,000) ⁹⁸	0-5	85-90
Jon Zeff, Director ^{**99} , to 22 May 2014	10-15 (*FYE 90-95)	-	10-15	-	-	-	3,000	5,000	15-20	105-110
Sir Jonathan Stephens, Permanent Secretary & Accounting Officer ¹⁰⁰ , to 31 August 2013	65-70 (FYE 155 – 160)	-	-	-	-	-	-	(16,000) ¹⁰¹	-	45-60
Helen MacNamara, Director, to 30 November 2013	70-75 (*FYE 90-95)	-	10-15	-	-	-	-	7,000 ¹⁰²	-	85-90

*FYE – Full Year Equivalent.

** Names of senior officers who are or were members of the Departmental Board in 2014-15.

⁹⁶ David Brooker retired from DCMS and the Civil Service on 5 April 2014

⁹⁷ The value of pension benefits is less than £500 and as such is reflected as zero for reporting purposes

⁹⁸ The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, plus the real increase in lump sum (if applicable) less member contributions. The negative figure in David Brooker's case is explained by the fact that the both the real increase in pension and lump sum is less than the pension and lump sum at the closing date. This results in a negative figure when the formula is applied. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights

⁹⁹ Jon Zeff was a member of the departmental Board and a member of the Executive Team to 22 May 2014

¹⁰⁰ Sir Jonathan Stephens ceased to be Permanent Secretary and Accounting Officer on 31 August 2013

¹⁰¹ Pension benefits from 1 April 2013 to 31 August 2013. The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, plus the real increase in lump sum (if applicable) less member contributions. The negative figure in Sir Jonathan Stephens's case is explained by the fact that the both the real increase in pension and lump sum is less than the pension and lump sum at the closing date. This results in a negative figure when the formula is applied. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights

¹⁰² Pension benefits from 1 April 2013 to 30 November 2013.

Salary

'Salary' includes gross salary; 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. This report is based on accrued 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 (£66,396 from 1 April 2013, £67,060 from 1 April 2014) 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.

Non-Consolidated Performance Related Pay Awards

The performance management and reward policy for members of the Senior Civil Service (SCS), including Board members, is managed within a central framework set by the Cabinet Office. The framework allows for non-consolidated performance related awards to be paid to a maximum of 25% of members of the SCS. The Senior Civil Service performance management and reward principles include explanations of how non-consolidated performance awards are determined.¹⁰³

SCS non-consolidated pay is agreed each year following Senior Salaries Review Body recommendations, and is expressed as a percentage of the Department's total base pay for the SCS. The DCMS Senior Pay Committee is responsible for assessing the relative contribution of individual SCS members and making the final pay decisions. Non-consolidated performance pay is awarded in arrears.

The non-consolidated performance pay included in the 2014-15 figures in the above table relate to awards made in respect of the 2013-14 performance year but paid in the financial year 2014-15. Similarly the comparable bonuses reported for 2013-14 relate to performance in 2012-13. Non-consolidated performance pay for 2014-15 was paid to the top 25% performers. The awards were differentiated by SCS grade.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the Department and treated by HM Revenue and Customs as a taxable emolument. There were no benefits in kind paid to Ministers, the Permanent Secretary, or any member of the DCMS Senior Management Team.

Pay Multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in DCMS in the financial year 2014-15 was £170 -175,000 (2013-14: £155 - 160,000). This was 4.49 times (2013-14: 4.14) the median remuneration of the workforce, which was £38,709 (2013-14: £38,002).

In 2014-15, 0 (2013-14: 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £15,000 to £175,000 (2013-14: £15,000 -£160,000).

¹⁰³ <http://www.civilservice.gov.uk/recruitment/working/pay-and-reward/scs-pay>

Total remuneration includes salary, non-consolidated performance-related pay which relates solely to 2014-15 and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

	2014 - 15	2013 - 14
Band of highest paid Director's total remuneration (£'000)	170 - 175	155-160
Median total actual remuneration (FTE) (£)	38,709	38,002
Ratio	4.49	4.14

The increase in the median actual remuneration from 2013-14 to 2014-15 can be explained by the increased median costs of the 36 contractors included in the calculations offset by the successful recruitment at the lower salary bands within the Core Department and the inclusion of the data from the Royal Parks. The calculation for interim and agency staff is based upon the actual daily and hourly rates charged by each interim or agency.

Non-Executive Board Members

Remuneration and Full Year Equivalent (£'000)		
Non-Executive Board Member	2014-15	2013-14
Sir David Verey CBE	20-25	20-25
Dr. Tracy Long	15-20	15-20
Ajay Chowdhury	15-20	15-20
Ruby McGregor-Smith CBE	15-20	15-20

Pension Benefits – Ministers

Minister	Accrued pension at age 65 as at 31 March 2015 (£'000)	Real increase in pension at age 65 (£'000)	CETV at 31 March 2015 (£'000)	CETV at 31 March 2014 (£'000)	Real increase in CETV (£'000)
The Rt. Hon. Sajid Javid MP, Secretary of State from 10 April 2014	0 - 5	0 – 2.5	31 ¹⁰⁴	12	7
The Rt Hon Maria Miller MP, Secretary of State to 9 April 2014	0 - 5	0 – 2.5	54	54	0 ¹⁰⁵
Ed Vaizey MP, Minister of State	0 - 5	0 – 2.5	39 ¹⁰⁶	29	4
Helen Grant MP, Parliamentary Under Secretary of State	0 - 5	0 – 2.5	13	8	3
The Rt Hon Hugh Robertson MP, Minister of State to 7 October 2013	-	-	-	23 ¹⁰⁷	-

¹⁰⁴ The increase to Sajid Javid's CETV is explained by the change to his ministerial salary when appointed Secretary of State in April 2014. Upon his appointment his annual salary increased from £31,680 to £67,505

¹⁰⁵ The amount is actually a figure greater than zero but less than £500 and as such is reflected as zero for reporting purposes

¹⁰⁶ The increase to Ed Vaizey's CETV is explained by the change to his ministerial salary when appointed Minister of State in July 2014. Upon his appointment his annual salary increased from £22,375 to £31,680

¹⁰⁷ CETV as at 7 October 2013

Ministerial Pensions

The Parliamentary Contributory Pension Fund (PCPF) provides pension benefits for Ministers. 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 an MP's pension under the PCPF (details of which are not included in this report). 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 member contribution. An additional 1/60th accrual rate option (backdated to 1 April 2008) was introduced from 1 January 2010.

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 re-valued annually in line with changes to pensions legislation. Contribution rates increased from 1 April 2014 with members contributing between 8.4% and 17.9% depending on their level of seniority and chosen accrual rate.

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.

In line with reforms to other public service pension schemes, it is intended to reform the Ministerial Pension Scheme in 2015. The new scheme will be a Career Average pension scheme, have an accrual rate of 1.775%, revaluation based on the change in prices, a normal Pension age equal to State Pension age and a member contribution rate of 11.1%.

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 2008 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 the element of the increase in accrued pension funded by the Exchequer. It excludes increases due to inflation and contributions paid by the Minister. It is worked out using common market valuation factors for the start and end of the period

Pension Benefits – Officials

Officials	Accrued pension at pension age as at 31 March 2015 and related lump sum (£'000)	Real increase in pension and related lump sum as at pension age (£'000)	CETV at 31 March 2015 (£'000)	CETV at 31 March 2014 (£'000)	Real increase in CETV in CETV (£'000)	Employer contribution to partnership pension account (£'000)
Sue Owen, Permanent Secretary	60 - 65 plus a lump sum of 90 - 195	2.5 – 5.0 plus a lump sum of 5 – 10	1,439	1,312	62	-
Sarah Healey, Director General	15 – 20 No lump sum	2.5 – 5 No lump sum	185	147	23	-
Samantha Foley, Director Finance	30 - 35 plus a lump sum of 90 - 95	0 – 2.5 plus a lump sum of 0 – 2.5	525	492	7	-
Rita French, Director, Media	15 - 20 plus a lump sum of 55 - 60	0 – 2.5 plus a lump sum of 0 – 2.5	227	209	4	-
Hugh Harris, Director, Media, International & Gambling from 16 February 2015	5 - 10 No lump sum	(0 – 2.5) ¹⁰⁸ No lump sum	75	75	(2) ¹⁰⁹	-
Clare Pillman, Culture, Tourism & Sport Director	25 – 30 plus a lump sum of 80 - 85	0 – 2.5 plus a lump sum of 0 – 2.5	481	448	8	-
Alison Pritchard, Director GEO from 10 November 2014	15 - 20 No lump sum	0 – 2.5 No lump sum	236	228	4	-
Chris Townsend OBE, CEO BDUK	0 – 5 No lump sum	2.5 – 5 No lump sum	58	0	43	-

¹⁰⁸ Hugh Harris's pension benefits have decreased over the course of the reporting period due to the cessation of an allowance during the disclosure period, and the rules governing the calculation of pensionable earnings for Premium scheme members

¹⁰⁹ The negative figure for real increase to CETV is explained by the changes to Hugh's remuneration as set out in the above point

Officials	Accrued pension at pension age as at 31 March 2015 and related lump sum (£'000)	Real increase in pension and related lump sum as at pension age (£'000)	CETV at 31 March 2015 (£'000)	CETV at 31 March 2014 (£'000)	Real increase in CETV (£'000)	Employer contribution to partnership pension account (£'000)
David Brooker, Director to 5 April 2014	45 - 50 plus a lump sum of 135 - 140	0 - 2.5 plus a lump sum of 0 - 2.5	1,046	1,046	0 ¹¹⁰	-
Rachel Clark, Director GEO to 31 August 2014	25 - 30 plus a lump sum of 80 - 85	0 - 2.5 and a lump sum of 0 - 2.5	400 ¹¹¹	382	3	-
Helene Reardon-Bond OBE Director GEO (Interim Appointment) from 1 September 2014 to 30 November 2014	35 - 40 plus a lump sum of 110 - 115	2.5 - 5 plus a lump sum of 5 - 10	813 ¹¹²	751	59	-
Jon Zeff, Director to 22 May 2014	25 - 30 plus a lump sum of 80 - 85	0 - 2.5 plus a lump sum of 0 - 2.5	441	425	2	-
Sir Jonathan Stephens, Permanent Secretary & Accounting Officer, to 31 August 2013	-	-	-	1,178 ¹¹³		
Helen MacNamara, Director to 30 November 2013	-	-	-	147 ¹¹⁴		

* Taking account of inflation, the CETV funded by the employer has decreased in real terms.

¹¹⁰ The real increase to CETV is less than £500 and as such is reflected as zero for reporting purposes

¹¹¹ CETV as at 31 August 2014

¹¹² CETV as at 30 November 2014

¹¹³ CETV as at 31 August 2013

¹¹⁴ CETV as at 30 November 2014

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 Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 1.5% and 6.85% of pensionable earnings for **classic** and 3.5% and 8.85% for **premium**, **classic plus** and **nuvos**. Increases to employee contributions came into effect 1 April 2014. 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 initial 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% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a 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% and 12.5% (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% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% 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 <http://www.civilservice.gov.uk/pensions>.

New Career Average pension arrangements will be introduced from 1 April 2015 and the majority of **classic**, **premium**, **classic plus** and **nuvos** members will join the new scheme. Further details of this new scheme are available at: <http://www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/>.

The Cash Equivalent Transfer Value (CETV)

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 member 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 worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 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 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.

Compensation for Loss of Office

No Departmental Board members left under agreed terms or were paid compensation for loss of office in 2014-15.

Signed and approved

Sue Owen
Principal Accounting Officer and Permanent Secretary
8 July 2015

The Certificate and Report of the Comptroller and Auditor General

I certify that I have audited the financial statements of the Department for Culture, Media & Sport and of its Departmental Group for the year ended 31 March 2015 under the Government Resources and Accounts Act 2000. The Department consists of the Core Department and its agency. The Departmental Group consists of the Department and the bodies designated for inclusion under the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2014. The financial statements comprise: the Department's and Departmental Group's Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity, and the related notes. I have also audited the Statement of Parliamentary Supply 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

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Department's and the Departmental Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Strategic and Directors' Reports to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2015 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Department's and the Departmental Group's affairs as at 31 March 2015 and of the Department's net operating cost and Departmental Group's net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued there under.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Strategic and Directors' Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas Morse KCB
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

14 July 2015

Primary Statements

Statement of Parliamentary Supply

In addition to the Primary Statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires DCMS to prepare a Statement of Parliamentary Supply and supporting notes to show resource and capital outturn against the Supply Estimate presented to Parliament, in respect of each budgetary control limit.

Summary of Resource and Capital Outturn 2014-15

	Note	2014-15						Restated 2013-14																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
		Estimate			Outturn				Voted outturn compared with Estimate: saving/(excess): £'000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
		Voted £'000	Non-Voted £'000	Total £'000	Voted £'000	Non-Voted £'000	Total £'000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
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Net Cash Requirement 2014-15

		2014-15			2013-14
	Note	Estimate £'000	Outturn £'000	Outturn compared with Estimate: saving/(excess) £'000	Restated Outturn £'000
Net Cash Requirement	SoPS 4	5,067,342	4,356,425	710,917	4,886,996

Administration Costs 2014-15

		2014-15				2013-14
	Note	Estimate		Outturn		Outturn
		Voted £'000	Non-Voted £'000	Total £'000	Voted outturn compared with Estimate: saving/(excess) £'000	Total £'000
Administration costs	SoPS 2.1	249,814	(62,600)	187,214	212,771	160,177
					(52,594)	37,043
						153,683

Prior Period Adjustment

The Department has Prior Period Adjustments (PPAs) resulting from the omission of BBC Monitoring from the boundary, a change in treatment for BBC investment in Daunus and other BBC items. It is proper for the Department to seek Parliamentary authority for the provision that should have been sought previously. In 2014-15, the following such PPAs have been made, which have been included within voted Supply in the Estimate.

	Resource/ Capital	DEL/AME	Amount £'000
Prior period adjustment	Resource	AME	11,944
Prior period adjustment	Capital	AME	2,459

The prior year outturn figures have been restated following a Machinery of Government (MoG) change for BBC World Service. Additional information is included in Note 28.

An analysis of variances between the Estimate and the Outturn is given in SoPS Note 2 and explanations are provided in the Management Commentary pages 54-57.

Statement of Parliamentary Supply Notes

SOPS 1. Statement of accounting policies

The Statement of Parliamentary Supply (SoPS) and supporting notes have been prepared in accordance with the 2014-15 Government Financial Reporting Manual (FReM) issued by HM Treasury. The Statement of Parliamentary Supply accounting policies contained in the FReM are consistent with the requirements set out in the 2014-15 Consolidated Budgeting Guidance and Supply Estimates Guidance Manual.

SOPS 1.1 Accounting convention

The SoPS and related notes are presented consistently with Treasury budget control and Supply Estimates. The aggregates across government are measured using National Accounts, prepared in accordance with the internationally agreed framework 'European System of Accounts' (ESA95). ESA95 is in turn consistent with the System of National Accounts (SNA93), which is prepared under the auspices of the United Nations.

The budgeting system and the consequential presentation of Supply Estimates and the SoPS and related notes, have different objectives to IFRS-based accounts. The system supports the achievement of macro-economic stability by ensuring that public expenditure is controlled, with relevant Parliamentary authority, in support of the Government's fiscal framework. The system provides incentives to departments to manage spending well so as to provide high quality public services that offer value for money to the taxpayer.

The Government's objectives for fiscal policy are set out in the Charter for Budget Responsibility. These are to:

- ensure sustainable public finances that support confidence in the economy, promote intergenerational fairness and ensure the effectiveness of wider government policy; and
- support and improve the effectiveness of monetary policy in stabilising economic fluctuations.

SOPS 1.2 Comparison with IFRS-based accounts

Many transactions are treated in the same way in National Accounts and IFRS-based accounts, but there are a number of differences as detailed below. A reconciliation of the Department's Outturn as recorded in the SoPS compared to the IFRS-based Statement of Comprehensive Net Expenditure (SoCNE) is provided in SoPS Note 3.1 and 3.2.

SOPS 1.2.1 Capital Grants

Grant expenditure used for capital purposes are treated as capital items in the SoPS. Under IFRS, as applied by the FReM, there is no distinction between capital grants and other grants, and they score as an item of expenditure in the SoCNE.

SOPS 1.2.2 Lottery income

With HM Treasury agreement and in line with the Supplementary Estimate, the SoPS does not include lottery income. The rationale for this is that lottery income is not payable to Parliament and as such is not included in budgets. As a consequence Lottery expenditure is stated gross of lottery income.

SOPS 1.2.3 Spectrum Management Receipts

With HM Treasury agreement and in line with the Supplementary Estimate, the SoPS includes an adjustment (negative non-voted administration expenditure) to match those costs borne by Ofcom in administering the strategic development of Spectrum.

SOPS 1.2.4 BBC Broadband Income

The BBC PSB Group paid the Core Department £150.0m towards Broadband costs and this expenditure is included in the SoPS. However since the Core Department pays these monies to the Consolidated Fund, this income is not recognised in the SoPS. Consequently a reconciling item arises between the SoPS and the SoCNE (see SoPS Note 3.1). This approach is as advised by HM Treasury.

SOPS 1.2.5 Prior Period Adjustments (PPAs)

PPAs resulting from an error in previous recording, or from an accounting policy change initiated by the Department, need to be voted by Parliament in the current year, whereas in IFRS-based accounts (IAS 8) they are treated as adjustments to previous years. PPAs resulting from a change in accounting policy brought in by a new or modified accounting standard are not included in Estimates, so there is no misalignment.

SOPS 1.2.6 Receipts in excess of HM Treasury agreement

This applies where HM Treasury has agreed a limit to income retainable by the Department, with any excess income scoring outside of budgets, and consequently outside of the Statement of Parliamentary Supply. IFRS-based accounts will record all of the income, regardless of the budgetary limit. This situation may arise in the following areas: (i) profit on disposal of assets; (ii) income generation above department Spending Review settlements; and (iii) income received above netting-off agreements.

SOPS 1.2.7 Eliminations

Transactions between bodies within the consolidation boundary are eliminated on consolidation in the SoPS and the IFRS based accounts. But where transactions which would otherwise be eliminated are within separate budget categories (e.g. resource DEL and resource AME) the amounts are shown gross in the SoPS and not eliminated.

SOPS 1.2.8 Provisions - Administration and Programme expenditure

Provisions recognised in IFRS-based accounts are not recognised as expenditure for National Accounts purposes until the actual payment of cash (or accrual liability) is recognised. To meet the requirements of both resource accounting and National Accounts, additional data entries are made in the SoPS across AME and DEL control totals, which do not affect the Statement of Comprehensive Net Expenditure. As the Administration control total is a sub-category of DEL, Administration and Programme expenditure reported in the SoPS will differ from that reported in the IFRS-based accounts.

SOPS 1.2.9 Charity Income - donations

In the financial accounts donations of assets and cash (that has been expressly given to purchase an asset) are recognised as income (Note 6), but treated as net capital expenditure in the SoPS.

SOPS 1.2.10 Alignment of income and expenditure

Timing differences between income and expenditure (and the associated debtor and creditor) in the accounts of DCMS Arms Length Bodies (notably between the Lottery Distributing Bodies and the recipients of lottery grants) can, and do, arise. Where these arise, to avoid income and expenditure being overstated, an adjustment is made to expenditure (and the associated payable) in the DCMS Group accounts.

SOPS 1.3 Restatement for Machinery of Government changes

Restatement of prior year resulting from the Machinery of Government Changes for BBC World Service (BBC WS) transferred from the Foreign and Commonwealth Office (FCO) into the Departmental Group's boundary. Additional information is included in Note 28.

By agreement with HM Treasury the SOPS for the prior year (2013-14) have been restated to include BBC WS. The adjusted lines are shown below:

Statement of Parliamentary Supply £'000	Published 2013-14: Departmental Group	Machinery of Government changes	Restated 2013-14: Departmental Group
Departmental Expenditure Limit:			
Resource	1,222,241	248,290	1,470,531
Capital	(15,984)	16,703	719
Annually Managed Expenditure:			
Resource	4,310,404	(4,507)	4,305,897
Capital	627,561	-	627,561
Total Budget	6,144,222	260,486	6,404,708
Net Cash Requirement	4,648,516	238,480	4,886,996

SOPS 2. Net Outturn

SOPS 2.1 Analysis of net resource outturn by section

	2014-15										Restated 2013-14
	Outturn							Estimate		Net total compared to Estimate, adjusted for virements £'000	Total £'000
	Administration			Programme				Net Total £'000	Net total compared to Estimate £'000		
	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000	Total £'000				
Spending in Departmental Expenditure Limit (DEL)											
Voted											
A	Support for the museums and galleries sector	-	-	-	16,003	-	16,003	16,003	16,478	475	16,267
B	Museums and Galleries sponsored ALBs (net)	-	-	-	329,932	-	329,932	329,932	435,436	92,004	354,959
C	Libraries sponsored ALBs (net)	7,462	-	7,462	90,907	-	90,907	98,369	112,347	13,978	101,374
§	Museums, libraries and archives council	-	-	-	-	-	-	-	-	-	-
D	Support for the arts sector	514	(614)	(100)	4,114	(62,479)	(58,365)	(58,465)	(61,472)	(3,007)	(67,219)
E	Arts and culture ALBs (net)	14,828	-	14,828	418,647	-	418,647	433,475	440,321	1,032	442,838
F	Support for the sports sector	-	-	-	25,575	(7,500)	18,075	18,075	17,032	(1,043)	21,147
G	Sport sponsored ALBs (net)	12,155	-	12,155	101,051	-	101,051	113,206	122,580	8,631	114,967
H	Ceremonial and support for the heritage sector	-	-	-	30,735	(1,279)	29,456	29,456	32,297	2,841	16,690
I	Heritage sponsored ALBs (net)	15,873	-	15,873	106,895	-	106,895	122,768	111,280	(11,488)	92,975
J	The Royal Parks	3,611	(1,010)	2,601	34,245	(22,246)	11,999	14,600	14,167	(433)	13,637
K	Support for the tourism sector	-	-	-	-	(200)	(200)	(200)	400	600	10
L	Tourism sponsored ALBs (net)	26,392	-	26,392	20,110	-	20,110	46,502	46,490	(12)	48,200
M	Support for the broadcasting and media sector	19,881	-	19,881	14,921	(251)	14,670	34,551	46,593	12,042	12,063
N	Broadcasting and Media sponsored ALBs (net)	56,047	-	56,047	28,134	-	28,134	84,181	104,197	14,350	341,833
O	Administration and research	39,279	(522)	38,757	454	-	454	39,211	35,479	(3,732)	34,863

SOPS 2.1 Analysis of net resource outturn by section (continued)

2014-15													Restated 2013-14	
	Outturn										Estimate		Total £'000	Outturn
	Administration			Programme			Total £'000	Net Total £'000	Net total compared to Estimate £'000	Net total compared to Estimate, adjusted for virements £'000				
	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Total £'000								
P	-	-	-	1,785	(2,628)	(843)	(843)	(1,032)	(189)	-	(1,603)			
Q	-	-	-	1,449	-	1,449	1,449	2,365	916	916	3,097			
R	-	-	-	30,185	(64,008)	(33,823)	(33,823)	(24,770)	9,053	9,053	(18,083)			
S	-	-	-	55,715	-	55,715	55,715	77,300	21,585	21,585	(29,477)			
T	3,214	-	3,214	8,845	-	8,845	12,059	16,200	4,141	-	7,298			
U	15,661	-	15,661	3,727	-	3,727	19,388	20,835	1,447	1,796	19,230			
	214,917	(2,146)	212,771	1,323,429	(160,591)	1,162,838	1,375,609	1,564,523	188,914	188,914	1,525,066			
Non-voted														
V	(52,594)	-	(52,594)	-	-	-	(52,594)	(62,600)	(10,006)	(10,006)	(54,535)			
Total spending in DEL	162,323	(2,146)	160,177	1,323,429	(160,591)	1,162,838	1,323,015	1,501,923	178,908	178,908	1,470,531			
Annually Managed Expenditure (AME)														
Voted expenditure														
W	-	-	-	3,386,240	-	3,386,240	3,386,240	3,501,172	114,932	114,932	2,790,062			
X	-	-	-	(27,281)	-	(27,281)	(27,281)	73,917	101,198	101,198	118,992			
Y	-	-	-	4,021	-	4,021	4,021	-	(4,021)	(4,021)	(2,721)			
	-	-	-	3,362,980	-	3,362,980	3,362,980	3,575,089	212,109	212,109	2,906,333			
Non-voted expenditure														
Z	-	-	-	1,594,409	-	1,594,409	1,594,409	1,355,443	(238,966)	(238,966)	1,399,564			
Total spending in AME	-	-	-	4,957,389	-	4,957,389	4,957,389	4,930,532	(26,857)	(26,857)	4,305,897			
Non-budget														
AA				14,403	-	14,403	14,403	40,000	25,597	25,597	-			
Total	162,323	(2,146)	160,177	6,295,221	(160,591)	6,134,630	6,294,807	6,472,455	177,648	177,648	5,776,428			

Explanations of the variances between the Outturn and Estimate are included in the Management Commentary on pages 54-57.

SOPS 2.2 Analysis of net capital outturn by section

		2014-15						Restated 2013-14
		Outturn			Estimate		Net total compared to Estimate, adjusted for virements £'000	Outturn
		Gross £'000	Income £'000	Net £'000	Net Total £'000	Net Total Compared with Estimate £'000		Total £'000
Spending in Departmental Expenditure Limit (DEL)								
Voted								
A	Support for the museums and galleries sector	1,981	-	1,981	2,000	19	19	100
B	Museums and Galleries sponsored ALBs (net)	38,277	-	38,277	68,584	30,307	30,307	15,987
C	Libraries sponsored ALBs (net)	12,561	-	12,561	4,742	(7,819)	-	7,173
D	Support for the arts sector	-	-	-	119	119	119	117
E	Arts and culture ALBs (net)	14,432	-	14,432	13,066	(1,366)	-	18,679
F	Support for the sports sector	-	-	-	500	500	500	250
G	Sport sponsored ALBs (net)	26,819	-	26,819	27,022	203	203	27,920
H	Ceremonial and support for the heritage sector	2,182	-	2,182	1,400	(782)	-	6,882
I	Heritage sponsored ALBs (net)	99,574	-	99,574	96,881	(2,693)	-	16,805
J	The Royal Parks	2,580	(10)	2,570	895	(1,675)	-	2,620
L	Tourism sponsored ALBs (net)	325	-	325	319	(6)	-	357
M	Support for the broadcasting and media sector	229,991	(925)	229,066	308,062	78,996	78,996	55,198
N	Broadcasting and Media sponsored ALBs (net)	3,473	-	3,473	23,158	19,685	3,986	22,599
O	Administration and research	2,441	-	2,441	1,164	(1,277)	-	373
P	Support for Horseracing and the Gambling sector	49,896	-	49,896	49,815	(81)	-	9,000
Q	Gambling Commission (net)	335	-	335	530	195	195	302
S	London 2012 (net)	(256,703)	-	(256,703)	(238,264)	18,439	18,439	(184,059)
U	Equality and Human Rights Commission (net)	400	-	400	400	-	-	416
Total spending in DEL		228,564	(935)	227,629	360,393	132,764	132,764	719
Annually Managed Expenditure (AME)								
Voted								
W	British Broadcasting Corporation	116,384	-	116,384	136,812	20,428	20,428	105,619
Y	Gambling levy bodies	1,991	-	1,991	5,877	3,886	3,886	(1,763)
	<i>Total voted</i>	<i>118,375</i>	<i>-</i>	<i>118,375</i>	<i>142,689</i>	<i>24,314</i>	<i>24,314</i>	<i>103,856</i>
Non-voted expenditure								
Z	Lottery grants	601,444	-	601,444	544,559	(56,885)	(56,885)	523,705
Total spending in AME		719,819	-	719,819	687,248	(32,571)	(32,571)	627,561
Total		948,383	(935)	947,448	1,047,641	100,193	100,193	628,280

Explanations of the variances between the Outturn and Estimate are included in the Management Commentary on pages 54-57.

SOPS 3. Reconciliation of outturn to net operating cost and against Administration Budget

SOPS 3.1 Reconciliation of net outturn to net operating cost

		2014-15 Outturn	Restated 2013-14 Outturn
	Note	£'000	£'000
Total resource outturn in Statement of Parliamentary Supply			
Budget	SoPS 2.1	6,280,404	5,776,428
Non-budget	SoPS 2.1	14,403	-
Add:			
Capital grants		973,100	513,786
Income from National/Olympic Lottery Distribution Fund (NLDF/OLDF)		(1,837,969)	(1,585,035)
Ofcom spectrum clearance & awards (capital grants elements)		-	2,312
Ofcom spectrum management receipts	SoPS 2.1	52,594	54,535
BBC broadband income	SoPS 5.1	(150,000)	(150,000)
Capital movement in provisions		-	-
Charity income (asset donations or cash donations for asset additions)		(195,717)	(166,103)
Income payable to the Consolidated Fund	SoPS 5.1	-	-
Impact of intra-group transactions crossing budget categories		8,892	7,670
Prior year adjustment for BBC other adjustments (SoCNE)		(11,944)	(11,944)
Prior year adjustment for BBC other adjustments (Non SoCNE)		(2,459)	-
Prior year adjustment for change in Lottery Accounts Direction		-	(47,056)
Net operating costs in Consolidated Statement of Comprehensive Net Expenditure		5,131,304	4,394,593

SOPS 3.2 Outturn against final Administration Budget and Administration net operating costs

		2014-15	2013-14
	Note	£'000	£'000
Estimate - administration costs - voted		249,814	259,483
Estimate - administration costs - non-voted		(62,600)	(62,300)
Estimate - administration costs		187,214	197,183
Outturn - gross administration costs		162,323	157,145
Outturn - gross income relating to administration costs		(2,146)	(3,462)
Outturn - net administration costs	SoPS 2.1	160,177	153,683
Reconciliation to operating costs:			
Plus: Impact of intra-group transactions crossing budget categories		2,191	18,505
Plus: Ofcom spectrum management receipts	SoPS 2.1	52,594	54,535
Less: Utilisation of provisions classified as administration		(7,018)	(1,897)
Administration net operating costs	SoCNE	207,944	224,826

SOPS 4. Reconciliation of Net Resource Outturn to Net Cash Requirement

	Note	Estimate £'000	Outturn £'000	Net total outturn compared with Estimate: saving/(excess) £'000
Resource outturn	SoPS 2.1	6,472,455	6,294,807	177,648
Capital outturn	SoPS 2.2	1,047,641	947,448	100,193
		7,520,096	7,242,255	277,841
Accruals to cash adjustments:				
<i>Adjustments to remove non-cash items</i>				
Depreciation and amortisation	4, 5	(6,890)	(3,125)	(3,765)
New provisions and adjustments to previous provisions	5	(250)	(182)	(68)
Prior Period Adjustments		(40,000)	(14,403)	(25,597)
Other non-cash items	4, 5		(1,487)	1,487
Museum Loans			2,500	(2,500)
<i>Adjustments for NDPBs</i>				
Remove voted resource and capital		(5,175,070)	(4,672,742)	(502,328)
Cash grant-in-aid	5.1	4,598,076	4,504,897	93,179
Less: Agency funding (The Royal Parks)			(17,582)	17,582
<i>Adjustments to reflect movements in working balances</i>				
Increase/(decrease) in receivables			(7,832)	7,832
ODA return of funding			(427,839)	427,839
Movement on bad debts provision			1	(1)
(Increase)/decrease in payables		8,782	(52,335)	61,117
Utilisation of provisions	19		152	(152)
Removal of non-voted budget items				
Other adjustments		(1,837,402)	(2,195,853)	358,451
Net Cash Requirement		5,067,342	4,356,425	710,917

SOPS 5. Income payable to the Consolidated Fund**SOPS 5.1 Analysis of income payable to the Consolidated Fund**

The Department acts as principal for any funds payable to the Consolidated Fund in relation to the collection of BBC PSB Group contributions to Broadband.

During 2014-15 £150.0m was received for BBC PSB Group contributions to Broadband.

	Outturn 2014-15		Outturn 2013-14	
	Income	Receipts	Income	Receipts
	£'000	£'000	£'000	£'000
Amounts to be collected on behalf of Consolidated Fund				
- 2013-14 income	-	-	150,000	232,889
- 2014-15 income	150,000	150,000	-	-
Total	150,000	150,000	150,000	232,889

SOPS 5.2 Consolidated Fund Income

	2014-15 £'000	2013-14 £'000
Taxes and licence fees		
Wireless Telegraphy Act	265,797	274,309
Sports Ground Safety Authority	9	9
Court damages	2	-
Total received in year	265,808	274,318
Balance held at start of year	3,088	948
Payments to the Consolidated Fund	(256,125)	(272,178)
Balance held on trust at end of year	12,771	3,088

The amounts the Department collected as an agent for the Consolidated Fund (which are otherwise excluded from the Accounts) are included within Note 5.2 and relate to the Wireless Telegraphy Act (WTA) fees of £265,797k. These were receipts remitted by Ofcom to the Department for transfer to the Consolidated Fund.

The balance held on trust at end of 2014-15 represents Sports Ground Safety Authority receipts of £18k, Court ordered damages relating to damage of a heritage site of £2k not paid over to the Consolidated Fund and £12,751k for funds due to the Consolidated Fund for WTA fees. £4,042k of the WTA fees have been collected by Ofcom (Section 400) but not yet paid to DCMS and £8,709k of the WTA fees have been paid to DCMS but not yet paid over to the consolidated fund.

Consolidated Statement of Comprehensive Net Expenditure for the year ended 31 March 2015

	Note	2014-15				Restated 2013-14			
		Core Department £'000	Core Department & Agency £'000	Departmental Group £'000		Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	
Administration costs									
Staff costs	3	30,072	31,906	107,703		26,830	28,672	149,373	
Other costs	4	32,611	34,388	129,751		22,008	23,593	156,813	
Income	6	(931)	(1,941)	(29,510)		(1,904)	(2,993)	(81,360)	
Programme costs									
Staff costs	3	365	4,057	1,666,053		66	3,474	1,569,746	
Other costs	5	369,448	397,961	7,023,769		100,306	128,835	6,344,799	
Income	6	(289,287)	(310,309)	(3,814,619)		(244,371)	(264,711)	(3,783,222)	
Grant and subsidies to sponsored bodies	5	4,553,054	4,535,472	48,157		4,802,486	4,789,235	38,444	
Net operating costs for the year ended 31 March		4,695,332	4,691,534	5,131,304		4,705,421	4,706,105	4,394,593	
Total expenditure		4,985,550	5,003,784	8,975,433		4,951,696	4,973,809	8,259,175	
Total income		(290,218)	(312,250)	(3,844,129)		(246,275)	(267,704)	(3,864,582)	
Net operating costs for the year ended 31 March		4,695,332	4,691,534	5,131,304		4,705,421	4,706,105	4,394,593	
Other comprehensive net expenditure									
Net (gain)/loss on:									
- revaluation of property, plant & equipment, intangible assets and heritage assets		(1,183)	(1,673)	(989,442)		(425)	(702)	(518,481)	
- impairments		-	-	-		-	-	1,219	
- revaluation of available for sale financial assets		-	-	(91,140)		-	-	(20,158)	
- remeasurements		-	-	(421,910)		-	-	(105,508)	
Total other comprehensive net expenditure		(1,183)	(1,673)	(1,502,492)		(425)	(702)	(642,928)	
Total comprehensive expenditure for the period		4,694,149	4,689,861	3,628,812		4,704,996	4,705,403	3,751,665	

The Notes on pages 113 to 206 form part of these Accounts.

Consolidated Statement of Financial Position as at 31 March 2015

	Note	31 March 2015			Restated 31 March 2014			Restated 1 April 2013		
		Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Non-current assets										
Property, plant & equipment	7	3,546	30,016	6,674,582	2,582	27,392	5,863,351	3,144	27,094	5,349,485
Heritage assets	8	7,916	32,679	1,218,485	6,613	32,789	1,087,027	6,496	32,670	991,349
Intangible assets	10	86	185	71,246	5	170	83,315	15	221	47,197
Investments in associates and joint ventures		-	-	54	-	-	200	-	-	231
Investment properties	9	-	-	60,691	-	-	3,260	-	-	2,886
Trade and other receivables	15	5,176	5,176	28,095	-	-	23,310	82,918	82,918	167,591
Other financial assets	12	2,517	2,517	307,576	-	-	187,963	-	-	183,012
Total non-current assets		19,241	70,573	8,360,729	9,200	60,351	7,248,426	92,573	142,903	6,741,751
Current assets										
Assets classified as held for sale	16	-	-	87,495	-	-	494	-	-	1,454
Inventories	14	-	-	323,582	-	-	603,820	-	-	822,984
Trade and other receivables	15	13,355	15,327	1,276,425	11,857	14,021	1,671,895	4,140	6,287	1,148,245
Other financial assets	12	-	-	54,229	-	-	54,705	-	-	56,452
Cash and cash equivalents	17	84,507	85,958	2,184,805	72,429	72,940	2,350,261	20,571	22,921	2,360,431
Total current assets		97,862	101,285	3,926,536	84,286	86,961	4,681,175	24,711	29,208	4,389,566
Total assets		117,103	171,858	12,287,265	93,486	147,312	11,929,601	117,284	172,111	11,131,317
Current liabilities										
Trade and other payables	18	(208,231)	(219,002)	(2,610,545)	(117,981)	(131,286)	(2,708,193)	(87,993)	(103,797)	(2,996,718)
Provisions	19	(127)	(548)	(47,305)	(87)	(442)	(68,813)	(1,579)	(1,899)	(73,785)
Other financial liabilities	21	-	-	(3,000)	-	-	(62,569)	-	-	(352)
Total current liabilities		(208,358)	(219,550)	(2,660,850)	(118,068)	(131,728)	(2,839,575)	(89,572)	(105,696)	(3,070,855)
Non-current assets plus/(less) net current assets/liabilities		(91,255)	(47,692)	9,626,415	(24,582)	15,584	9,090,026	27,712	66,415	8,060,462

Consolidated Statement of Financial Position (continued)

	Note	31 March 2015			Restated 31 March 2014			Restated 1 April 2013		
		Core Department £'000	Department & Agency £'000	Departmental Group £'000	Core Department £'000	Department & Agency £'000	Departmental Group £'000	Core Department £'000	Department & Agency £'000	Departmental Group £'000
Non-current liabilities										
Provisions	19	(924)	(1,054)	(68,624)	(258)	(380)	(70,285)	(206)	(338)	(124,092)
Trade and other payables	18	-	-	(2,656,714)	-	-	(2,223,177)	(82,918)	(82,918)	(1,905,358)
Other financial liabilities	21	-	-	(9,683)	-	-	(1,354)	-	-	(59,885)
Pension liabilities	20	-	-	(1,125,484)	-	-	(1,625,348)	-	-	(1,703,911)
Total non-current liabilities		(924)	(1,054)	(3,860,505)	(258)	(380)	(3,920,164)	(83,124)	(83,256)	(3,793,246)
Total assets less liabilities		(92,179)	(48,746)	5,765,910	(24,840)	15,204	5,169,862	(55,412)	(16,841)	4,267,216
Taxpayers' equity and other reserves										
Taxpayers' funds										
General fund	SoCTE	(93,946)	(65,827)	2,651,806	(25,424)	(748)	2,922,629	(58,112)	(35,206)	2,341,697
Revaluation reserve	SoCTE	1,767	17,081	340,907	584	15,952	192,161	2,700	18,365	123,455
Total taxpayers' equity		(92,179)	(48,746)	2,992,713	(24,840)	15,204	3,114,790	(55,412)	(16,841)	2,465,152
Lottery funds	SoCTE	-	-	(1,526,911)	-	-	(1,173,565)	-	-	(811,025)
Charitable funds	SoCTE	-	-	4,300,108	-	-	3,228,637	-	-	2,613,089
Total reserves	SoCTE	(92,179)	(48,746)	5,765,910	(24,840)	15,204	5,169,862	(55,412)	(16,841)	4,267,216

Sue Owen (Accounting Officer)
8 July 2015

The Notes on pages 113 to 206 form part of these Accounts.

Consolidated Statement of Cash Flows for the year ended 31 March 2015

	Note	2014-15		Restated 2013-14	
		Core Department & Agency £'000	Departmental Group £'000	Core Department & Agency £'000	Departmental Group £'000
Cash flows from operating activities					
Net operating cost	SoCNE	(4,691,534)	(5,131,304)	(4,706,105)	(4,394,593)
Adjustments for non-cash admin expenditure	4	1,889	11,511	1,962	14,354
Adjustments for non-cash programme expenditure	5	2,937	362,840	1,073	487,605
Adjustments for non-cash programme income	6	-	(79,568)	-	7,125
Adjustments for non-cash pension costs		-	(148,930)	-	(58,492)
Reserves released to net operating costs		-	128	-	(309)
Adjustment for items shown in other sections of cash flow		(17)	56,472	-	2,765
(Increase)/decrease in inventories	14	-	280,238	-	219,164
Movements in inventories adjustment	14	-	33,980	-	(101,341)
(Increase)/decrease in trade and other receivables	15	(6,482)	390,685	75,184	(379,369)
Movements in receivables not passing through the SoCNE		7,621	2,003	3,078	(93,548)
Movements in bad debt provision		(1)	(190)	21	(42)
Increase/(decrease) in trade payables	18	87,716	335,889	(55,429)	29,294
Movements in payables not passing through the SoCNE		(39,423)	78,301	29,792	124,038
Utilisation of provisions	19	(152)	(45,370)	(574)	(88,608)
Payments for unfunded pensions	20	-	(352)	-	(375)
Net cash outflow from operating activities		(4,637,446)	(3,853,667)	(4,650,998)	(4,232,332)
Cash flows from investing activities					
Purchase of property, plant & equipment		(4,932)	(280,116)	(3,163)	(378,337)
Purchase of intangible assets		(121)	(18,665)	-	(50,365)
Investments in financial assets		(2,517)	(88,186)	-	(121,533)
Proceeds from disposal of property, plant & equipment		-	11,613	53	40,761
Proceeds from disposal of intangible assets		-	45	-	881
Proceeds from disposal of assets held for sale		-	(186)	-	1,451
Repayments and disposals of financial assets		-	50,491	-	113,602
Interest and dividend income	6	17	24,265	-	78,670
Net cash inflow/(outflow) from investing activities		(7,553)	(300,739)	(3,110)	(314,870)

Consolidated Statement of Cash Flows (continued)

	Note	2014-15		Restated 2013-14	
		Core Department & Agency £'000	Departmental Group £'000	Core Department & Agency £'000	Departmental Group £'000
Cash flows from financing activities					
From the Consolidated Fund (supply) - current year	SoCTE	4,360,723	4,360,723	4,937,954	4,937,954
Advances from the contingencies fund		49,896	49,896	40,000	40,000
Repayments to the contingencies fund		(49,896)	(49,896)	(40,000)	(40,000)
ODA return of equity		427,839	-	-	-
Capital element of payments in respect of finance leases		-	(94,084)	-	(98,400)
Repayments of financial liabilities		-	(61,196)	-	-
Interest on finance leases		-	(80,737)	-	(81,435)
Net cash inflow from financing activities		4,788,562	4,124,706	4,937,954	4,758,119
Cash transferred in/(out) of the group		10,735	5,524	-	12,740
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		154,298	(24,176)	283,846	223,657
Cash flow from non-financing activities					
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities		264,845	264,845	271,239	271,239
Payments of amounts to the Consolidated Fund	SoPS 5.1 & 5.2	(406,125)	(406,125)	(505,066)	(505,066)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		13,018	(165,456)	50,019	(10,170)
Cash and cash equivalents at the beginning of the period	17	72,940	2,350,261	22,921	2,360,431
Cash and cash equivalents at the end of the period	17	85,958	2,184,805	72,940	2,350,261

The Notes on pages 113 to 206 form part of these Accounts.

Statement of Changes in Taxpayers' Equity (Core Department and Agency) for the year ended 31 March 2015

	Note	Core Department				Core Department & Agency		
		General Fund £'000	Revaluation Reserve £'000	Total Reserves £'000	General Fund £'000	Revaluation Reserve £'000	Total Reserves £'000	
Restated balance at 1 April 2013		58,112	(2,700)	55,412	35,206	(18,365)	16,841	
Net parliamentary funding - drawn down		(4,937,954)	-	(4,937,954)	(4,937,954)	-	(4,937,954)	
Net parliamentary funding - deemed supply		(19,623)	-	(19,623)	(21,973)	-	(21,973)	
Supply payable/(receivable) adjustment	18	72,419	-	72,419	72,930	-	72,930	
CFERs payable to the Consolidated Fund	SoPS 5.1	150,000	-	150,000	150,000	-	150,000	
Net operating costs for the year	SoCNE	4,705,421	-	4,705,421	4,706,105	-	4,706,105	
Non-cash adjustments:								
Auditors' remuneration	4, 5	(410)	-	(410)	(451)	-	(451)	
Movements in reserves:								
Other comprehensive net expenditure	SoCNE	-	(425)	(425)	-	(702)	(702)	
Transfers between reserves		(2,541)	2,541	-	(3,115)	3,115	-	
Other movements		-	-	-	-	-	-	
Restated balance at 31 March 2014		25,424	(584)	24,840	748	(15,952)	(15,204)	
Net parliamentary funding - drawn down		(4,360,723)	-	(4,360,723)	(4,360,723)	-	(4,360,723)	
Net parliamentary funding - deemed supply		(72,419)	-	(72,419)	(72,930)	-	(72,930)	
Supply payable/(receivable) adjustment	18	75,778	-	75,778	77,229	-	77,229	
CFERs payable to the Consolidated Fund	SoPS 5.1	150,000	-	150,000	150,000	-	150,000	
Net operating costs for the year	SoCNE	4,695,332	-	4,695,332	4,691,534	-	4,691,534	
Non-cash adjustments:								
Auditors' remuneration	4, 5	(405)	-	(405)	(446)	-	(446)	
Movements in reserves:								
Other comprehensive net expenditure	SoCNE	-	(1,183)	(1,183)	-	(1,673)	(1,673)	
Transfers in/out of boundary		8,798	-	8,798	8,798	-	8,798	
Transfers between reserves		-	-	-	(544)	544	-	
Transfer to SoCNE		-	-	-	-	-	-	
Other movements		(427,839)	-	(427,839)	(427,839)	-	(427,839)	
Balance at 31 March 2015		93,946	(1,767)	92,179	65,827	(17,081)	48,746	

The Notes on pages 113 to 206 form part of these Accounts.

Consolidated Statement of Changes in Taxpayers' Equity (Departmental Group) for the year ended 31 March 2015

	Note	General Fund £'000	Revaluation Reserve £'000	Total Taxpayers' Equity £'000	Lottery Funds £'000	Charitable Funds £'000	Departmental Group Total Reserves £'000
Balance at 1 April 2013 before PPAs		(2,254,352)	(219,427)	(2,473,779)	787,314	(2,613,089)	(4,299,554)
Prior period adjustments		(87,345)	95,972	8,627	23,711	-	32,338
Restated balance at 1 April 2013		(2,341,697)	(123,455)	(2,465,152)	811,025	(2,613,089)	(4,267,216)
Net parliamentary funding - drawn down		(4,937,954)	-	(4,937,954)	-	-	(4,937,954)
Net parliamentary funding - deemed supply		(21,973)	-	(21,973)	-	-	(21,973)
Supply payable/(receivable) adjustment	18	72,930	-	72,930	-	-	72,930
CFERs payable to the Consolidated Fund	SoFS 5.1	150,000	-	150,000	-	-	150,000
Net operating costs for the year	SoCNE	4,284,647	-	4,284,647	259,532	(149,586)	4,394,593
Non-cash adjustments:							
Auditors' remuneration	4, 5	(451)	-	(451)	-	-	(451)
Movements in reserves:							
Other comprehensive net expenditure	SoCNE	(109,374)	(71,677)	(181,051)	3,822	(465,699)	(642,928)
Transfers in/out of boundary		3,800	-	3,800	99,223	-	103,023
Transfers between reserves		(2,971)	2,971	-	-	-	-
Transfer to SoCNE		-	-	-	-	309	309
Other movements		(19,586)	-	(19,586)	(37)	(572)	(20,195)
Restated balance at 31 March 2014		(2,922,629)	(192,161)	(3,114,790)	1,173,565	(3,228,637)	(5,169,862)
Net parliamentary funding - drawn down		(4,360,723)	-	(4,360,723)	-	-	(4,360,723)
Net parliamentary funding - deemed supply		(72,930)	-	(72,930)	-	-	(72,930)
Supply payable/(receivable) adjustment	18	77,229	-	77,229	-	-	77,229
CFERs payable to the Consolidated Fund	SoFS 5.1	150,000	-	150,000	-	-	150,000
Net operating costs for the year	SoCNE	4,949,029	-	4,949,029	340,901	(158,626)	5,131,304
Non-cash adjustments:							
Auditors' remuneration	4, 5	(446)	-	(446)	-	-	(446)
Movements in reserves:							
Other comprehensive net expenditure	SoCNE	(456,388)	(149,562)	(605,950)	13,053	(909,595)	(1,502,492)
Transfers in/out of boundary		(2,375)	-	(2,375)	-	(3,122)	(5,497)
Transfers between reserves		(816)	816	-	-	-	-
Transfer to SoCNE		-	-	-	-	(128)	(128)
Other movements		(11,757)	-	(11,757)	(608)	-	(12,365)
Balance at 31 March 2015		(2,651,806)	(340,907)	(2,992,713)	1,526,911	(4,300,108)	(5,765,910)

The Notes on pages 113 to 206 form part of these Accounts.

Notes

1. Statement of accounting policies

1.1 Basis of Preparation

These Accounts have been prepared in accordance with the 2014-15 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. The use of IFRS includes International Accounting Standards (IAS) and Interpretations of IAS and IFRS issued by the Standards Interpretations Committee (SIC) or the International Financial Reporting Interpretations Committee (IFRIC).

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Department, the Agency and the Arms Length Bodies (the Group) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Group are described below. They have been applied consistently in dealing with items that are considered material to the Accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires the Department to prepare an additional primary statement. The Statement of Parliamentary Supply and supporting notes show Outturn against Estimate in terms of the Resource and Capital budgets and non-budget expenditure and the Net Cash Requirement.

1.2 Accounting Convention

These Accounts have been prepared on an accruals basis under the historical cost convention, as modified to account for the revaluation of non-current assets and, where material, current asset investments, inventories and assets held for sale.

1.3 Presentational Currency

The Accounts are presented in pounds sterling, the functional currency of the Group, and all values are rounded to the nearest thousand pounds (£'000).

1.4 Basis of Consolidation

The Group Accounts comprise a consolidation of the Core Department, its supply financed Agency, The Royal Parks (The Agency) and the Arms Length Bodies (ALBs) and their various subsidiaries which fall within the Departmental boundary.

In the preparation of the Group Accounts, the Department is required to adopt consistent and uniform accounting policies across all entities with appropriate adjustments made where any differences have a material impact on the Accounts. The Group accounting policies allow, where possible, for variations in order to reflect particular circumstances of ALBs and their subsidiaries.

British Broadcasting Corporation Public Services Broadcasting Group (BBC PSB Group)

The BBC PSB Group results consolidated within these Accounts are based on that part of the wider BBC funded by the Exchequer through the grant-in-aid mechanism (where the amount is based on TV Licence Fees collected). For the purposes of these Accounts the Exchequer funded part of the BBC is taken to be the BBC PSB Group which is responsible for all the services provided by the BBC for the purpose of promoting its public purposes, except the commercial services.

From 2014-15 the BBC PSB Group also includes BBC World Service and BBC Monitoring. See Note 28.

All significant intra-departmental transactions and balances between entities within the Departmental boundary are eliminated.

A list of all the Arms Length Bodies within the Departmental boundary, and included in the Group results (along with the Department and its Agency), is given at Note 29.

1.5 Going Concern

In common with other Government Departments, the Group's liabilities are expected to be met by future grants of supply and the application of future income, both to be approved annually by Parliament. There is no reason to believe that future Parliamentary approval will not be forthcoming, and therefore, in accordance with FReM 2.2.3, it has been concluded as appropriate to adopt the going concern basis of preparation for these Accounts.

1.6 Administration and Programme Expenditure and Income

The Consolidated Statement of Comprehensive Net Expenditure is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definitions set out in the Consolidated Budgeting Guidance issued by HM Treasury.

Administration expenditure reflects the costs of running the Department, and those of its ALBs allocated an administration budget in the Spending Round. Some categories of ALBs did not have an administration budget allocation, and therefore they report only programme costs. Programme costs reflect non administration expenditure, and include payments of grants and expenditure on ALBs objectives.

1.7 Grants

Grant-in-aid

Financing to ALBs through grant-in-aid payments is reported on a cash basis in the period in which payments are made.

All grant-in-aid and grants by the Department to its ALBs, as well as any intra-group grants between the ALBs, are fully eliminated within the Group.

Grants

Grants payable or receivable by the ALBs are accounted for on an accruals basis. Grants receivable include funding from lottery funds. Grants payable include multi-year grants and performance related grants which are classified as either current or non-current provisions (Note 1.27) depending on the timing of the payment and the terms of the grant.

Grants payable by Lottery Distributor Bodies

In the 2014-15 year lottery distributors moved from commitment accounting to accruals accounting as a result of changes in the Accounts Direction. Restatements arising as a result of this change are shown in Note 28 to the Accounts.

1.8 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the Department or passed legislation. By their nature they are items that ideally should not arise.

1.9 Operating Income and Revenue Recognition

Operating income is income which relates to the operating activities of the Group and includes both budgetary and non-budgetary income. Non-budgetary income is outside the ambit of the Group budget and is due to the Consolidated Fund as Consolidated Fund Extra Receipts (CFERs). More details are included in SoPS Note 5.

Revenue is measured at the fair value of consideration received or receivable and comprises primarily fees and charges for services rendered on a full cost basis. Operating income is stated net of VAT. The major categories of operating income include fees and charges (e.g. admission fees and membership income), trading income (e.g. retail and catering income), donations (in the form of cash or assets), gifts in kind, sponsorship income and non-governmental grants (both revenue and capital).

Grants received by entities within the Group

Grants funding, in respect of capital and revenue expenditure, is credited to the Consolidated Statement of Comprehensive Net Expenditure in the year in which the entitlement to the monies arise in accordance with the application of IAS 20 *Accounting for Government grants and Disclosure of Government Assistance* recommended by the FReM.

1.10 Deferred Income

Deferred income relates to payments received in advance of the accounting period to which they relate or where grant conditions have not yet been met and the contract includes provisions for the return of funds. The deferred income is released to the Consolidated Statement of Comprehensive Net Expenditure in the period to which it relates.

1.11 Property, Plant and Equipment

In accordance with the FReM, all tangible non-current assets are to be carried at fair value at the reporting period, except where noted below.

Freehold land and buildings are revalued to fair value every five years on a rolling basis, and valuations are carried out by professional valuers. In the intervening periods, the value of land and buildings are updated annually using appropriate indices, or in the case of the BBC the key variables underpinning the valuations (i.e. yields, rents and other assumptions) are reviewed, and where there are material changes the valuations are adjusted accordingly. The valuation approach adopted follows the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Standards.

Information regarding the date of the last valuation undertaken and valuers engaged by ALBs within the Group to carry out the valuation can be found in either the Group Accounts or the published Annual Accounts of the ALBs. All other tangible assets (non-property) are carried at fair value using appropriate indices, where material. Some ALBs have used depreciated historic cost as a proxy for fair value on short life/low value assets when they deem the fair value adjustment is not materially different from the depreciated historic cost. As such these tangible non-current assets are not revalued.

Assets under Construction

Assets under Construction are held at cost until they are physically complete. On completion they are revalued and measured at fair value. Any impairment arising on revaluation will be charged to the Consolidated Statement of Comprehensive Net Expenditure, whilst any uplift in value will be credited to the Revaluation Reserve. When these assets are brought into use, they may be held by that ALB, transferred to another ALB or sold. Where the asset is transferred to another ALB, it may be transferred at nil consideration if appropriate and subject to Departmental approval. Where an asset is transferred to another ALB or sold a disposal is recorded in the Accounts.

The policy on heritage assets is disclosed at Note 1.13.

Capitalisation thresholds

The thresholds across the Group range from £1,000 to £10,000 (including irrecoverable VAT). The Core Department's capitalisation threshold is £2,000 whilst that of the Agency is £5,000.

1.12 Depreciation and Amortisation

Depreciation is provided to write off the cost of each class of asset, less its estimated residual value, over its estimated useful life. The depreciation method used is that which provides a realistic reflection of the consumption of that asset.

The major categories of non-current assets are depreciated as follows:

• Freehold and long leasehold land	Not depreciated
• Freehold buildings	Up to 100 years
• Short leasehold improvements/buildings	Term of the lease
• Long leasehold improvements/buildings	10-50 years
• Information technology	3-5 years
• Plant and machinery	3-30 years
• Furniture and fittings	3-20 years
• Antiques, works of art and collections	Not depreciated
• Assets under construction	Not depreciated until the asset is brought into use
• Intangible assets	2-5 years

Depreciation methods, estimated useful lives and residual values are reviewed at each reporting date.

1.13 Heritage Assets

Heritage assets are assets held to preserve the nation's heritage and are maintained for their contribution to knowledge and culture. Heritage assets held by the Group consist of historic artefacts and archives, works of art, collection items, historic land and buildings. Operational heritage assets (which mainly comprise buildings) are used by the Group to generate revenue or to provide other services. Operational heritage assets are valued and depreciated in the same way as other assets of that type.

Non-operational heritage assets are assets held primarily in pursuit of the Group's overall objectives in relation to the maintenance of heritage. Non-operational heritage assets are stated at cost or value depending on the availability of information. The assets being reported at cost and those being reported at valuation are presented separately in Note 8.1. Valuation changes in heritage assets reported at valuation are recognised in the Other Comprehensive Expenditure section of the Consolidated Statement of Comprehensive Net Expenditure except for impairment losses.

The majority of heritage assets (works of art and collections) are not depreciated as the length of their expected useful economic life is regarded to be close to infinite.

For the collections that existed at March 2001, the Group is of the opinion that valuation information cannot be obtained at a cost commensurate with the benefits to users of the Accounts. Therefore valuation is not practicable and the Group has adopted a non-recognition approach. Assets acquired since March 2001 have been capitalised.

1.14 Donated Assets

Donated assets are capitalised at fair value on receipt, and this value is credited to the Consolidated Statement of Comprehensive Net Expenditure. Donated assets are revalued, depreciated and subject to impairment as appropriate in the same manner as heritage assets or other non-current assets. Donated services or facilities: including gifts in kind, are included in the Consolidated Statement of Comprehensive Net Expenditure at the value to the Group where this can be quantified. Cash donations are recorded on a cash received basis.

1.15 Intangible Non-current Assets

In accordance with the FReM, all intangible assets are carried at fair value. Intangible assets held by the Group mainly relate to software licenses. Depreciated historical cost is used as a proxy for fair value on short life or low value assets, which is considered not to be materially different from fair value.

Income generating intangibles are capitalised based on the associated expected income streams.

Intangible assets are amortised using the straight-line method over their expected useful life which ranges between 2-5 years for internally generated assets; the license period for purchased licenses; or the period of expected income streams for income generating assets.

1.16 Revaluation and Impairment of Non-Current Assets

Increases in value are credited to the Revaluation Reserve, unless it is a reversal of a previous impairment. Reversals are credited to the Consolidated Statement of Comprehensive Net Expenditure to the extent of the previous impairment and any excess is credited to the Revaluation Reserve, in accordance with IAS 36 *Impairment of Assets*.

Impairments of revalued assets that do not result from a clear consumption of economic benefits are debited to the Revaluation Reserve up to the level of depreciated historical cost. Any excess devaluation is charged to the Consolidated Statement of Comprehensive Net Expenditure. Each year, the realised element of the reserve (i.e. an amount equal to the excess of the actual depreciation over depreciation based on historical cost) is transferred from the reserve to the General Fund.

Impairment losses that result from a clear consumption of economic benefit are taken directly to the Consolidated Statement of Comprehensive Net Expenditure. Where the impairment relates to a revalued asset, the balance on the Revaluation Reserve to which the impairment would have been charged is transferred to the General Fund to ensure consistency with IAS 36.

On disposal of a revalued asset, the balance on the Revaluation Reserve in respect of that asset becomes fully realised and is transferred to the General Fund. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Net Expenditure.

All non-current assets are reviewed for impairment if circumstances indicate that the carrying amount may not be recoverable. In addition, intangible assets with an indefinite useful life are not subject to amortisation and are instead tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

1.17 Investment Properties

The Group holds a number of properties which have been classified as investment properties and are not depreciated in accordance with IAS 40 Investment Property, but may be impaired or revalued to provide a carrying value at their estimated fair value. Fair value is based on active market prices subject to the nature, location or condition of the specific asset. Full valuations are undertaken every five years with desk top reviews carried out in intervening periods. Gains or losses arising in fair value of investment property are recognised in the Consolidated Statement of Comprehensive Net Expenditure.

If an investment property is leased out under an operating lease, the leased asset remains within investment property in the Consolidated Statement of Financial Position. The lease

revenue is recognised over the term of the lease on a straight-line basis in the Consolidated Statement of Comprehensive Net Expenditure.

1.18 Investments in Subsidiaries

Investments in subsidiaries which have been classified as public sector are stated at fair value in accordance with the FReM. Where the fair value is not available, the net assets of the subsidiary have been used as a proxy.

1.19 Research and Development

Development expenditure is capitalised as per IAS 38 *Intangible Assets* if the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- The Group intends to complete the software product and use it;
- There is an ability to use the software product;
- It can be demonstrated how the software product will generate future service potential;
- Adequate technical, financial and other resources to complete the development and to use the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Other development expenditure that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent year.

Expenditure on research activities is recognised in the Consolidated Statement of Comprehensive Net Expenditure in the period in which it is incurred.

1.20 Assets Held for Sale

In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations where an asset is actively being marketed for sale, the carrying amount of an asset is to be recovered by sale rather than continuing use and a sale is expected to be completed within one year of the reporting date, the asset is reclassified as an asset held for sale. Such assets are disclosed separately in the Consolidated Statement of Financial Position and are measured at the lower of carrying amount and fair value less costs to sell. Once classified as assets held for sale, depreciation is no longer applied.

1.21 Inventories

Inventories are valued at the lower of cost or net realisable value. Inventories of finished goods and goods for resale are valued at cost, or where materially different, current replacement cost. A net realisable valuation is used only when inventories cannot or will not be used. Work in progress is valued at the lower of cost and net realisable value.

Inventories across the Group consist of raw materials, work in progress, finished goods and consumable stores. Inventories used by the Public Broadcasting Authorities will include amounts for public service programmes that are in production, completed programmes that are ready for broadcast, but not yet aired, and rights secured to broadcast programmes produced by independent companies. Originated programmes are stated at the lower of cost and net realisable value, and the full value is written off on first transmission. The costs of acquired programmes and films are also written off on first transmission, except to the extent that the numbers of further showings are contractually agreed when it is written off according to its expected transmission profile.

Direct costs incurred in the commissioning or purchase of public service programmes as yet untransmitted are carried forward as inventory, after providing for expenditure on material which is unlikely to be transmitted. For a series of programmes, the allocation of inventory between programmes completed but not yet transmitted and programmes in the course of production is based on total costs to date and the contractual cost per completed episode.

Direct cost is defined as payments made or due to production companies or programme suppliers.

1.22 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and other short term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

1.23 Financial Instruments

Financial instruments include all contractual arrangements to deliver or receive cash. Therefore they include trade receivables and payables and loans as well as more complex instruments such as derivatives. Forward exchange contracts allow the buying or selling of currency at a fixed exchange rate with delivery made on a given date or dates in the future.

The Department and Group hold various derivative and non-derivative financial instruments (including assets such as trade investments and liabilities such as borrowings). The accounting policy for major categories of financial instruments is set out below.

Impairment of Financial Assets

An assessment of whether there is objective evidence of impairment is carried out for material financial assets or groups of financial assets at the Statement of Financial Position date. Objective evidence includes significant financial difficulty of the issuer or debtor, disappearance of an active market for the financial asset because of financial difficulties, or data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the official recognition.

Where objective evidence exists that a financial instrument is impaired, or for example, through a significant or prolonged decline in fair value of the asset below its cost, its loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted where material. The impairment loss is recognised in the Consolidated Statement of Comprehensive Net Expenditure.

Investments in equity securities (traded and non-traded)

Investments in equity securities held by the Group are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised in the Consolidated Statement of Comprehensive Net Expenditure, except for impairment losses. When these investments are derecognised the cumulative gain or loss is recognised in the Consolidated Statement of Comprehensive Net Expenditure.

Investment Funds

Investment Funds are classed as assets held for sale. They are included in non-current assets unless the Group intends to dispose of, or realise, the investment within 12 months of the balance date.

These investments are measured at their fair value, with gains and losses recognised in Other Comprehensive Net Expenditure, except for impairment losses, which are recognised in the Consolidated Statement of Comprehensive Net Expenditure.

On derecognition, the cumulative gain or loss previously recognised in Other Comprehensive Net Expenditure is reclassified from equity to the Consolidated Statement of Comprehensive Net Expenditure.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at the fair value of directly attributable transaction costs less an allowance for estimated impairment. The allowance is based on objective evidence that the Group will not be able to recover all amounts due. Changes in the carrying amount of the allowance are recognised in the Consolidated Statement of Comprehensive Net Expenditure.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, where it is significant long term.

1.24 Employee Benefits

In accordance with IAS 19 *Employee Benefits*, the Group is required to recognise short term employee benefits when an employee has rendered service in exchange for those benefits. Included in the Accounts is an accrual for the outstanding employee paid holiday entitlement at the period end date.

1.25 Leases

A distinction is made between finance leases and operating leases in accordance with IAS 17 *Leases*.

Finance leases

Where the Group substantially retains all the risks and rewards incidental to ownership of an asset, leases are classified as finance leases. At inception of the lease term, the finance lease assets and liabilities are capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges with the corresponding rental obligations, net of finance charges included in either current or non-current payables depending on the dates the Group is contractually obliged to make rental payments. The interest element of the finance cost is charged to the Consolidated Statement of Comprehensive Net Expenditure over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The assets acquired under finance leases are classed as property, plant and equipment and depreciated over the shorter of the useful economic life of the asset and the lease term.

Operating leases

Leases other than finance leases are classified as operating leases. Rental payments made under operating leases are charged to the Consolidated Statement of Comprehensive Net Expenditure over the period of the lease. Benefits received or receivable as an incentive to enter into an operating lease are also spread over the lease term.

1.26 Pensions

1.26.1 Funded pension schemes

A number of ALBs participate in defined benefit pension schemes as described in Note 20. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The net obligation in respect of these defined benefit pensions plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value, and the fair values of plan assets are deducted. Actuarial gains and losses that arise are recognised in the period they occur through the Consolidated Statement of Other

Comprehensive Expenditure. The most significant funded defined benefit scheme in the Group is operated by the BBC.

BBC Pension Scheme

The BBC operates a defined benefit plan, of which the majority of BBC staff are members; this provides benefits based on pensionable pay. The assets of the BBC's pension scheme are held in a separate fund, and on retirement, members of the BBC's main pension scheme are paid their pensions from this fund. The BBC makes cash contributions to that fund in advance of members' retirement.

1.26.2 Unfunded pension schemes

A number of the employees of the Department and the ALBs are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS) as described in Note 3.

The PCSPS defined benefit schemes are unfunded. The participating bodies within the Group recognise 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 elements of the Schemes, the Group recognises the contributions payable for one year. Contributions to the defined benefit pension scheme are charged to the Consolidated Statement of Comprehensive Net Expenditure in accordance with actuarial recommendations so as to spread the cost of the pensions over the employees' expected working lives.

1.26.3 Other unfunded defined benefit pension schemes

The employees of some ALBs are members of other unfunded defined benefit pension schemes, but the participating employers are unable to identify their share of the underlying liability. Employer contributions to the defined benefit schemes are charged to the Consolidated Statement of Comprehensive Net Expenditure in the period to which they relate.

1.26.4 Early departure costs

For past early departure schemes, the Group meets the additional costs of benefits beyond the normal PCSPS benefits, in respect of employees who retire early, by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The total cost is provided for in full when the early departure programme has been announced and is binding on the Group.

1.27 Provisions

In accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle that obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). Each year the financing charges in the Consolidated Statement of Comprehensive Net Expenditure include the adjustments to unwind one year's discount so that liabilities are shown at current price levels.

1.28 Taxation

Value Added Tax (VAT)

VAT is paid or received in accordance with the prevalent tax rules. In general, most of the activities of the Group are outside the scope of VAT and output tax does not normally apply. Some ALBs have trading activities where VAT is charged at the prevailing rate and where related input VAT costs are deemed recoverable. Input tax is also recoverable on certain contracted-out services.

Irrecoverable VAT is charged to the relevant expenditure category or, if appropriate, capitalised with additions to non-current assets.

Corporation Tax

Corporation tax is liable on the taxable activities of the Group that fall within the scope of corporation tax. The tax charge represents the sum of currently payable and deferred tax which is recognised in the Consolidated Statement of Comprehensive Net Expenditure except where they relate to items recognised directly in taxpayers' equity, in which case they are recognised in the Consolidated Statement of Taxpayers' Equity.

Current tax is the expected tax payable for the year by the Group, using tax rates that are enacted or substantively enacted at the accounting date, and any adjustment to tax payable in respect of previous years.

1.29 Reserves

The Consolidated Statement of Taxpayers' Equity comprises the reserves for the Department, Department and Agency, and the Group.

These reserves include:

- The General Fund reserve represents the Group's total taxpayers' equity not including the Charitable and Lottery Funds. These reserves are made up of total assets less liabilities, to the extent that the total is not represented by other reserves and financing items.
- The Revaluation Reserve reflects the unrealised balance of the cumulative indexation and revaluation adjustments to assets (other than donated assets, assets funded by grants, and assets held in Charitable or Lottery Funds).
- The Lottery Funds are the total reserves of the lottery distributors within the Group. As these are presented after Elimination they will not agree back to the individual ALB accounts. The Lottery Funds comprise the General Fund, and Revaluation Reserve held by the lottery distributor. These reserves are shown in the Accounts as a combined figure as they are reserves only for use by the lottery distributors.
- The Charity Funds are the total reserves of the charitable ALBs within the Group. As these are presented after Elimination they will not agree back to the individual ALB accounts. These comprise the Charity General Funds, Restricted Reserves, Unrestricted Reserves, and any pension or revaluation reserve held by the charity ALBs. These reserves are shown in the Departmental Consolidated Accounts as a combined figure as they are reserves only for use by the charitable ALBs.

1.30 Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the DCMS Board.

The segmental analysis at Note 2 presents the financial information based on the structure reported to the Board. The segments reflect the operational structure within the Department.

1.31 Third Party Assets

The Group holds, as custodian or trustee, certain assets belonging to third parties. These are not recognised in the Accounts, since the Department does not have a direct beneficial interest in them.

Any third party monies held at the Government Banking Service (GBS) or Office of HM Paymaster General at the end of the reporting period are recognised as both cash and cash equivalents (Note 17) and trade payables and other current liabilities (Note 18), and therefore have no net impact on the Consolidated Statement of Financial Position.

1.32 Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, 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 £300k (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; and
- All items (where they arise in the normal course of business) over £300k (or lower where required by specific statute or where material in the context of the Accounts) which are required by the FReM to be noted in the Accounts.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

1.33 Contingent Assets

A contingent asset is a possible asset whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the DCMS group. Where the time value of money is material, the contingent assets are stated at discounted amounts.

1.34 Accounting Estimates and Judgements

Critical accounting estimates and judgements

The preparation of the Group's Accounts requires management of the Core Department, the Agency and the ALB's to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenditure. The resulting accounting estimates will, by definition, seldom equal the related actual results. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Valuation of non-current assets

The value of the Group's property, plant and equipment and intangibles is estimated based on the period over which the assets are expected to be available for use. Such estimation is based on experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence or legal or other limits on the use of an asset.

The valuation of the BBC PSB Group's property assets are based on future rental income. Inherent in this valuation are estimates of future rental which is subject to movements in the rental market. Specialist adaptations (e.g. studios) have been valued on depreciated current replacement cost.

The Group has a number of buildings and works of art that are classed as heritage assets. These specialised non-current assets have a restricted use and cannot be sold on the open market. Consequently they are, where possible, valued using the depreciated current replacement cost to a modern equivalent basis.

Pension costs

The present value of the net pension liability detailed in Note 20 depends on a number of actuarially derived assumptions about inflation, salary and pension trends, discount factors, mortality rates, and long term rate of return on the assets (equities, bonds and property) underlying the relevant pension funds. The estimated liability is subject to fluctuation and uncertainty due to changes in these assumptions over time and differences between assumptions and actual events. A small change in assumptions can have a significant impact on the valuation of the liabilities. Further analysis on the sensitivity of the BBC pension assumptions is given in note 20.2.1.

Provisions for liabilities and charges

The provisions for liabilities and charges reported in Note 19 reflect judgements about the likelihood that a future transfer of economic benefits will arise as a result of past events. Where the likelihood of a liability crystallising is deemed probable and where it is possible to quantify the effect with reasonable certainty, a provision is recognised. Where the likelihood of potential liabilities crystallising is judged to be possible, a contingent liability is disclosed.

1.35 Machinery of Government Changes

During the year BBC World Service transferred from the Foreign and Commonwealth Office to the Department. Refer to Note 28 for details.

1.36 Changes in the Group Boundary

During 2014-15 the Office for National Statistics (ONS) classified PhonePayPlus as a Central Government body and it was added to the DCMS Designation Order (Note 29). Prior year comparatives have not been restated as PhonePayPlus is not material to the DCMS Group. PhonePayPlus has been transferred in to DCMS Group as at 1 April 2014.

The Olympic Development Authority (ODA) was dissolved as at 2 December 2014 by Statutory Instrument (The Olympic Delivery Authority (Dissolution) Order 2014 No. 3184). The property, rights and liabilities of the ODA transferred under absorption accounting to the Core Department on the date of dissolution.

1.37 Changes to Accounting Standards Not Yet Effective

The Department has assessed the following standards, amendments and interpretations that have been issued but are not yet effective and determined not to adopt them before the effective date when adoption would be required on the grounds that the changes would have no, or an immaterial, effect on these accounts and would not provide additional information that would aid the reader.

IFRS 9 *Financial Instruments* – effective date: financial periods beginning on or after 1 January 2015, however, adoption by the Financial Reporting Manual is subject to consultation. This change simplifies the classification and measurement of financial assets.

IFRS 13 *Fair Value Measurement* – effective date: this standard was effective from 1 January 2013 for the private sector. The likely effective date for adoption in the public sector is expected to be 1 April 2015, early adoption is not permitted. The proposed change provides consistent guidance on fair value measurement.

IAS 36 *Impairment of Assets* – effective date: this standard was effective from 1 January 2014 for the private sector. The likely effective date for adoption in the public sector is expected to be 1 April 2015 to be applied when IFRS 13 is adopted. The proposed change clarifies the scope of certain disclosures.

2. Statement of Operating Costs by Operating Segment

2.1 Statement of Comprehensive Net Income by Operating Segment

	Note	2014-15							Restated 2013-14				
		Core Department £'000	BBC PSB Group £'000	Olympics £'000	Other £'000	Amounts eliminated on consolidation £'000	Total as per Group SoCNE £'000	Core Department £'000	BBC PSB Group £'000	Olympics £'000	Other £'000	Amounts eliminated on consolidation £'000	Total as per Group SoCNE £'000
Grant and subsidies to sponsored bodies		4,553,054	-	-	-	(4,504,897)	48,157	4,802,486	-	-	-	(4,764,042)	38,444
Other grants		361,181	-	37,265	2,794,935	(44,103)	3,149,278	97,164	-	1,820	2,349,831	(45,040)	2,403,775
Broadcasting and media expenditure		-	2,586,266	-	74,165	(232,510)	2,427,921	-	2,442,725	-	77,279	(231,513)	2,288,491
Depreciation and amortisation		1,123	177,808	-	131,488	-	310,419	1,272	146,828	356	137,022	-	285,478
Impairments		153	-	(33,981)	16,575	-	(17,253)	98	-	101,341	45,712	-	147,151
Interest expense		-	80,631	-	430	(17)	81,044	-	81,503	-	421	-	81,924
Income tax expense		-	5,149	-	84	-	5,233	-	7,777	(1)	56	-	7,832
Other expenditure		70,039	1,354,495	276,364	1,276,289	(6,699)	2,970,488	50,676	1,057,707	413,545	1,272,183	211,969	3,006,080
Profit or loss of associates and joint ventures		-	146	-	-	-	146	-	-	-	-	-	-
Total expenditure	SoCNE	4,985,550	4,204,495	279,648	4,293,966	(4,788,226)	8,975,433	4,951,696	3,736,540	517,061	3,882,504	(4,828,626)	8,259,175
Grant income (excluding grant-in-aid)		(133,427)	(3,139)	(6,478)	(126,774)	110,171	(159,647)	(71,635)	(5,100)	(90,375)	(177,190)	130,346	(213,954)
Broadcast licence		(150,000)	(619,122)	-	-	150,000	(619,122)	(150,000)	(607,800)	-	-	150,000	(607,800)
Property sale - East Village		-	-	(255,895)	-	-	(255,895)	-	-	-	-	-	-
Unwind of present value discount on sale of the Tote		-	-	-	-	-	-	-	-	-	-	-	-
Interest revenue		(17)	(5,718)	(24)	(2,120)	17	(7,862)	-	(8,305)	(74)	(2,738)	-	(11,117)
Other income		(6,774)	(190,276)	(1,148)	(2,626,547)	23,142	(2,801,603)	(24,640)	(327,407)	(380,931)	(2,321,453)	22,720	(3,031,711)
Total Income	SoCNE	(290,218)	(818,255)	(263,545)	(2,755,441)	283,330	(3,844,129)	(246,275)	(948,612)	(471,380)	(2,501,381)	303,066	(3,864,582)
Net operating costs for the year ended 31 March		4,695,332	3,386,240	16,103	1,538,525	(4,504,896)	5,131,304	4,705,421	2,787,928	45,681	1,381,123	(4,525,560)	4,394,593

2.2 Statement of financial position by Operating Segment

		2014-15						Restated 2013-14					
		Core Department £'000	BBC PSB Group £'000	Olympics £'000	Other £'000	Amounts eliminated on consolidation £'000	Total as per Group SoFP £'000	Core Department £'000	BBC PSB Group £'000	Olympics £'000	Other £'000	Amounts eliminated on consolidation £'000	Total as per Group SoFP £'000
	Note	97,862	1,794,244	-	2,070,793	(36,363)	3,926,536	84,286	1,987,006	569,424	2,092,846	(52,387)	4,681,175
Current assets													
Investment in associates and joint ventures		-	54	-	-	-	54	-	200	-	-	-	200
Other non-current assets		19,241	1,489,093	-	6,856,654	(4,313)	8,360,675	9,200	1,478,790	-	5,760,236	-	7,248,226
Total assets	SoFP	117,103	3,283,391	-	8,927,447	(40,676)	12,287,265	93,486	3,465,996	569,424	7,853,082	(52,387)	11,929,601
Current liabilities		(208,358)	(801,636)	-	(1,653,511)	2,655	(2,660,850)	(118,068)	(805,281)	(182,279)	(1,734,405)	458	(2,839,575)
Non-current liabilities		(924)	(1,879,273)	-	(2,018,329)	38,021	(3,860,505)	(256)	(2,437,555)	(1,400)	(1,532,880)	51,929	(3,920,164)
Total liabilities	SoFP	(209,282)	(2,680,909)	-	(3,671,840)	40,676	(6,521,355)	(118,326)	(3,242,836)	(183,679)	(3,267,285)	52,387	(6,759,739)
Total assets less liabilities	SoFP	(92,179)	602,482	-	5,255,607	-	5,765,910	(24,840)	223,160	385,745	4,585,797	-	5,169,862

The Department reports its expenditure by operating segment in accordance with IFRS 8 *Operating Segments*. The Group's operations are organised and managed by body. This includes the Department, its Agency and ALBs. The Group operating segments reflect the major bodies by expenditure within the Group, with the less significant bodies within the boundary being included within the operating segment 'Other'. Each reportable segment represents a business or corporate unit. The operating segments included above are those used for reporting to the Department's Board.

The BBC is governed by Royal Charter and an associated Agreement with Government. The Charter and Agreement set out the BBC's accountability to Parliament for use of the public money it receives whilst at the same time preserving the BBC's independence on editorial policy and programming.

3. Staff numbers and related costs

Staff costs comprise:	2014-15						Restated 2013-14
	Permanently employed staff £'000	Others £'000	Contract and Agency Staff £'000	Ministers £'000	Special Advisors £'000	Total £'000	Total £'000
Wages & salaries	1,325,547	6,675	34,647	134	178	1,367,181	1,342,169
Social security costs	127,252	485	-	10	21	127,768	123,334
Pension costs	278,731	164	-	-	24	278,919	255,127
Total costs	1,731,530	7,324	34,647	144	223	1,773,868	1,720,630
Less: Recoveries in respect of outward secondments	(112)	-	-	-	-	(112)	(1,511)
Total net costs	1,731,418	7,324	34,647	144	223	1,773,756	1,719,119
Of which:							
Core Department	22,940	257	6,873	144	223	30,437	26,896
Agency	3,941	1,011	574	-	-	5,526	5,250
Arms Length Bodies	1,704,537	6,056	27,200	-	-	1,737,793	1,686,973
Total Net Costs	1,731,418	7,324	34,647	144	223	1,773,756	1,719,119

The pension attributable to the BBC PSB Group cannot be separately identified from the wider BBC Group Pension. Accordingly the pension costs included above include the pension costs for the entire BBC Group and therefore inflate the Group's staff costs.

In addition to staff costs above £5,560k (2013-14: £10,729k) was charged to capital.

Staff costs include an accrual for holiday pay in accordance with IAS 19 Employee Benefits.

Principal Civil Service Pension Scheme (PCSPS)

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 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation: (www.civilservicepensionscheme.org.uk).

For 2014-15, employers' contributions of £3,628k (2013-14: £3,257k) for the Department and £685k (2013-14: £655k) for the Agency were payable to the PCSPS at one of four rates in the range 16.7% to 24.3% (2013-14: 16.7% to 24.3%) of pensionable pay, based on salary bands. Group employers' contributions of £56,582k (2013-14: £55,667k) were payable to the PCSPS at rates in the range of 16.7% to 25.5% (2013-14: 16.7% to 25.5%). The Scheme Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2014-15 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. Employer's contributions by the Department were £13k (2013-14: £8k), and by the Agency were £18k (2013-14: £9k) and by the Group were £1,936k (2013-14: £1,738k). These contributions were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3.0% to 12.5% (2013-14: 3% to 15.5%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

In addition, employer contributions of £1k (2013-14: £0.5k) for the Department, £1k (2013-14: £1k) for the Agency and £196k (2013-14: £200k) for the Group, representing 0.8% 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 retirements of these employees.

For the Department, nil (2013-14: nil), the Agency, nil (2013-14: 1) individuals retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to nil (2013-14: nil) for both the Department and the Agency. For the Group, 1 (2013-14: 3) individuals retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £31k (2013-14: £19k).

Other Pension Schemes

Employer contributions to other pension schemes by the Group in the year amounted to £341,445k (2013-14: £237,723k) (Note 20). A list of these bodies is provided in Note 29.

Average number of persons employed

The average number of full time equivalent persons employed during the year was as follows:

	2014-15						Restated 2013-14
	Permanently employed staff	Others	Contract and Agency Staff	Ministers	Special Advisors	Total	Total
Staff employed	32,807	296	710	3	2	33,818	33,397
Staff engaged on capital projects	178	-	13	-	-	191	220
Total	32,985	296	723	3	2	34,009	33,617
Of which:							
Core Department	369	59	64	3	2	497	434
Agency	97	1	22	-	-	120	115
Arms Length Bodies*	32,519	236	637	-	-	33,392	33,068
Total	32,985	296	723	3	2	34,009	33,617

*The total number of staff employed at the BBC PSB Group is 18,974 (Restated 2013-14: 18,647). The BBC PSB Group is included above within ALBs.

Staff Receivables

As at 31 March 2015, 1,948 employees (31 March 2014: 2,061 employees) of the Group were in receipt of advances of travel, housing or other loans which are repayable to the employer of £2,419K (31 March 2014: £2,515k).

3.1 Reporting of Civil Service and other compensation schemes – exit packages

Exit package cost band	Core Department				Core Department & Agency			Departmental Group			2014-15
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band		
Less than £10,000	-	-	-	-	-	-	33	59	92		
£10,000 - £25,000	-	-	-	-	-	-	34	252	286		
£25,000 - £50,000	-	1	1	-	1	1	43	164	207		
£50,000 - £100,000	-	-	-	-	-	-	21	91	112		
£100,000 - £150,000	-	-	-	-	-	-	1	59	60		
£150,000 - £200,000	-	-	-	-	-	-	1	3	4		
More than £200,000	-	-	-	-	-	-	1	2	3		
Total number of exit packages	-	1	1	-	1	1	134	630	764		
Total cost (£'000)	-	36	36	-	36	36	4,224	28,747	32,971		

Included above are 303 other departures with a cost of £18,034k relating to the BBC PSB Group.

3.1 Reporting of Civil Service and other compensation schemes – exit packages (continued)

Exit package cost band	Core Department						Core Department & Agency			Departmental Group		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
Less than £10,000	-	-	-	-	-	-	-	-	-	86	51	137
£10,000 - £25,000	-	-	-	-	-	-	-	-	-	89	145	234
£25,000 - £50,000	-	7	7	-	7	7	7	7	7	74	197	271
£50,000 - £100,000	-	5	5	-	5	5	5	5	5	25	181	206
£100,000 - £150,000	-	1	1	-	1	1	1	1	1	6	63	69
£150,000 - £200,000	-	-	-	-	-	-	-	-	-	-	7	7
More than £200,000	-	-	-	-	-	-	-	-	-	-	6	6
Total number of exit packages	-	13	13	-	13	13	13	13	13	280	650	930
Total cost (£'000)	-	764	764	-	764	764	764	764	764	2,593	33,220	35,813

Included above are 413 other departures with a cost of £25,600k relating to the BBC PSB Group.

Civil Service Compensation Scheme

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the Group has agreed early retirements, the additional costs are met by the Group and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Other Schemes

Some of the ALBs operate other schemes which are not listed in Schedule I to the Superannuation Act 1972 and may therefore apply different statutory compensation schemes. Full details can be obtained from the individual published accounts of the ALBs.

4. Other Administration Costs

	2014-15			2013-14		
	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Current grants	1,178	1,178	1,838	-	-	(85)
Subsidies to private sector	-	-	-	-	-	148
Audit fees (statutory accounts) - cash	-	-	517	-	-	549
Professional services	7,803	7,991	18,760	9,130	9,224	25,181
Human resources	253	270	2,227	571	595	4,404
Marketing and media	9,407	9,425	12,271	93	206	6,345
Premises expenses	815	1,452	4,153	521	1,116	8,701
Business rates	686	686	1,389	689	689	3,041
Utilities	134	188	858	168	221	1,500
Rentals under operating leases (non PFI)	4,048	4,079	14,884	3,693	3,719	19,164
Finance costs	14	14	931	7	7	1,758
IT maintenance and support	4,124	4,492	16,709	4,079	4,340	24,030
Early departure costs	457	457	1,160	78	78	1,183
Travel and subsistence	738	740	4,307	589	591	6,369
Broadcast and media	-	-	42	-	-	-
Sport	-	-	957	-	-	8
Tourism	-	-	28,717	-	-	32,613
Museums, galleries, art & exhibits	173	173	173	128	128	128
Libraries	-	-	-	-	-	32
Equalities advice and support service	-	-	26	-	-	-
Other expenditure	1,149	1,354	8,321	485	717	7,390
Sub-total	30,979	32,499	118,240	20,231	21,631	142,459

4. Other Administration Costs (continued)

	2014-15			2013-14		
	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Non-cash items						
Depreciation	1,059	1,253	8,946	1,259	1,437	10,696
Amortisation	15	78	1,554	10	17	2,499
Impairments (Note 13)	153	153	153	98	98	692
(Profit)/loss on disposal of property, plant & equipment	-	-	71	-	-	261
Losses on disposal of assets:						
Financial assets	-	-	-	-	-	45
Auditors' remuneration	405	405	405	410	410	410
Interest on pension liabilities	-	-	384	-	-	-
Write offs	-	-	(2)	-	-	(249)
Total non-cash items	1,632	1,889	11,511	1,777	1,962	14,354
Total administration expenditure	32,611	34,388	129,751	22,008	23,593	156,813

Auditors' remuneration

Notional auditors' remuneration for the cost of the audit of the Group's accounts was £405k (2013-14: £410k). DCMS did not purchase any non-audit services from its auditor, the Comptroller and Auditor General (C&AG).

The cash remuneration of £517k (2013-14: £549k) relates to the statutory audit of the ALBs. Of this amount, £510k was payable to the National Audit Office (NAO) on behalf of the C&AG and £7k was payable to other auditors. In 2014-15 and 2013-14 no ALBs purchased non-audit services from their auditors. Further details can be obtained from the accounts of the ALBs.

Consultancy Expenditure

Included within professional services is £7.8m of consultancy costs (2013-14: £11.3m).

5. Programme Costs

	2014-15			Restated 2013-14		
	Core Department	Core Department & Agency	Departmental Group	Core Department	Core Department & Agency	Departmental Group
	£'000	£'000	£'000	£'000	£'000	£'000
Capital grants	284,050	284,050	978,504	71,430	71,430	573,771
Current grants	75,953	75,953	2,168,936	25,734	25,734	1,830,089
Subsidies to private sector	-	-	-	-	-	9
Grants and subsidies to public sector	48,157	48,157	48,157	38,444	38,444	38,444
Grant-in-aid to ALBs	4,504,897	4,487,315	-	4,764,042	4,750,791	-
Audit fees (statutory accounts) - cash	-	-	2,133	-	-	2,035
Professional services	2,970	5,082	82,817	531	2,045	75,552
Human resources	183	394	12,743	43	365	10,443
Marketing and media	108	228	31,166	138	255	19,288
Premises expenses	880	22,892	128,961	3	22,673	119,578
Business rates	-	187	10,093	-	190	8,884
Utilities	-	800	24,643	-	915	29,021
Rentals under operating leases (non PFI)	-	117	144,148	-	95	149,949
PFI service charges	-	-	1,567	-	-	1,549
Interest payable	-	-	81,044	-	-	81,924
Finance costs	-	39	2,320	-	3	1,393
IT maintenance and support	-	404	33,539	-	229	29,195
Early departure costs	3	3	17,464	(167)	(167)	14,703
Travel and subsistence	40	47	20,053	5	13	19,209
Broadcasting and media	-	-	2,427,879	-	-	2,288,491
Sport	-	24	21,497	-	7	20,001
Tourism	-	-	30,714	-	-	25,395
Ceremonial and cultural events	2,837	3,034	4,779	1,252	1,332	4,647
Historical and heritage	-	-	21,100	-	-	24,430
Museums, galleries, art & exhibits	119	119	54,125	329	329	47,740
Libraries	-	-	6,096	-	-	6,374
Olympic activities	-	-	255,895	-	-	372,239
Equalities advice and support service	1,784	1,784	1,798	1,898	1,898	1,898
Other expenditure	472	(133)	96,915	339	416	99,387
Sub-total	4,922,453	4,930,496	6,709,086	4,904,021	4,916,997	5,895,638

5. Programme Costs (continued)

	2014-15			Restated 2013-14		
	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Non-cash items						
Depreciation	49	1,766	274,037	3	1,703	263,134
Amortisation	-	28	25,882	-	79	9,149
Impairments (Note 13)	-	-	(17,406)	-	-	146,459
Revaluations	-	887	(11,853)	-	112	3,257
(Profit)/loss on disposal of property, plant & equipment	-	32	(1,624)	-	-	(15,229)
(Profit)/loss on disposal of intangibles	-	-	-	-	-	10
Losses on disposal of other assets:						
Assets held for sale	-	-	186	-	-	3
Inventories	-	-	-	-	-	30
Financial assets	-	-	-	-	-	(4,397)
Share of losses on joint ventures and associates	-	-	146	-	-	-
(Gains)/losses on net asset transfers	-	-	-	-	-	(27,515)
Auditors' remuneration	-	41	41	-	41	41
Interest on pension liabilities	-	-	71,181	-	-	82,412
Provisions:						
Unwinding of discount	-	-	12	-	-	3
Provided for/(released)	-	182	21,883	(1,232)	(841)	29,419
Write offs	-	1	192	-	(21)	291
Unrealised foreign exchange rate (gains)/losses	-	-	51	-	-	538
Other non-cash charges	-	-	112	-	-	-
Total non-cash items	49	2,937	362,840	(1,229)	1,073	487,605
Total programme expenditure	4,922,502	4,933,433	7,071,926	4,902,792	4,918,070	6,383,243

Auditors' remuneration

Notional auditors' remuneration for the cost of the audit of the Agency's accounts was £41k (2013-14: £41k). The Agency did not purchase any non-audit services from its auditor, the C&AG of the NAO.

The cash remuneration of £2,133k (2013-14: £2,035k) relates to the statutory audit of the ALBs. Of this amount, £1,259k was payable to the NAO on behalf of the C&AG and £874k was payable to other auditors. In 2014-15 the ALBs purchased non-audit services from auditors other than the NAO for £309k (2013-14: £815k). Further details can be obtained from the accounts of the ALBs.

Consultancy Expenditure

Included within professional services is £19.4m of consultancy costs (2013-14: £28.0m). These costs were higher in 2013-14 due to the development of the Olympic East Village for sale. The Olympic Development Authority (ODA) incurred £5.4m of the total (2013-14: £13.5m)

Significant movements in expenditure

Capital Grants have increased by £404.7m to £978.5m in the year. Of this increase, £212.6m relates to DCMS, £68.9m to Heritage Lottery Fund and £80.4m to English Heritage.

Current grants have increased by £338.8m to £2,168.9m. Of this increase, £197.0m relates to ACE Lottery, £50.2m to DCMS and the ODA £37.3m.

The ODA incurred Olympic Activity costs of £255.9m for the cost of sales of the East Village (2013-14: £372.2m). A corresponding amount is recognised as property sales revenue in Note 6.

5.1 Grant-in-aid, Subsidies and Funding given by the Department

Grant-in-aid and Funding

	2014-15 Estimate £'000	2014-15 Outturn £'000	2013-14 Restated Outturn £'000
Arts Council England	451,194	447,871	458,696
BBC PSB Group	3,164,000	3,126,819	3,339,623
British Film Institute	15,497	15,497	24,301
British Library (Includes Public Lending Right)	96,820	93,893	95,494
British Museum	43,215	43,215	43,862
Churches Conservation Trust	2,647	2,647	2,787
English Heritage	180,048	181,047	99,846
Equality and Human Rights Commission (EHRC)	22,485	17,718	19,158
Gambling Commission (Includes National Lottery Commission)	2,817	2,638	2,597
Geffrye Museum Trust Limited	1,652	1,652	1,789
Horniman Public Museum and Public Park Trust	4,064	4,064	4,258
Imperial War Museum	17,838	15,838	21,243
National Gallery	24,987	25,887	25,520
National Heritage Memorial Fund	18,500	5,205	10,000
National Maritime Museum	16,599	16,599	16,382
National Museums Liverpool	20,501	20,501	20,912
National Portrait Gallery	6,984	6,984	7,040
Natural History Museum	43,384	43,384	44,314
Office of Communications (Ofcom)	96,641	59,132	54,946
Olympic Delivery Authority	48,000	48,000	147,600
Royal Armouries Museum	7,954	7,954	7,620
S4C	6,787	6,787	6,561
Science Museum Group	42,898	42,398	42,247
Sports Ground Safety Authority (see below)	1,193	-	1,112
Sir John Soane's Museum	1,150	1,150	1,572
Sport England	83,219	83,044	88,634
Tate Gallery	32,149	32,149	24,394
UK Anti-Doping	5,701	5,735	6,031
UK Sport	50,625	49,452	43,020
Victoria and Albert Museum	31,146	31,146	39,408
British Tourist Authority (Visit Britain)	45,884	45,947	46,830
Wallace Collection	2,962	2,962	2,994
Not allocated at the time of the Estimate	8,535	-	-
Sub-total Grant-in-Aid	4,598,076	4,487,315	4,750,791
The Royal Parks (TRP)	-	17,582	13,251
Sub-total Funding	-	17,582	13,251
Subtotal Grant-in-Aid and Funding	4,598,076	4,504,897	4,764,042

Grant-in-aid given to ALBs within the Group were eliminated upon consolidation.

Sports Ground Safety Authority (SGSA) received £1.2m in Grant-in-Aid from DCMS (2013-14: £1.1m) compared to an estimate of £1.2m. Due to materiality, SGSA has not been consolidated into the 2014-15 DCMS Group Accounts and the Grant-in-Aid treated as a Current Grant (Note 4).

5.1 Grant-in-aid, Subsidies and Funding given by the Department (continued)**Grants and Subsidies**

	2014-15 Estimate £'000	2014-15 Outturn £'000	2013-14 Outturn £'000
Royal Household	483	482	454
Department for Communities and Local Government (DCLG)	29,000	28,963	28,888
Department for Education	10,208	13,558	7,000
Greater London Assembly (GLA)	-	-	765
Other Bodies	640	5,154	1,337
Sub-total Grants	40,331	48,157	38,444
TOTAL	4,638,407	4,553,054	4,802,486

Grants of £28.9m were paid to DCLG to subsidise Local Authorities Libraries and Sports Grounds PFI contracts. In addition £10.0m was paid to the Department for Education for the Primary School Sports Premium to help primary schools improve the quality of the physical education and sport activities they offer their pupils.

6. Income

	2014-15			Restated 2013-14		
	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Administration income						
Current grant income	597	597	799	592	592	744
Goods and services	19	19	24,648	66	66	24,063
Recoveries	208	208	281	941	941	1,061
Rental income	-	-	1,369	305	305	574
Fees and charges	-	-	-	-	-	39,008
Fees for licences and broadcast licences	-	888	888	-	892	14,414
Royalties	-	-	83	-	-	121
Interest	-	-	380	-	-	318
Dividends	-	-	22	-	-	30
Other income	107	229	1,040	-	197	1,027
Total administration income	931	1,941	29,510	1,904	2,993	81,360

6. Income (continued)

	2014-15			Restated 2013-14		
	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Programme income						
Lottery income	-	-	1,837,969	-	-	1,585,035
Current grant income	131,905	132,510	153,444	71,043	72,083	153,060
Capital grant income	925	935	5,404	-	-	60,150
Goods and services	-	-	81,080	-	-	68,642
Property sales – East Village	-	-	255,895	-	-	372,239
Recoveries	5,628	5,628	22,675	22,599	22,599	92,285
Rental income - other	-	1,027	12,208	50	1,140	10,866
Fees and charges	-	15,916	70,045	-	13,856	39,018
Levies	-	-	60,103	-	-	70,153
Fees for licences and broadcast licences	150,000	151,594	633,608	150,000	151,297	609,097
Royalties	-	-	15,823	-	-	21,667
Charity income - donations	-	193	183,971	-	-	200,390
Charity income - other	-	-	108,080	-	-	108,161
Interest	17	17	7,482	-	-	10,799
Dividends	-	-	16,381	-	-	67,523
Other operating income	812	2,489	270,883	679	3,736	321,262
Sub-total	289,287	310,309	3,735,051	244,371	264,711	3,790,347
Non-cash items						
Profit on disposal of assets:						
Financial assets	-	-	490	-	-	14
Revaluation of financial assets/liabilities	-	-	12	-	-	55
Charity income - asset donations	-	-	90,435	-	-	12,059
Other non-cash income	-	-	(11,369)	-	-	(19,253)
Total non-cash items	-	-	79,568	-	-	(7,125)
Total programme income	289,287	310,309	3,814,619	244,371	264,711	3,783,222

The ODA recognised £255.9m in property sales revenue from the sale of residential property in the East Village to Triathlon Homes LLP, QDD Athletes Village UK Ltd (QDD AVUK) and NHS Property Ltd (2013-14: £372.2m). A corresponding amount is recognised as cost of sales in Note 5.

DCMS collected £150.0m in Fees for Licences from the BBC for contributions for Broadband as per the 2010 BBC Licence Fee Settlement. This was eliminated in the Group Accounts. This money was paid over to the Consolidated Fund, see SOPS Note 5.1.

7. Property, Plant and Equipment

2014-15									
	Land £'000	Buildings £'000	Dwellings £'000	Information Technology £'000	Plant & Machinery £'000	Furniture & Fittings £'000	Antiques, Works of Art & Collections £'000	Assets under Construction £'000	Total £'000
Cost or valuation									
At 1 April 2014	884,130	4,010,236	13,572	103,857	1,695,818	417,916	827	351,082	7,477,438
Additions	75	19,574	403	9,029	27,273	15,766	-	172,197	244,317
Donations	-	-	-	-	-	-	-	-	-
Disposals	-	(12,210)	-	(6,034)	(69,983)	(29,631)	-	(92)	(117,950)
Revaluations	289,066	414,032	101	111	117,116	358	-	(29)	820,755
Impairments	-	1,664	-	(382)	-	(1)	-	-	1,281
Reclassifications	-	43,669	580	1,533	93,272	8,509	-	(147,563)	-
Transfers to/from assets held for sale/intangibles	-	(123,958)	-	2,642	10,708	(1,349)	-	(16,823)	(128,780)
Transfers in/out of group	-	-	-	1,398	33	136	-	-	1,567
At 31 March 2015	1,173,271	4,353,007	14,656	112,154	1,874,237	411,704	827	358,772	8,298,628
Depreciation									
At 1 April 2014	-	475,275	7,484	79,438	774,710	277,180	-	-	1,614,087
Charged in year	-	112,961	574	12,791	131,334	24,842	-	-	282,502
Disposals	-	(11,180)	-	(5,981)	(65,616)	(27,573)	-	-	(110,350)
Revaluations	-	(97,487)	(252)	111	(61,813)	151	-	-	(159,290)
Impairments	-	78	-	(229)	-	-	-	-	(151)
Reclassifications	-	(111)	60	889	245	(1,083)	-	-	-
Transfers to/from assets held for sale/intangibles	-	(7,656)	-	(3)	4,072	(300)	-	-	(3,887)
Transfers in/out of group	-	-	-	1,023	27	85	-	-	1,135
At 31 March 2015	-	471,880	7,866	88,039	782,959	273,302	-	-	1,624,046
Carrying amount:									
31-Mar-15	1,173,271	3,881,127	6,790	24,115	1,091,278	138,402	827	358,772	6,674,582
31-Mar-14	884,130	3,534,961	6,088	24,419	921,108	140,736	827	351,082	5,863,351
Asset financing:									
Owned	1,171,901	2,652,598	4,420	24,115	1,087,053	135,238	827	358,476	5,434,628
Finance leased	1,370	1,228,529	2,370	-	4,225	3,164	-	296	1,239,954
Carrying amount at 31 March 2015	1,173,271	3,881,127	6,790	24,115	1,091,278	138,402	827	358,772	6,674,582
Of which:									
Core Department	627	-	-	2,359	8	552	-	-	3,546
Agency	23	19,127	1,705	97	3,246	1,118	-	1,154	26,470
Arms Length Bodies	1,172,621	3,862,000	5,085	21,659	1,088,024	136,732	827	357,618	6,644,566
Carrying amount at 31 March 2015	1,173,271	3,881,127	6,790	24,115	1,091,278	138,402	827	358,772	6,674,582

7. Property, Plant and Equipment (continued)

2013-14									
	Land £'000	Buildings £'000	Dwellings £'000	Information Technology £'000	Plant & Machinery £'000	Furniture & Fittings £'000	Antiques, Works of Art & Collections £'000	Assets under Construction £'000	Total £'000
Cost or valuation									
Restated at 1 April 2013	801,127	3,602,559	14,838	97,316	1,617,701	408,047	960	391,510	6,934,058
Additions	110	40,305	203	5,196	26,833	11,063	-	234,814	318,524
Donations	-	-	-	50	-	-	-	-	50
Disposals	(2,553)	(12,813)	(202)	(4,192)	(88,249)	(11,994)	-	(6,093)	(126,096)
Revaluations	101,478	234,913	(700)	(124)	(1,689)	730	(133)	(463)	334,012
Impairments	-	(18,805)	(3)	(11)	(759)	(40)	-	-	(19,618)
Reclassifications	(16,032)	151,998	(564)	6,316	105,958	6,979	-	(255,995)	(1,340)
Transfers to/from assets held for sale/intangibles	-	(1,095)	-	(694)	15,949	399	-	(16,393)	(1,834)
Transfers in/out of group	-	13,174	-	-	20,074	2,732	-	3,702	39,682
Restated at 31 March 2014	884,130	4,010,236	13,572	103,857	1,695,818	417,916	827	351,082	7,477,438
Depreciation									
At 1 April 2013	-	467,386	8,067	72,739	779,306	257,075	-	-	1,584,573
Charged in year	-	102,573	536	11,324	129,133	29,826	-	-	273,392
Disposals	-	(9,613)	(55)	(4,148)	(74,769)	(11,945)	-	-	(100,530)
Revaluations	-	(91,973)	(1,064)	(102)	(74,374)	381	-	-	(167,132)
Impairments	-	881	-	(4)	-	-	-	-	877
Reclassifications	-	-	-	2	-	(2)	-	-	-
Transfers to/from assets held for sale/intangibles	-	(601)	-	(373)	40	(40)	-	-	(974)
Transfers in/out of group	-	6,622	-	-	15,374	1,885	-	-	23,881
Restated at 31 March 2014	-	475,275	7,484	79,438	774,710	277,180	-	-	1,614,087
Carrying amount:									
31-Mar-14	884,130	3,534,961	6,088	24,419	921,108	140,736	827	351,082	5,863,351
31-Mar-13	801,127	3,135,173	6,771	24,577	838,395	150,972	960	391,510	5,349,485
Asset financing:									
Owned	882,826	2,356,217	3,591	24,419	917,566	137,462	827	351,082	4,673,990
Finance leased	1,304	1,178,744	2,497	-	3,542	3,274	-	-	1,189,361
Carrying amount at 31 March 2014	884,130	3,534,961	6,088	24,419	921,108	140,736	827	351,082	5,863,351
Of which:									
Core Department	627	4	-	1,290	22	639	-	-	2,582
Agency	23	18,457	1,630	106	2,884	1,232	-	478	24,810
Arms Length Bodies	883,480	3,516,500	4,458	23,023	918,202	138,865	827	350,604	5,835,959
Carrying amount at 31 March 2014	884,130	3,534,961	6,088	24,419	921,108	140,736	827	351,082	5,863,351

BBC PSB Group

Included above are buildings for the BBC PSB Group, which had a carrying value as at 31 March 2015 of £786m (Restated 31 March 2014: £954m). These buildings provide regional broadcasting facilities for both television and radio.

Land & Buildings Valuation

Some ALBs have valued their land and buildings at modified historical cost as a proxy for fair value, as it is considered not to be materially different to fair value.

Details of the valuation method applied by the BBC PSB Group are included in the accounting policies Note 1.11.

The professional valuations of land and buildings undertaken within the Group were prepared in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation Standards (6th Edition); the 'Red Book'. Land and buildings are revalued every five years, and where appropriate, in the intervening periods relevant indices are used. Further information can be found in the individual financial statements of the ALBs.

8. Heritage Assets

The heritage assets owned by the Group are split between land, buildings and other (which includes antiques and works of art) as shown in the table below, and reconciles to the heritage assets table in Note 8.1.

	2014-15			
	Land £'000	Buildings £'000	Other £'000	Total £'000
Cost or valuation				
At 1 April 2014	2,400	70,341	1,036,235	1,108,976
Additions	-	1,584	32,297	33,881
Donations	-	-	90,435	90,435
Disposals	-	(2,456)	(4)	(2,460)
Revaluations	-	(1,568)	10,471	8,903
Transfers to/from assets held for sale/intangibles	-	(1,061)	(446)	(1,507)
At 31 March 2015	2,400	66,840	1,168,988	1,238,228
Depreciation				
At 1 April 2014	-	20,391	1,558	21,949
Charged in year	-	481	-	481
Revaluations	-	(2,257)	-	(2,257)
Transfers to/from assets held for sale/intangibles	-	(430)	-	(430)
At 31 March 2015	-	18,185	1,558	19,743
Carrying amount:				
31-Mar-15	2,400	48,655	1,167,430	1,218,485
31-Mar-14	2,400	49,950	1,034,677	1,087,027
Asset financing:				
Owned	2,400	48,655	1,167,430	1,218,485
Finance leased	-	-	-	-
Carrying amount at 31 March 2015	2,400	48,655	1,167,430	1,218,485
Of which:				
Core Department	-	-	7,916	7,916
Agency	-	18,845	5,918	24,763
Arms Length Bodies	2,400	29,810	1,153,596	1,185,806
Carrying amount at 31 March 2015	2,400	48,655	1,167,430	1,218,485

8. Heritage Assets (continued)

	2013-14			
	Land £'000	Buildings £'000	Other £'000	Total £'000
Cost or valuation				
At 1 April 2013	2,400	72,096	938,622	1,013,118
Additions	-	946	60,285	61,231
Donations	-	-	12,009	12,009
Revaluations	-	(2,441)	24,395	21,954
Impairments	-	(449)	-	(449)
Disposals	-	(221)	(6)	(227)
Reclassifications	-	410	930	1,340
At 31 March 2014	2,400	70,341	1,036,235	1,108,976
Depreciation				
At 1 April 2013	-	21,699	70	21,769
Charged in year	-	438	-	438
Revaluations	-	(1,746)	1,488	(258)
At 31 March 2014	-	20,391	1,558	21,949
Carrying amount:				
31-Mar-14	2,400	49,950	1,034,677	1,087,027
31-Mar-13	2,400	50,397	938,552	991,349
Asset financing:				
Owned	2,400	49,950	1,034,677	1,087,027
Finance leased	-	-	-	-
Carrying amount at 31 March 2014	2,400	49,950	1,034,677	1,087,027
Of which:				
Core Department	-	-	6,613	6,613
Agency	-	20,258	5,918	26,176
Arms Length Bodies	2,400	29,692	1,022,146	1,054,238
Carrying amount at 31 March 2014	2,400	49,950	1,034,677	1,087,027

8.1 Heritage Assets

	Non Operational		Operational		Total Heritage Assets £'000
	At Cost £'000	At Valuation £'000	At Cost £'000	At Valuation £'000	
Cost or valuation					
Balance at 1 April 2014	280,766	755,266	12,316	60,628	1,108,976
Additions	31,147	575	1,687	472	33,881
Donations	-	90,435	-	-	90,435
Disposals	(4)	-	-	(2,456)	(2,460)
Transfers	-	332	(778)	(1,061)	(1,507)
Revaluations	-	10,471	-	(1,568)	8,903
Balance at 31 March 2015	311,909	857,079	13,225	56,015	1,238,228
Depreciation					
Balance at 1 April 2014	-	1,558	249	20,142	21,949
Depreciation charge for the year	-	-	121	360	481
Transfers	-	-	-	(430)	(430)
Revaluations	-	-	-	(2,257)	(2,257)
Balance at 31 March 2015	-	1,558	370	17,815	19,743
Net book value at 31 March 2015	311,909	855,521	12,855	38,200	1,218,485

	Non Operational		Operational		Total Heritage Assets £'000
	At Cost £'000	At Valuation £'000	At Cost £'000	At Valuation £'000	
Cost or valuation					
Balance at 1 April 2013	220,488	717,690	13,149	61,791	1,013,118
Additions	59,245	476	620	890	61,231
Donations	-	12,009	-	-	12,009
Disposals	(6)	-	-	(221)	(227)
Impairments	-	-	(338)	(111)	(449)
Reclassifications	1,039	696	(1,115)	720	1,340
Transfers	-	-	-	-	-
Revaluations	-	24,395	-	(2,441)	21,954
Balance at 31 March 2014	280,766	755,266	12,316	60,628	1,108,976
Depreciation					
Balance at 1 April 2013	-	70	161	21,538	21,769
Depreciation charge for the year	-	-	88	350	438
Revaluations	-	1,488	-	(1,746)	(258)
Balance at 31 March 2014	-	1,558	249	20,142	21,949
Net book value at 31 March 2014	280,766	753,708	12,067	40,486	1,087,027

8.1 Heritage Assets (continued)

2014-15 Summary of disposals	Non Operational		Operational		Total Heritage Assets £'000
	At Cost £'000	At Valuation £'000	At Cost £'000	At Valuation £'000	
Carrying value of disposals	4	-	-	2,456	2,460
Sale proceeds from disposal	-	-	-	-	-
Total	4	-	-	2,456	2,460

Summary of Heritage Asset Transactions	2014-15 £000	2013-14 £000	2012-13 £000
Purchased Assets	33,881	61,231	21,390
Donated Assets	90,435	12,009	50,497
Disposals	(2,460)	(227)	-
Impairments	-	(449)	-

Classification

Heritage assets are classified under the FReM as either:

- Non-operational heritage assets, which are held for the maintenance of the country's heritage.
- Operational heritage assets, which are held for the maintenance of the country's heritage and are also used for other activities, or to provide other services.

Non-operational and operational heritage assets within the Consolidated Statement of Financial Position are split between heritage assets held at cost and held at valuation. For more detailed information on heritage assets please refer to the financial statements of the individual ALBs listed at Note 29.

8.1.1 Non-operational heritage assets

Non-operational heritage assets acquired by the Group prior to 1 April 2001 have not been valued, and are not therefore included in the Consolidated Statement of Financial Position. The cost of valuing these assets is considered to be prohibitive, due to the size of the collections and/or the assets' uniqueness.

Department

The Department's non-operational heritage assets include the Heveningham Hall chattels at valuation, these were revalued in year.

The Heveningham Hall chattels are a suite of furniture designed by James Wyatt originally for Heveningham Hall, Suffolk, a Grade I listed building. The chattels were valued by Henry House Senior Director, Head of Furniture and Decorative Arts of Sotheby's as at 14 March 2014.

The valuation is based on Auction estimates for the purpose of Sale (AE) and Insurance values for the purpose of Retail replacement (INS). The insurance values are based on reasonable opinion of the actual retail purchase price or probable cost of having to replace the items with comparable items as at 14 March 2014. In some instances the descriptions/values have been based solely upon the review of descriptions and photographic evidence provided and therefore opinions may be revised upon first hand inspection and/or further research of the items by the relevant specialists.

The Department has revalued the chattels in the 2014-15 year end based on the AE valuation.

The Department's non-operational heritage assets also include the following assets which are valued at nil because valuation information cannot be obtained at a cost commensurate with the benefits to users of the Accounts; 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.

Government Art Collection (GAC)

The GAC's major works include paintings by Van Dyck, L. S. Lowry, Edward Lear, William Hogarth, Thomas Gainsborough, Lucian Freud, W.R. Sickert and sculptures by Henry Moore, Jacob Epstein and Barbara Hepworth. Purchased additions to the GAC have been included at cost in the Consolidated Statement of Financial Position from 1 April 2000. The cost of obtaining valuations for assets acquired before April 2000 is not commensurate to the benefits.

Land, Buildings, and Monuments

The Secretary of State has responsibility for Royal Estate properties in England governed by the Crown Lands Act 1851 and subsequent legislation. This responsibility is discharged through a series of management agreements:

- The Royal Parks are managed by the Agency and asset improvements and additions are reported at cost.
- The Occupied Royal Palaces in England (Buckingham Palace, St James' Palace, Windsor Castle and some other smaller properties) are managed by the Royal Household to whom the Secretary of State paid grant-in-aid. From 1 April 2012, although the Secretary of State retains legal responsibility for these properties, this funding has been aggregated with the Civil List into the Sovereign Grant paid by HM Treasury under the Sovereign Grant Act 2011.
- Marlborough House, used as the home of the Commonwealth Secretariat, is maintained by the Royal Household under an ongoing grant agreement.
- The Historic Royal Palaces in England (Hampton Court Palace, Kew Palace, the Tower of London, the Whitehall Banqueting House and most of Kensington Palace) are managed by the Historic Royal Palaces Trust, which has a contract to manage the Palaces and provide education and visitor services in return for the rights to retain admission charges to these sites.

The Secretary of State is also the owner of land, buildings, monuments and sites of heritage interest acquired by the Office of Works and its successors using exchequer funding or as a result of specific statutes such as the Wellington Museum Act 1947 and other Old Crown Lands Acts. Management responsibility for these properties has been vested by English Heritage. These properties together with the crown lands managed by English Heritage are maintained from grant-in-aid funding. There are close to 100 such properties, plus some 250 properties under guardianship, managed by English Heritage. English Heritage also recognises a number of properties that are ancillary to public access to sites under guardianship, such as car parks. The freehold of these properties lies with the Department.

The following (based on visitor numbers) are of particular importance:

- Apsley House
- Audley End House
- Battle Abbey
- Bolsover Castle
- Brodsworth Hall
- Clifford's Tower
- Marble Arch
- Old Sarum Castle
- Stonehenge
- Waverley Abbey

The Agency

The Agency held non-operational heritage assets at cost of £2.9m as at 31 March 2015 (31 March 2014: £2.9m) and at valuation of £3.1m as at 31 March 2015 (31 March 2014: £3.1m)¹¹⁵. The Agency also had 114 heritage assets which have not been included in the Consolidated Statement of Financial Position. These assets consist of monuments, statues, fountains, bridges, walls, band stands, historic gates and monuments such as the Albert Memorial in Kensington Gardens and the 7 July Memorial in Hyde Park.

Arms Length Bodies

The Group owns a wide range of non-operational heritage assets. Further details are recorded in the respective ALBs' annual report and accounts (see Note 29), the following illustrate the scope of these.

Tate Gallery held non-operational heritage assets at cost of £132.8m as at 31 March 2015 (31 March 2014: £128.5m) and at valuation of £270.0m (31 March 2014: £197.2m). Tate Gallery holds the National Collection of British Art from the 1500s and international modern and contemporary art from the 1900s. The collection embraces all forms from painting, drawing, sculpture and prints, to photography, video and film, installation and performance. The collection includes over 70,118 works of art. Tate Gallery also houses the National Archive of British Art from 1900. The Tate Gallery Archive contains manuscripts, notebooks, sketches, prints, documentation and supporting material.

The National Gallery held non-operational heritage assets at a cost of £23.1m as at 31 March 2015 (31 March 2014: £19.5m) and at valuation of £267.1m (31 March 2014: £266.6m). The National Gallery houses one of the greatest collections of Western European painting in the world. The collection contains over 2,355 works, including many iconic masterpieces and the work of some of the greatest painters.

The Arts Council England (ACE) held non-operational heritage assets at valuation as at 31 March 2015 of £137.5m (31 March 2014: £134.3m). The works of art collection has been built up since 1946 and consisted of 7,723 items at 31 March 2015. The poetry collections are not reflected in the Consolidated Statement of Financial Position. Works of exceptionally high value are valued once every five years as are items that are on long term loan. All items are valued when loans are agreed as this provides the value for which the lender has to insure the item.

The Victoria and Albert Museum held non-operational heritage assets at cost of £31.4m as at 31 March 2015 (31 March 2014: £24.3m) and at valuation of £54.3m (31 March 2014: £54.3m).

¹¹⁵ Comparative figures split to give more accurate disclosure

£37.4m). The Victoria and Albert Museum is the leading international museum of art and design, with 2.28 million objects, library items and archives in its collections.

The British Museum held non-operational heritage assets at cost of £29.1m as at 31 March 2015 (31 March 2014: £26.1m) and at valuation of £48.5m (31 March 2014: £45.4m). The British Museum collection is a truly global one, and its great strength is the way it records the interrelated histories of humanity as a whole.

The British Library held non-operational heritage assets at cost of £35.8m as at 31 March 2015 (31 March 2014: £33.7m) and at valuation of £28.1m (31 March 2014: £27.9m). The British Library is the national library of the UK and one of the world's greatest research libraries. The British Library is one of the six legal deposit libraries of the UK and it receives copies of all publications produced in the UK and the Republic of Ireland. The assets held at valuation reflect valuations made as part of the acquisition process.

The National Portrait Gallery held non-operational heritage assets at cost of £20.9m as at 31 March 2015 (31 March 2014: £11.0m) and at valuation of £3.8m (31 March 2014: £3.5m). The National Portrait Gallery holds two collections, a primary collection consisting mainly of paintings and sculpture and a reference collection containing more than 85,000 portraits.

8.1.2 Operational Heritage Assets

Where operational heritage assets have not been included in the Consolidated Statement of Financial Position, it is due to the prohibitive cost of valuing these assets which is a reflection of the size of the collections and/or the assets uniqueness.

Department

The Department holds the freehold to Somerset House, an operational heritage asset at nil value:

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. The Department manages the Government's freehold interest in Somerset House and ensures the Somerset House Trust fulfils the terms of its lease, which it holds until 2125.

The Department also holds the freehold to Blythe House, which is currently occupied by the British Museum, Science Museum and the Victoria and Albert Museum, and is included as PPE on the Statement of Financial Position of those museums and in these accounts.

The Agency

The Agency held operational heritage assets at valuation as at 31 March 2015 of £18.8m (31 March 2014: £20.3m), comprising buildings in use by the Agency, tenants or concessionaires which, in addition to being held by the Agency for heritage purposes, are also used for revenue generating or other non-heritage purposes. These assets are subject to revaluation under a rolling five year programme.

Arms Length Bodies

The English Heritage held 80 operational heritage assets of £17.0m at valuation as at 31 March 2015 (31 March 2014: £17.8m)¹¹⁶.

¹¹⁶ The prior year figure has been updated to give a more accurate comparative.

8.1.3 Acquisition, preservation, management and disposal policies

Department

The Government is committed to setting an example in the conservation of its historic estate, emphasising the importance of preventative maintenance as part of an integrated approach to the historic environment. The requirement for quadrennial condition surveys (QIs) and a planned programme of repairs and maintenance for historic buildings is set out in the *Protocol for the Care of the Government Historic Estate*. This *Protocol* requires Departments and Agencies to nominate a Departmental Conservation Officer to monitor conservation activity and liaise with the Government Historic Estates Unit (GHEU). GHEU is a team in English Heritage providing advice and guidance at a national level to government departments and agencies, as well as other bodies.

With the exceptions of Blythe House and Somerset House, English Heritage manages all the sites on behalf of the Department. English Heritage is obliged by the National Heritage Act 1983 “to secure the preservation of ancient monuments and historic buildings in England (including UK territorial waters adjacent to England)”. In addition, the Department agrees with English Heritage a strategy for the conservation and maintenance of the sites. English Heritage has a published asset management plan, *Asset Management Plan for the Maintenance of the Historic Estate 2011-15*, which sets out the policy for maintaining the National Collection of Historic Properties in their care:

<http://www.english-heritage.org.uk/about/who-we-are/corporate-information/plan-maintaining-our-historic-estate/>

The Government Art Collection is part of the Department, and receives annual funding directly from the Department. Other departments provide additional funding for major site-specific commissions for new or refurbished buildings. Works of art are displayed in approximately 400 Government buildings in the UK and abroad. This includes 10 Downing Street, Lancaster House, main Whitehall departments, diplomatic posts abroad, Embassies, Residences, High Commissions and Consulates-General in most countries.

More details of the asset management undertaken by Government Art Collection can be found on their website via the link below:

www.gac.culture.gov.uk/reports.html

Agency

The Agency has detailed documented procedures in relation to acquisitions and disposal of on balance sheet heritage assets.

For non-capitalised heritage assets the Agency has no disposal policy as they are inalienable, nor has it disposed of any heritage assets since it was formed in 1993.

The Agency has a programme of maintenance works undertaken which is informed by the Quadrennial Conservation report of all listed buildings and structures and condition surveys. In line with the Core Department it has adopted the “Protocol for the Care of the Historic Estate” appointed a Conservation Officer and uses specialist consultants and contractors where appropriate. Priorities are assessed each year, and the cost is expensed through the Statement of Comprehensive Net Expenditure. A schedule of backlog maintenance requirements is maintained and this is used to assess priorities. The work undertaken each year will include repair and preventative maintenance. Operational heritage land and buildings, comprising buildings in use by the Agency, tenants or concessionaires, are used for revenue generating or other non-heritage purposes. They are professionally valued and held on the Statement of Financial Position. The valuation method used depends upon the type of the building and its use.

Arms Length Bodies

The ALBs have detailed documented procedures in relation to acquisitions and disposals. These acquisitions and disposals take into account relevant guidelines and require the approval of the ALB's Board. There are restrictions placed on ALBs in relation to the disposal of heritage assets, a significant exception is where an item has deteriorated beyond usefulness for the purpose of the relevant collection. The relevant ALBs have established standards of care which generally follow Codes of Practice for the preservation of collections. These policies and procedures are regularly reviewed. Conservation work includes assessment of the collection, preventive conservation (through environmental and light control), preventive maintenance and minor treatment. For further details of their acquisition, preservation, management and disposal policies please refer to the individual financial statements of the ALBs.

8.1.4 Heritage assets: records maintained and access.*Department*

The Government Art Collection maintains a physical and online database of its collection. The Government Art Collection places works of art in major Government buildings in the UK and around the world to promote British art, culture and history, and as a result the public's access is limited.

The Agency

The Agency maintains a physical database of its collection. Given the Agency's heritage assets location in the Royal Parks and that visiting the Royal Parks is free, the public have significant access to these assets.

Arms Length Bodies

Collection databases are maintained physically or online by the relevant ALBs. Most of these ALBs have a major part of their collections on public display, free of charge. For further details of the records maintained and the extent to which heritage assets can be accessed please refer to the individual financial statements of the ALBs.

8.1.5 Nature and extent of significant donations of heritage assets

Donated assets of £90.4m were received in 2014-15, the most significant of these are shown below:

The Tate Gallery received donations of heritage assets at a valuation of £70.5m (31 March 2014: £4.3m). The most significant of these are various paintings and sculptures to the value of £55.0m by Cy Twombly and a painting titled 'George Lawson and Wayne Sleep' by David Hockney valued at £7.4m.

The Victoria & Albert Museum received donations of heritage assets at a valuation of £16.9m (31 March 2014: £1.0m) of which £15.0m relates to the Wedgwood Collection.

9. Investment Properties

	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Balance at 1 April 2013	-	-	2,886
Additions	-	-	-
Revaluations	-	-	374
Balance at 31 March 2014	-	-	3,260
Revaluations	-	-	17,079
Transfers	-	-	40,352
Balance at 31 March 2015	-	-	60,691

The BBC PSB Group holds investment properties as at 31 March 2015 valued at £57.3m (31 March 2014: £nil). The valuation of these investment properties was carried out by Lambert Smith Hampton, independent valuers not connected with the Group, in accordance with the RICS Valuations – Professional Standards January 2014 and International Valuation Standards.

The property rental income earned by the BBC PSB group from its investment property, which is leased out under operating leases, amounted to £2.3m (2013-14: £nil). Direct operating expenses arising on their investment property, which generated rental income during the year, amounted to £2.2m (2013-14: £nil). Direct operating expenses arising on the investment property, which did not generate rental income during the year, amounted to £2.4m (2013-14: £nil).

The British Museum holds investment property as at 31 March 2015 valued at £3.4m (31 March 2014: £3.3m).

The Group has adopted the fair value model in accordance with the FReM.

10. Intangible Assets

	2014-15				
	Licences £'000	Websites £'000	Development Expenditure £'000	Goodwill £'000	Total £'000
Cost or valuation					
At 1 April 2014	155,531	1,200	45,297	78	202,106
Additions	14,365	170	4,130	-	18,665
Disposals	(9,409)	(59)	(3,764)	-	(13,232)
Revaluations	(79)	-	(373)	-	(452)
Impairments	(624)	-	(992)	-	(1,616)
Reclassifications	-	-	-	-	-
Transfers to/from property, plant & equipment	34,971	-	(1,303)	-	33,668
Transfers in/out of group	-	-	-	-	-
At 31 March 2015	194,755	1,311	42,995	78	239,139
Amortisation					
At 1 April 2014	99,102	590	19,099	-	118,791
Charged in year	22,813	187	4,436	-	27,436
Disposals	(9,364)	(59)	(3,764)	-	(13,187)
Revaluations	4	-	(201)	-	(197)
Impairments	-	-	-	-	-
Transfers to/from property, plant & equipment	35,050	-	-	-	35,050
At 31 March 2015	147,605	718	19,570	-	167,893
Carrying amount:					
31-Mar-15	47,150	593	23,425	78	71,246
31-Mar-14	56,429	610	26,198	78	83,315
Asset financing:					
Owned	47,150	593	23,425	78	71,246
Carrying amount at 31 March 2015	47,150	593	23,425	78	71,246
Of Which:					
Core Department	86	-	-	-	86
Agency	-	22	77	-	99
Arms Length Bodies	47,064	571	23,348	78	71,061
Carrying amount at 31 March 2015	47,150	593	23,425	78	71,246

10. Intangible Assets (continued)

	2013-14				
	Licences £'000	Websites £'000	Development Expenditure £'000	Goodwill £'000	Total £'000
Cost or valuation					
Restated at 1 April 2013	170,989	1,051	36,759	78	208,877
Additions	40,253	149	9,963	-	50,365
Disposals	(61,490)	-	(160)	-	(61,650)
Revaluations	(33)	-	(266)	-	(299)
Impairments	(3)	-	-	-	(3)
Reclassifications	236	-	(236)	-	-
Transfers to/from property, plant & equipment	1,502	-	(763)	-	739
Transfers in/out of group	4,077	-	-	-	4,077
Restated at 31 March 2014	155,531	1,200	45,297	78	202,106
Amortisation					
Restated at 1 April 2013	146,798	509	14,373	-	161,680
Charged in year	8,365	81	3,202	-	11,648
Disposals	(60,599)	-	(160)	-	(60,759)
Revaluations	129	-	(252)	-	(123)
Impairments	-	-	1,936	-	1,936
Reclassifications	-	-	-	-	-
Transfers to/from property, plant & equipment	373	-	-	-	373
Transfers in/out of group	4,036	-	-	-	4,036
Restated at 31 March 2014	99,102	590	19,099	-	118,791
Carrying amount:					
31-Mar-14	56,429	610	26,198	78	83,315
31-Mar-13	24,191	542	22,386	78	47,197
Asset financing:					
Owned	56,429	610	26,198	78	83,315
Carrying amount at 31 March 2014	56,429	610	26,198	78	83,315
Of which:					
Core Department	5	-	-	-	5
Agency	-	22	143	-	165
Arms Length Bodies	56,424	588	26,055	78	83,145
Carrying amount at 31 March 2014	56,429	610	26,198	78	83,315

The BBC PSB Group held £41.2m of intangible software licences as at 31 March 2015 (Restated 31 March 2014: £50.9m). The BIG Lottery Fund held intangible assets, notably Funding System Software, with a value of £19.2m as at 31 March 2015 (31 March 2014: £22.0m).

11. Financial Instruments

	Note	31 March 2015			Restated 31 March 2014		
		Core Department £'000	Core Department and Agency £'000	Departmental Group £'000	Core Department £'000	Core Department and Agency £'000	Departmental Group £'000
Financial assets							
Loans and receivables							
Cash and cash equivalents	17	84,507	85,958	2,184,805	72,429	72,940	2,350,261
Receivables	15	18,127	19,286	682,502	10,952	12,013	722,990
Loans	12, 15	95	122	15,567	80	110	13,675
Deposits	12	-	-	14,842	-	-	12,921
		102,729	105,366	2,897,716	83,461	85,063	3,099,847
Available for sale							
Shares & equity type investments (listed and unlisted)	12	-	-	1,155	-	-	1,117
Investment in subsidiaries	12	-	-	121,092	-	-	36,308
Investment funds	12	-	-	201,452	-	-	166,777
Other financial assets	12	-	-	7,561	-	-	15,358
		-	-	331,260	-	-	219,560
Fair value through profit or loss							
Derivative financial instrument assets	12	-	-	5,540	-	-	1,822
Financial liabilities							
Fair value through profit or loss							
Derivative financial instrument liabilities	21	-	-	(12,683)	-	-	(3,383)
Financial liabilities at amortised cost							
Payables	18	(120,268)	(122,162)	(2,751,250)	(81,236)	(82,493)	(2,582,199)
Other financial liabilities	21	-	-	-	-	-	(60,540)
		(120,268)	(122,162)	(2,751,250)	(81,236)	(82,493)	(2,642,739)
Total		(17,539)	(16,796)	470,583	2,225	2,570	675,107

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The amounts disclosed above as payables and receivables therefore exclude any assets or liabilities which do not result from a contractual arrangement.

The Group's financial instruments, other than those used for risk management purposes, comprise cash and cash equivalents and other financial assets and liabilities including trade receivables and payables, that arise directly from operations, or to partially fund future operations. The Group finances part of its operations from these financial instruments. The Group does not undertake speculative financial transactions. There is a risk averse approach to the management of foreign currency trading.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk largely arises from cash and cash equivalents, derivative financial instruments, available for sale financial assets, trade and other receivables. The Group's credit risk management policy in relation to trade receivables involves regularly assessing the financial reliability of customers, taking into account their financial position and historical credit risk.

The BBC PSB Group collects the licence fee revenue on behalf of the Consolidated Fund. The licence fee debtor of £387.0m as at 31 March 2015 (31 March 2014: £407.3m) is the most significant credit risk facing the Group. The BBC PSB Group mitigates this risk through a third party contractor who collects the licence fee on BBC PSB Group's behalf. The risk is mitigated by actively monitoring debtors, chasing payment defaulters who risk having their licence revoked and potentially facing prosecution.

Lottery Bodies' term deposits and cash holdings are placed with the National Lottery Distribution Fund/Olympic Lottery Distribution Fund, Government Banking Service or approved UK banks and are spread across institutions. Transactions involving derivative financial instruments are entered into only with reputable banks, the credit ratings of which are taken into account to minimise credit risk.

Market risk (currency and other price risks)

The Department, its Agency and the Group are principally domestic organisations with the majority of transactions, assets and liabilities arising in the UK and being sterling based. However, the Group undertake some transactions in currencies other than sterling. Due to movements in exchange rates over time, the amount the Group expects to receive or pay when it enters into a transaction may differ from the amount that it actually receives or pays when it settles the transaction. The most significant currency exposure by total value of transactions is US dollars, mainly relating to the BBC PSB Group. However, due to the relative size of this exposure in comparison to the Group's sterling dominated business, this is not considered to be significant for the Group. The Group does, however, generally enter into forward currency contracts to manage, or hedge, this currency risk, which allows the Group to settle transactions at known exchange rates, reducing further any uncertainty. The overall income or expenditure to be recognised in relation to contracts denominated in foreign currency and the related hedges is therefore relatively fixed.

Interest rate risk

The Group has minimal exposure to interest rate risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. As the cash requirements of the Group are largely met through the Estimates process, there is minimal liquidity risk. The BBC PSB Group has the most significant liquidity risk, as it is subject to ceilings on its borrowings set by the Secretary of State in accordance with the Agreement between the BBC PSB Group and the Department. In order to comply with these ceilings together with the terms of any individual debt instruments, the BBC PSB Group's Treasury manages their borrowings by regularly monitoring cash flow forecasts. The BBC PSB Group holds its surplus liquidity in term deposit accounts with highly rated financial institutions. These measures mitigate the BBC PSB Group's liquidity risk.

The vast majority of funding for Arts Council England Lottery, British Film Institute Lottery, BIG Lottery Fund, Heritage Lottery Fund, Sport England Lottery and UK Sport Lottery comes from the National Lottery. Their liquidity risk is minimised by holding significant amounts of liquid assets and through cash-flow forecasting. Forward forecasts of lottery income are provided to these ALBs by the Department.

The Horserace Betting Levy Board and the Gambling Commission are largely funded by means of a levy and licence fee respectively, rather than through the Estimates process. They mitigate this risk by monitoring cash requirements and holding sufficient amounts of cash and cash equivalents to meet their requirements.

12. Other financial assets

	Deposits £'000	Derivatives £'000	Investment funds £'000	Shares & equity type investments £'000	Investment in Subsidiaries £'000	Museum Loans £'000	Other Loans £'000	Other financial assets £'000	Total £'000
Balance at 1 April 2013	15,216	7,087	175,310	640	14,453	-	10,353	16,375	239,464
Additions	12,315	-	78,488	562	1	-	3,011	27,157	121,534
Disposals	(14,610)	-	(86,241)	(98)	-	-	-	-	(100,949)
Revaluations	-	(5,104)	(1,305)	13	23,418	-	-	(1,868)	15,154
Impairments	-	-	-	-	(1,564)	-	(1)	(22,581)	(24,146)
Repayments	-	-	-	-	-	-	(5,083)	(3,725)	(8,808)
Reclassifications	-	360	-	-	-	-	-	-	360
Transfers in/out of group	-	-	-	-	-	-	-	-	-
FX Movements	-	(521)	525	-	-	-	-	-	4
Discounting	-	-	-	-	-	-	55	-	55
Balance at 31 March 2014	12,921	1,822	166,777	1,117	36,308	-	8,365	15,358	242,668
Additions	14,847	-	50,364	12	-	-	7,308	15,655	88,186
Disposals	(12,926)	-	(27,377)	(10)	-	-	-	-	(40,313)
Revaluations	-	3,718	11,688	56	81,662	-	-	(2,231)	94,893
Impairments	-	-	-	(19)	-	-	-	(16,524)	(16,543)
Repayments	-	-	-	-	-	-	(5,351)	(4,697)	(10,048)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers in/out of group	-	-	-	(1)	3,122	-	-	-	3,121
Discounting	-	-	-	-	-	-	(159)	-	(159)
Balance at 31 March 2015	14,842	5,540	201,452	1,155	121,092	-	10,163	7,561	361,805
Of which:									
Core Department	-	-	-	-	-	2,517	-	-	2,517
Agency	-	-	-	-	-	-	-	-	-
Arms Length Bodies	14,842	5,540	201,452	1,155	121,092	(2,517)	10,163	7,561	359,288
Carrying amount at 31 March 2015	14,842	5,540	201,452	1,155	121,092	-	10,163	7,561	361,805

	Deposits £'000	Derivatives £'000	Investment funds £'000	Shares & equity type investments £'000	Investment in Subsidiaries £'000	Museum Loans £'000	Other Loans £'000	Other financial assets £'000	Total £'000
Within 12 Months	14,842	2,677	24,959	679	-	-	3,511	7,561	54,229
Over 12 Months	-	2,863	176,493	476	121,092	-	6,652	-	307,576
Carrying amount at 31 March 2015	14,842	5,540	201,452	1,155	121,092	-	10,163	7,561	361,805
Within 12 Months	12,921	493	20,318	639	-	-	4,976	15,358	54,705
Over 12 Months	-	1,329	146,459	478	36,308	-	3,389	-	187,963
Carrying amount at 31 March 2014	12,921	1,822	166,777	1,117	36,308	-	8,365	15,358	242,668

Investment Funds

The British Museum held investment funds as at 31 March 2015 with a fair value of £63.6m (31 March 2014: £49.6m). These investments consist of investment funds, fixed income and unlisted equities. They are classified as available for sale assets in accordance with IAS 39.

The National Heritage Memorial Fund held investment funds as at 31 March 2015 with a fair value of £39.8m (31 March 2014: £37.0m). The funds are invested in Schroders' Charity Multi-Asset Fund, which invests in a range of over thirty unit and investment trusts across many asset types and geographic markets.

The Victoria and Albert Museum held investment funds at 31 March 2015 with a fair value of £27.5m (31 March 2014: £25.5m) which mainly consist of government stocks, corporate bonds and investment funds. They are classified as available for sale assets in accordance with IAS 39.

The British Library held investment funds as at 31 March 2015 with a fair value of £21.0m (31 March 2014: £13.9m) which are shares and equity type investments held with Legal and General. The investments are held for the Library's restricted funds to achieve an appropriate balance between income generation and capital growth.

Investments in Subsidiaries

ALB's subsidiaries are included in the accounts at their fair value with the net assets used as a proxy for fair value. The significant investments in subsidiaries are:

In 2014-15 English Heritage created the English Heritage Trust, a 100% controlled subsidiary. From 1 April 2015 the Trust will look after the National Heritage Collection of more than 400 state-owned historic sites and monuments across England under licence from English Heritage. As at 31 March 2015 the fair value of the Trust is £84.5m (31 March 2014: £nil)

S4C holds four subsidiaries with a fair value as at 31 March 2015 of £21.8m (31 March 2014: £19.9m).

Museum Loans

During 2014-15 the Core Department issued museum loans of £2m to the Imperial War Museum and £0.5m to the Science Museum Group. These loans are eliminated upon the Group consolidation and therefore no assets or liabilities show for the Group.

13. Impairments

	Note	31 March 2015			Restated 31 March 2014		
		Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Property, plant & equipment	7	(153)	(153)	1,432	(98)	(98)	(20,495)
Heritage assets	8	-	-	-	-	-	(449)
Intangible assets	10	-	-	(1,616)	-	-	(1,939)
Inventories	14	-	-	33,980	-	-	(101,341)
Financial assets	12	-	-	(16,543)	-	-	(24,146)
Total impairments		(153)	(153)	17,253	(98)	(98)	(148,370)

During 2014-15, the group reversed impairment previously recognised, resulting in a net gain of £17.3m to the Group (Restated 2013-14: expense £148.4m). The total impairment reversal for the year was charged directly to the Consolidated Statement of Comprehensive Net Expenditure. Following the completion of the East Village, the ODA reversed £34.0m of the £101.3m inventory impairment made in 2013-14.

The British Film Institute (Lottery) incurred financial asset impairments of £16.5m (2013-14: £22.6m) in relation to their film rights.

14. Inventories

	2014-15			Restated 2013-14		
	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Balance at 1 April	-	-	603,820	-	-	822,984
Additions	-	-	1,934,815	-	-	1,660,096
Disposals	-	-	(2,249,033)	-	-	(1,777,919)
Impairments (Note 13)	-	-	33,980	-	-	(101,341)
Carrying amount at 31 March	-	-	323,582	-	-	603,820
Work in intermediate stages of completion	-	-	185,885	-	-	449,613
Raw materials and consumables	-	-	253	-	-	252
Goods for resale and finished inventories	-	-	137,444	-	-	153,955
Total inventories and work in progress	-	-	323,582	-	-	603,820

The ODA inventory as at 31 March 2015 was £nil (31 March 2014: £222.7m) following the completion of the East Village in August 2014 to QDD AVUK. Revenue of £255.9m was recognised (see Note 6) and a corresponding amount released from inventory to the Statement of Comprehensive Net Expenditure as a cost of sale (see Note 5).

As at 31 March 2015 the BBC PSB group held £305.8m (31 March 2014: £363.7m) and S4C £11.6m (31 March 2014: £11.1m) in inventories in respect of programmes in the course of production and programmes that are ready for broadcast but not yet aired. Additions and disposals relate to programmes which have been completed and broadcast during the year.

15. Trade receivables and other assets

	31 March 2015			Restated 31 March 2014		
	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Amounts falling due within one year:						
Trade receivables	1,167	1,917	57,948	754	1,419	52,804
VAT receivables	6,396	6,770	64,491	1,770	2,046	67,412
Other receivables	1,346	1,381	540,704	5,349	5,469	583,356
Prepayments	309	1,095	538,343	825	1,898	583,021
Accrued income	-	-	65,062	-	-	376,487
Interest receivable	-	-	191	-	-	114
Staff loans and advances	95	122	5,404	80	110	5,310
Taxation and duties due	-	-	235	-	-	144
Government grants receivable	-	-	5	-	-	168
Consolidated Fund receivables	4,042	4,042	4,042	3,079	3,079	3,079
	13,355	15,327	1,276,425	11,857	14,021	1,671,895
Amounts falling due after more than one year:						
Trade receivables	-	-	124	-	-	227
Other receivables	5,176	5,176	14,762	-	-	15,686
Prepayments	-	-	7,301	-	-	6,430
Accrued income	-	-	5,908	-	-	967
	5,176	5,176	28,095	-	-	23,310
Total	18,531	20,503	1,304,520	11,857	14,021	1,695,205

Amounts falling due within one year:

The BBC PSB Group as at 31 March 2015 had other receivables of £507m (Restated 31 March 2014: £640m) and prepayments of £507m (Restated 31 March 2014: £443m).

Following the completion of the East Village in August 2014, the ODA received the agreed sale price of £557m from QDD AVUK. As at 31 March 2014 the ODA had accrued income of £317m relating to the sale.

Amounts falling due after more than one year:

Included in other receivables is an Ofcom deferred tax asset of £2.4m (31 March 2014: £2.5m). All deferred tax assets relate to brought forward tax losses which has arisen predominantly as a result of onerous lease provisions on properties inherited from predecessor bodies that were in excess of requirements. Utilisation of the deferred tax asset is dependent on future taxable profits arising.

15.1 Trade receivables and other assets - Intra-government balances

	Amounts falling due within one year		Amounts falling due after more than one year	
	2014-15	Restated 2013-14	2014-15	Restated 2013-14
	£'000	£'000	£'000	£'000
Balances with other central government bodies	40,903	31,940	1	4,653
Balances with local authorities	1,890	3,464	-	-
Balances with NHS bodies	40	19	-	-
Balances with public corporations and trading funds	1,732	875	-	-
<i>Subtotal: intra-government balances</i>	44,565	36,298	1	4,653
Balances with bodies external to government	1,231,860	1,635,597	28,094	18,657
Total receivables at 31 March	1,276,425	1,671,895	28,095	23,310

Within amounts falling due within one year, the balances with bodies external to government contained £1,084m held by the BBC PSB Group as at 31 March 2015 (Restated 31 March 2014: £1,155m).

16. Non-current assets held for sale

	2014-15			2013-14		
	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Balance at 1 April	-	-	494	-	-	1,454
Transfers from property, plant & equipment	-	-	87,000	-	-	494
Disposals	-	-	-	-	-	(1,454)
Transfers in/out of group	-	-	1	-	-	-
Balance at 31 March	-	-	87,495	-	-	494
Of which:						
Property, plant & equipment	-	-	87,495	-	-	494
Total assets held for sale	-	-	87,495	-	-	494

The BBC PSB Group as at 31 March 2015 had £87m (31 March 2014: £nil) of assets held for sale. These assets consist of a portion of the West London Media Village site which was held at the lower of carrying amount and fair value less costs to sell. Subsequent to year end, in June 2015, the BBC PSB Group agreed to the sale of this asset and there was no gain/loss made on disposal.

17. Cash and cash equivalents

	2014-15			Restated 2013-14		
	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Balance at 1 April	72,429	72,940	2,350,261	20,571	22,921	2,360,431
Net change in cash and cash equivalent balances	12,078	13,018	(165,456)	51,858	50,019	(10,170)
Balance at 31 March	84,507	85,958	2,184,805	72,429	72,940	2,350,261
The following balances at 31 March were held with:						
Government Banking Service	84,507	85,957	104,857	72,429	72,939	122,312
Commercial banks and cash in hand	-	1	554,888	-	-	719,719
Liquid deposits	-	-	21,224	-	1	26,370
Sub-total	84,507	85,958	680,969	72,429	72,940	868,401
Balance held by NLDF/OLDF	-	-	1,503,836	-	-	1,481,860
Balance at 31 March	84,507	85,958	2,184,805	72,429	72,940	2,350,261

The majority of the cash is held by the National Lottery Distribution Fund and Olympic Lottery Distribution Fund under the stewardship of the Secretary of State for Culture, Media and Sport. These funds are managed by the Commissioners for the Reduction of the National Debt, who invest the funds as call notice deposits with the Debt Management Office (DMO).

Of the £554.9m of balances held with Commercial banks and cash in hand, £314.0m relates to the BBC PSB Group (restated 31 March 2014: £465.3m).

18. Trade payables and other current liabilities

	31 March 2015			Restated 31 March 2014		
	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Amounts falling due within one year:						
Taxation and social security	1,791	1,965	43,798	453	616	35,999
Trade payables	10	438	288,601	103	686	174,149
Other payables	29,918	29,759	590,136	5,173	5,173	674,068
Accruals & deferred income	87,963	96,840	1,100,554	36,745	48,793	1,282,623
Grants payable	-	-	488,748	-	-	457,364
Obligations under finance leases: amounts payable within 1 year	-	-	8,708	-	-	7,964
Supply payable	75,778	77,229	77,229	72,419	72,930	72,930
Loans and borrowings: amounts payable within 1 year	-	-	-	-	-	8
Consolidated Fund payables	12,771	12,771	12,771	3,088	3,088	3,088
	208,231	219,002	2,610,545	117,981	131,286	2,708,193
Amounts falling due after more than one year:						
Other payables	-	-	33,110	-	-	57,539
Accruals & deferred income	-	-	1,415,455	-	-	1,066,548
Grants payable	-	-	347,217	-	-	234,509
Interest payable	-	-	7	-	-	-
Obligations under finance leases: amounts payable after more than 1 year	-	-	860,925	-	-	864,581
	-	-	2,656,714	-	-	2,223,177
Total	208,231	219,002	5,267,259	117,981	131,286	4,931,370

The BBC PSB Group held as at 31 March 2015 £848.4m (31 March 2014: £851.7m) of finance lease obligations falling due after more than one year.

18.1 Trade payables and other current liabilities - Intra-government balances

	Amounts falling due within one year		Amounts falling due after more than one year	
	2014-15 £'000	Restated 2013-14 £'000	2014-15 £'000	Restated 2013-14 £'000
Balances with other central government bodies	192,383	249,993	40,342	28,112
Balances with local authorities	278,902	200,362	266,444	220,718
Balances with NHS bodies	71	99	32	20
Balances with public corporations and trading funds	607	491	161	156
<i>Subtotal: intra-government balances</i>	471,963	450,945	306,979	249,006
Balances with bodies external to government	2,138,582	2,257,248	2,349,735	1,974,171
Total payables at 31 March	2,610,545	2,708,193	2,656,714	2,223,177

The BBC PSB Group held balances as at 31 March 2015 with bodies external to government of £723.7m (restated 31 March 2014: £710.1m) within one year and £861.3m (restated 31 March 2014: £866.2m) more than one year.

19. Provision for liabilities and charges

	2014-15			Restated 2013-14		
	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Total Provisions						
Restated balance at 1 April 2014	(345)	(822)	(139,098)	(1,785)	(2,237)	(197,877)
Provided in the year	-	(264)	(53,542)	(164)	(631)	(46,638)
Provisions utilised in year	44	152	45,370	208	574	88,608
Provisions not required written back	-	82	31,659	1,396	1,472	17,229
Unwinding of discounts	-	-	(12)	-	-	(13)
Transfers in/out of group	(750)	(750)	(306)	-	-	(407)
Balance at 31 March 2015	(1,051)	(1,602)	(115,929)	(345)	(822)	(139,098)
Comprising:						
<u>Current liabilities:</u>						
Not later than one year	(127)	(548)	(47,305)	(87)	(442)	(68,813)
<u>Non-current liabilities</u>						
Later than one year and not later than five years	(924)	(945)	(34,787)	(257)	(276)	(67,727)
Later than five years	-	(109)	(33,837)	(1)	(104)	(2,558)
Balance at 31 March 2015	(1,051)	(1,602)	(115,929)	(345)	(822)	(139,098)

19. Provision for liabilities and charges (continued)

Total Provisions by type	Grant Commitments £'000	Legal claims £'000	Early Departures and Redundancies £'000	Other £'000	Total £'000
Restated balance at 1 April 2014	(3,758)	(8,731)	(5,436)	(121,173)	(139,098)
Provided in the year	(9,247)	(386)	(1,791)	(42,118)	(53,542)
Provisions utilised in year	-	7,249	2,863	35,258	45,370
Provisions not required written back	12,638	1,167	249	17,605	31,659
Unwinding of discounts	-	-	(5)	(7)	(12)
Transfers in/out of group	-	-	-	(306)	(306)
Balance at 31 March 2015	(367)	(701)	(4,120)	(110,741)	(115,929)
Comprising:					
<u>Current liabilities</u>					
Not later than one year	(367)	(699)	(2,750)	(43,489)	(47,305)
<u>Non-current liabilities</u>					
Later than one year and not later than five years	-	(2)	(1,067)	(33,718)	(34,787)
Later than five years	-	-	(303)	(33,534)	(33,837)
Balance at 31 March 2015	(367)	(701)	(4,120)	(110,741)	(115,929)
Of the total:					
Core Department	-	-	(301)	(750)	(1,051)
Agency	-	(417)	(134)	-	(551)
Arms Length Bodies	(367)	(284)	(3,685)	(109,991)	(114,327)
Balance at 31 March 2015	(367)	(701)	(4,120)	(110,741)	(115,929)

19. Provision for liabilities and charges (continued)

Total Provisions by type	Grant Commitments £'000	Legal claims £'000	Early Departures and Redundancies £'000	Other £'000	Total £'000
Restated balance at 1 April 2013	(41,636)	(4,816)	(7,005)	(144,420)	(197,877)
Provided in the year	(3,758)	(7,718)	(2,850)	(32,312)	(46,638)
Provisions utilised in year	41,636	3,005	4,287	39,680	88,608
Provisions not required written back	-	798	141	16,290	17,229
Unwinding of discounts	-	-	(9)	(4)	(13)
Transfers in/out of group	-	-	-	(407)	(407)
Restated balance at 31 March 2014	(3,758)	(8,731)	(5,436)	(121,173)	(139,098)
Comprising:					
<u>Current liabilities</u>					
Not later than one year	(516)	(6,681)	(2,550)	(59,066)	(68,813)
<u>Non-current liabilities</u>					
Later than one year and not later than five years	(3,242)	(2,050)	(2,417)	(60,018)	(67,727)
Later than five years	-	-	(469)	(2,089)	(2,558)
Restated balance at 31 March 2014	(3,758)	(8,731)	(5,436)	(121,173)	(139,098)
Of the total:					
Core Department	-	-	(345)	-	(345)
Agency	-	(345)	(132)	-	(477)
Arms Length Bodies	(3,758)	(8,386)	(4,959)	(121,173)	(138,276)
Restated balance at 31 March 2014	(3,758)	(8,731)	(5,436)	(121,173)	(139,098)

19.1 Early Departures and Redundancies

The Group meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to the relevant pension fund over the period between early departure and normal retirement date. The liabilities extend for up to ten years. The Group provides for this when the early retirement programme becomes binding, by creating a provision for the estimated payments discounted using a discount rate ranging between 2.35% and 2.8% in real terms.

19.2 Other Provisions

Other Provisions include:

BBC PSB Group Restructuring Provision

This provision relates to the restructuring programmes within the BBC. This predominantly relates to the Delivering Quality First strategy which is due to complete in 2016-17. The value of this provision as at 31 March 2015 was £78.5m (Restated 31 March 2014: £84.1m).

BBC PSB Group Litigation and Insurance

The BBC litigation and insurance provisions as at 31 March 2015 were £21.5m (Restated 31 March 2014: £20.3m).

20. Retirement benefit obligations

	2014-15			2013-14		
	Funded £'000	Unfunded £'000	Total £'000	Funded £'000	Unfunded £'000	Total £'000
Analysis of movement in scheme liabilities						
Balance at 1 April	(12,922,967)	(12,901)	(12,935,868)	(12,532,172)	(12,718)	(12,544,890)
Current service cost	(190,800)	-	(190,800)	(176,211)	-	(176,211)
Past service cost	(1,246)	-	(1,246)	(2,534)	-	(2,534)
Interest cost on pension scheme liabilities	(565,264)	(317)	(565,581)	(555,381)	(413)	(555,794)
Administration cost	(8,400)	-	(8,400)	(8,300)	-	(8,300)
Benefits paid	416,525	352	416,877	396,376	375	396,751
Contributions by members	(3,422)	-	(3,422)	(3,821)	-	(3,821)
Contributions by employer	-	400	400	-	400	400
Gains/(losses) on settlements and curtailments	(69)	-	(69)	(86)	-	(86)
Remeasurements						
Experience gains/(losses) on defined benefit obligation	271,516	(892)	270,624	57,771	(435)	57,336
Change in demographic assumptions	(4,157)	(137)	(4,294)	(94,503)	(110)	(94,613)
Change in financial assumptions	(1,553,095)	-	(1,553,095)	(34,006)	-	(34,006)
Transfers in/out of group	-	-	-	29,900	-	29,900
Pension liabilities at 31 March	(14,561,379)	(13,495)	(14,574,874)	(12,922,967)	(12,901)	(12,935,868)
Analysis of movement in scheme assets						
Balance at 1 April	11,310,520	-	11,310,520	10,840,979	-	10,840,979
Interest on assets	503,616	-	503,616	483,250	-	483,250
Administration cost	(1,200)	-	(1,200)	(1,568)	-	(1,568)
Pension payments made	(417,483)	-	(417,483)	(396,376)	-	(396,376)
Contributions by members	4,217	-	4,217	3,821	-	3,821
Contributions by employer	341,045	-	341,045	237,323	-	237,323
Remeasurements						
Change in actuarial assumptions	18,258	-	18,258	(894)	-	(894)
Return on assets	1,690,417	-	1,690,417	177,685	-	177,685
Transfers in/out of group	-	-	-	(33,700)	-	(33,700)
Pension assets at 31 March	13,449,390	-	13,449,390	11,310,520	-	11,310,520
Net Pension (liability)/asset at 31 March	(1,111,989)	(13,495)	(1,125,484)	(1,612,447)	(12,901)	(1,625,348)
Of the total:						
Core Department	-	-	-	-	-	-
Agency	-	-	-	-	-	-
Arms Length Bodies	(1,111,989)	(13,495)	(1,125,484)	(1,612,447)	(12,901)	(1,625,348)
Balance at 31 March	(1,111,989)	(13,495)	(1,125,484)	(1,612,447)	(12,901)	(1,625,348)

20.1 Analysis of total pension cost recognised in the Consolidated Statement of Comprehensive Net Expenditure

	2014-15 £'000	2013-14 £'000
Pension cost recognised in Net Operating Cost		
Current service costs	190,800	176,211
Past service costs	1,246	2,534
Enhancements and (gains)/losses on settlements and curtailments	69	86
Net interest cost on Pension Scheme	61,965	72,544
Administration Cost	9,600	9,868
Total	263,680	261,243

	2014-15 £'000	2013-14 £'000
Remeasurements recognised in Other Comprehensive Net Expenditure		
Pension Liabilities:		
Experience (gains)/losses on defined benefit obligation	(270,624)	(57,336)
Change in demographic assumptions	4,294	94,613
Change in financial assumptions	1,553,095	34,006
Pension Assets:		
Change in actuarial assumptions	(18,258)	894
Return on assets	(1,690,417)	(177,685)
Total	(421,910)	(105,508)

20.2 Funded Pension Schemes

A number of the ALBs operate funded pension schemes, details of the most significant schemes are included below. Further information in relation to these funded pension schemes are set out in the published accounts of the ALBs.

20.2.1 BBC Pension Scheme

Whilst these accounts only include the BBC PSB Group, it is not possible to allocate the Scheme's (the Scheme) deficit shown below across individual divisions of the BBC. Accordingly the Group accounts include the entire BBC Pension Scheme in accordance with IAS 19 *Employee Benefits*. However, no guarantee has been given by either the Department or HM Government in respect of this Scheme. Pension contributions are paid into a trust fund (BBC Pension Trust Limited) and these contributions are invested by the Trustees to produce income from which benefits are paid. The fund is separate from the finances of the BBC and participating employers. It is used to provide benefits for the Scheme's members and their dependants.

The Scheme, a defined benefit scheme, is now closed to new entrants. The Scheme provides pensionable salary related benefits on a defined benefit basis funded from assets held in separate trustee-administered funds. The Scheme Trustees manage the plan in the short, medium and long term. They make funding decisions based on valuations which take a longer-term view of the assets required to fund the Scheme's liabilities. Valuations of the Scheme are performed by Towers Watson, consulting actuaries. Formal valuations are undertaken at least every three years. The Scheme's net pension liability represents the majority of the BBC's net pension liability, with details below:

BBC Pension Scheme financial position as at:					
	2015	2014	2013	2012	2011
	£m	£m	£m	£m	£m
Scheme assets	12,766.3	10,684.2	10,201.1	9,198.5	8,835.8
Scheme liabilities	(13,707.0)	(12,192.7)	(11,809.8)	(10,270.5)	(9,656.3)
(Deficit)/Surplus	(940.7)	(1,508.5)	(1,608.7)	(1,072.0)	(820.5)
Percentage by which scheme assets cover liabilities	93%	88%	86%	90%	92%

Funding the Scheme

The most recent actuarial valuation of the pension scheme completed in 2013 by Towers Watson showed a funding shortfall of £2,054m. Consequently, a recovery plan was agreed between the BBC and the pension scheme Trustees which detailed the contribution amounts to be paid by the BBC over a 12 year period that commenced in 2014. The next formal actuarial valuation is expected to be performed as at 1 April 2016.

	Projections 2016	2015	2014	2013	2012
	%	%	%	%	%
Employer	16.7	16.7	14.5	14.5	14.5/15.5
Employee (Old and New Benefits)	7.5	7.5	7.5	7.5	7.5
Employee (Career Average Benefits 2006)	4.0	4.0	4.0	4.0	4.0
Employee (Career Average Benefits 2011)	6.0	6.0	6.0	6.0	6.0

Principal actuarial assumptions

The calculation of the scheme liabilities and pension charges, for IAS 19 purposes, requires a number of financial and demographic assumptions to be made. The principal assumptions used by the actuaries, were:

	2015	2014
	%	%
Principal financial assumptions		
Rate of increase in salaries	1.0	1.0
Rate of increase in pension payments:		
Old Benefits	2.9	3.4
New Benefits	2.7	3.2
Career Average Benefits (2006)	2.4	2.4
Career Average Benefits (2011)	1.8	2.3
Inflation assumption (RPI)	2.9	3.4
Inflation assumption (CPI)	1.9	2.4
Discount rate	3.4	4.4

The average life expectancy assumptions, for members after retirement at 60 years of age, are as follows:

Principal demographic assumptions Retiring today:	2015	2014
	Number of years	Number of years
Male	27.5	27.4
Female	29.9	29.8
Retiring in 20 years:		
Male	29.4	29.3
Female	31.9	31.8

The sensitivities of the Scheme's liabilities to changes in the principal assumptions are set out below:

	Assumption used %	Movement	Impact on Scheme liabilities %	Impact on Scheme liabilities £m
Discount rate	3.4	Increase/decrease 0.1%	1.7/2.2	230/(308)
Retail price inflation rate	2.9	Increase/decrease 0.1%	1.8	(251)/245
Mortality rate	1.3 ¹¹⁷	Increase/decrease 0.1%	3.6/3.5	(494)/477

20.2.2 Ofcom Pension Schemes

Ofcom operates the following pension schemes:

- a) Stakeholder pension plan - a defined contribution plan. This is now the primary means of providing pension benefits to staff. Nothing has been included in respect of this scheme in note 20.
- b) Closed defined benefit pension plans
 - The Ofcom Defined Benefit Pension Plan was established on 9 December 2003.
 - The Ofcom (Former ITC) Pension Plan which Ofcom jointly participates in with S4C, S4C Masnachol and the Advertising Standards Authority.

As at 31 March 2015 these schemes had a net pension asset of £17.2m (31 March 2014: £23.1m). These schemes had an additional net pension asset of £8.5m (31 March 2014: £8.6m). IAS19 *Employee Benefits (revised)* only allows the pension asset to be recognised if an economic benefit is available to the body as a result of the surplus. Per the Ofcom (former ITC) Plan's Trust Deed and Rules a refund of any surplus is not available to Ofcom, and therefore a reduction of the pension asset is required.

20.2.3 British Tourist Authority (BTA) Pension Schemes

BTA operates a defined benefit scheme for its employees in the UK and US based on final pensionable pay, the British Tourist Boards' Pension Scheme (BTBP). The scheme is subject to regular actuarial valuations, which are usually carried out every three years. A full actuarial valuation was carried out by a qualified independent actuary as at 31 March 2015. The BTBP Scheme is a multi-employer scheme which includes other Tourist Boards. In accordance with IAS 19, BTA's share of the deficit of the scheme as at 31 March 2015 is £26.1m (31 March 2014: £18.7m¹¹⁸). Following the 2009 valuation of the scheme, the employers have agreed a deficit recovery plan with the trustees. The plan requires BTA to pay in proportion to its share of the deficit. Based on the funding shortfall and agreed contribution levels it is expected that the shortfall will be eliminated by 2033.

BTA also operates defined contribution schemes in other parts of the world, outside of the USA.

20.2.4 Local Government Pension Scheme

A number of the ALBs participate in the Local Government Pension Scheme, administered by the London Pension Fund Authority (LPFA). The scheme is a defined benefit scheme and

¹¹⁷ A long term trend of 1.3% for both males and females has been applied to the life expectancy reported above.

¹¹⁸ The prior year figure has been updated to give a more accurate comparative.

is funded by employees and employers at actuarially determined rates. The scheme was last valued by the consulting actuaries of the LPFA as at 31 March 2013, with the next formal valuation due to reflect the position as at 31 March 2016. The actuarial method used is market related, based on average yields and market values in the 12 months leading up to the valuation date.

20.3 Unfunded Pension Schemes

The BBC PSB Group, British Film Institute, British Tourist Authority, Ofcom, Equalities and Human Rights Commission, and Gambling Commission have unfunded pension schemes. For more details on these schemes refer to the published accounts of the individual ALBs (see Note 29).

21. Other financial liabilities

	Other financial liabilities £'000	Derivatives £'000	Total £'000
Balance at 1 April 2013	58,731	1,506	60,237
Additions	-	-	-
Reclassifications	-	360	360
Revaluations	-	1,517	1,517
Discounting	1,809	-	1,809
Balance at 31 March 2014	60,540	3,383	63,923
Disposals	-	(360)	(360)
Repayments	(61,196)	-	(61,196)
Revaluations	-	9,660	9,660
Discounting	656	-	656
Balance at 31 March 2015	-	12,683	12,683
Of the total:			
Core Department	-	-	-
Agency	-	-	-
Arms Length Bodies	-	12,683	12,683
Balance at 31 March 2015	-	12,683	12,683

	Other financial liabilities £'000	Derivatives £'000	Total £'000
Due within 12 months	-	3,000	3,000
Due after 12 Months	-	9,683	9,683
Balance at 31 March 2015	-	12,683	12,683
Due within 12 months	60,540	2,029	62,569
Due after 12 Months	-	1,354	1,354
Balance at 31 March 2014	60,540	3,383	63,923

Other financial liabilities

The ODA completed the sale of Stratford Village Development Partnership Ltd (SVDP) to QDD AVUK in August 2014 and the security deposit was repaid.

22. Capital and other commitments

22.1 Capital commitments

	31 March 2015			Restated 31 March 2014		
	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Contracted capital commitments at 31 March not otherwise included in these financial statements:						
Property, plant & equipment	-	708	72,576	-	376	219,341
Intangible assets	-	-	135	-	-	9,709
Total	-	708	72,711	-	376	229,050

The property, plant and equipment commitments as at 31 March 2015 include the following significant commitments:

- a) Tate Gallery had commitments of £26.6m (31 March 2014: £52.4m), which included Tate Modern assets under construction commitments of £20.8m (31 March 2014: £47.3m).
- b) The Victoria and Albert Museum had commitments as at 31 March 2015 of £19.6m (31 March 2014: £32.7m) that relate to design & construction of Europe 1600-1800 galleries and the Exhibition Road project.

22.2 Commitments under leases

22.2.1 Operating leases

	31 March 2015			Restated 31 March 2014		
	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Land						
Not later than one year	-	-	504	-	82	504
Later than one year and not later than five years	-	-	1,649	-	309	1,877
Later than five years	-	-	9,587	-	-	15,286
	-	-	11,740	-	391	17,667
Buildings						
Not later than one year	7,759	7,759	74,196	7,234	7,234	75,175
Later than one year and not later than five years	32,685	32,685	250,874	32,525	32,525	250,213
Later than five years	45,215	45,215	1,146,921	50,630	50,630	1,180,326
	85,659	85,659	1,471,991	90,389	90,389	1,505,714
Other						
Not later than one year	-	99	53,463	-	-	69,161
Later than one year and not later than five years	-	273	171,782	-	-	180,048
Later than five years	-	-	122,215	-	-	162,066
	-	372	347,460	-	-	411,275
Total obligations under operating leases	85,659	86,031	1,831,191	90,389	90,780	1,934,656

Total future minimum operating lease payments under operating leases are given in the table above for each of the following periods. The most significant operating leases are:

The Core Department leases various buildings under non-cancellable operating lease agreements, the most significant is the lease of accommodation at 100 Parliament Street, for which the Department has a lease until 2028. These operating leases do not have purchase options, although some have escalation clauses and terms of renewal. Renewals are negotiated with the lessor in accordance with the provisions of the individual lease agreements.

The BBC PSB Group leases buildings and IT equipment of £908.4m (Restated 31 March 2014: £992.4m). The buildings are mainly used for office/building space under non-cancellable operating lease agreements. Certain agreements include renewal options, stepped rents or annual Retail Price Index uplifts, or periodic rent reviews. All of these leases have been entered into on commercial terms.

The Royal Armouries Museum held operating leases as at 31 March 2015 of £675.6m (31 March 2014: £676.0m). Most significantly a 999 year lease for the main museum site.

The BIG Lottery Fund had operating leases as at 31 March 2015 of £35.5m (31 March 2014: £41.5m) relating to various buildings throughout the UK.

22.2.2 Finance leases

Total future minimum lease payments under finance leases are given in the table below for each of the following periods.

Obligations under finance leases for the following periods comprise:	31 March 2015			Restated 31 March 2014		
	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Land						
Not later than one year	-	-	7,236	-	-	5,901
Later than one year and not later than five years	-	-	30,722	-	-	29,967
Later than five years	-	-	129,377	-	-	138,470
	-	-	167,335	-	-	174,338
Less interest element	-	-	(95,909)	-	-	(102,861)
Present value of obligations	-	-	71,426	-	-	71,477
Buildings						
Not later than one year	-	-	77,032	-	-	64,039
Later than one year and not later than five years	-	-	320,173	-	-	312,517
Later than five years	-	-	1,386,699	-	-	1,480,741
	-	-	1,783,904	-	-	1,857,297
Less interest element	-	-	(997,268)	-	-	(1,069,066)
Present value of obligations	-	-	786,636	-	-	788,231
Other						
Not later than one year	-	-	3,156	-	-	16,872
Later than one year and not later than five years	-	-	4,666	-	-	4,311
Later than five years	-	-	7,734	-	-	(3,897)
	-	-	15,556	-	-	17,286
Less interest element	-	-	(3,985)	-	-	(4,449)
Present value of obligations	-	-	11,571	-	-	12,837
Present value of obligations	-	-	869,633	-	-	872,545

22.2.2 Finance leases (continued)

Present Value of obligations under finance lease comprise:	31 March 2015			Restated 31 March 2014		
	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Land						
Not later than one year	-	-	288	-	-	(1,046)
Later than one year and not later than five years	-	-	3,296	-	-	2,346
Later than five years	-	-	67,842	-	-	70,177
Present value of obligations	-	-	71,426	-	-	71,477
Buildings						
Not later than one year	-	-	5,937	-	-	(7,175)
Later than one year and not later than five years	-	-	39,934	-	-	29,972
Later than five years	-	-	740,765	-	-	765,434
Present value of obligations	-	-	786,636	-	-	788,231
Other						
Not later than one year	-	-	2,482	-	-	16,178
Later than one year and not later than five years	-	-	3,181	-	-	2,696
Later than five years	-	-	5,908	-	-	(6,037)
Present value of obligations	-	-	11,571	-	-	12,837
Total present value of obligations	-	-	869,633	-	-	872,545

The most significant finance leases are:

The BBC PSB Group had finance lease commitments as at 31 March 2015 of £856.2m (31 March 2014: £858.7m). Under the terms of the leasing agreements, the BBC PSB Group has the right to share in the residual value of its key finance lease properties (Broadcasting House, Pacific Quay and White City). This share will be passed to the BBC PSB Group as either a cash flow at the end of the leasing arrangement, or a reduction in rentals if the lease agreement is extended for a further term. In addition, the BBC PSB Group has the right to repurchase each property at the end of the respective lease agreement.

The BBC PSB Group leases with a carrying value of £848.4m (Restated 31 March 2014: £851.6m) have contingent elements included within their contracts and result in contingent rents of £8.8m (31 March 2014: £8.2m) being reflected in operating costs.

22.3 Commitments under PFI contracts and other service concession arrangements

Off-balance sheet (Consolidated Statement of Financial Position)

The values recorded below are also charged to the Consolidated Statement of Comprehensive Net Expenditure and future commitments.

Obligations for off-balance sheet (SoFP) PFI and other service concession arrangements for the following periods comprise:	31 March 2015			31 March 2014		
	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Not later than one year	-	-	1,576	-	-	1,562
Later than one year and not later than five years	-	-	6,438	-	-	6,378
Later than five years	-	-	7,916	-	-	9,530
Total	-	-	15,930	-	-	17,470

The National Museums Liverpool (NML) and the Natural History Museum (NHM) have both entered into contractual arrangements for the provision of energy services.

Further details can be found in the respective accounts of these ALBs (see Note 29).

22.4 Other financial commitments

The Group entered into non-cancellable contracts which are not leases, PFI contracts or other service concession arrangements. The payments to which the Group are committed during 2014-15, analysed by the period during which the commitments expire, are as follows:

	31 March 2015			Restated 31 March 2014		
	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000	Core Department £'000	Core Department & Agency £'000	Departmental Group £'000
Not later than one year	-	-	991,907	-	-	1,251,058
Later than one year and not later than five years	-	-	1,386,660	-	-	1,498,178
Later than five years	-	-	1,193,803	-	-	1,249,454
Total	-	-	3,572,370	-	-	3,998,690

The BBC PSB Group as at 31 March 2015 had commitments of £3,542m (Restated 31 March 2014: £3,448m) relating to long term outsourcing contracts of IT support, content distribution and transmission, facilities management and elements of finance support.

23. Contingent assets and liabilities

23.1 Contingent liabilities disclosed under IAS37

23.1.1 Quantifiable

Neither the Department or the Agency have any quantifiable contingent liabilities.

Group

Guarantee of British Horseracing Authority (BHA) Scheme

On 30 July 2007, the Horserace Betting Levy Board (HBLB) agreed with the British Horseracing Authority, the Jockey Club, and Trustees of the Jockey Club Pension Fund and Life Assurance Scheme, (now known as the BHA Scheme), to guarantee the payments by the BHA of certain contributions to this scheme. The HBLB has a contingent liability in the event of the BHA becoming unable to meet its obligations and has agreed if such circumstances arise to:

- a) Meet the entire annual deficit contributions of £1.2m during the period ending 31 December 2019, and £0.6m per annum for the period from 1 January 2020 and ending on 30 September 2024.
- b) Guarantee until the earlier of (i) 31 December 2024 and (ii) the date a future actuarial valuation of the BHA Scheme discloses that there is no longer a past deficit on the basis of the December 2006 actuarial assumptions. The guarantee applies to the full Scheme wind-up liabilities; up to a maximum of £30m in total, payable in five equal annual instalments, only in the event that the Scheme is wound up by its trustees as a result of the BHA becoming unable to maintain contributions, or terminates its participation in the scheme, without substituting an alternative Principal Employer (Rule 66 of the Scheme). This guarantee does not apply if the Scheme is wound up for any other reason.

Home of Horseracing Trust

In January 2014 HBLB executed a guarantee to Weatherbys Bank to underwrite a £1.5m overdraft facility to be granted in favour of the Home of Horseracing Trust. The Trust has been formed with the objective of raising funds for a National Heritage Centre in Newmarket and specifically the restoration of the historic Palace House and Stables site, built by Charles II. The Board has a contingent liability in the event that the Home of Horseracing Trust becomes unable to repay the sums borrowed through this overdraft facility. The guarantee expires on 31 January 2018.

Sport England

In 1979, the Football Association (FA) contributed £0.5m towards the construction of a hostel at Lilleshall National Sports Centres. A management agreement with the FA was entered into by Sport England which enabled the FA to run the Vauxhall School at the Centre which closed in July 1999. The Management Agreement continues to remain in place and at the present time, the accommodation is used by the FA's Medical and Education Units. If Sport England were to terminate the agreement at any time before 2039, then a proportion of the £0.5m would fall due to be paid to the FA calculated by the reference to time. The Board consider it unlikely that the agreement will be terminated by Sport England.

Lottery Distribution Bodies (LDBs)

In 2014-15, the LDBs have contingent liabilities relating to future grant payments. The estimated value is £932m of which £572m relates to the Heritage Lottery Fund. The LDBs include British Film Institute, BIG Lottery Fund, Heritage Lottery Fund, Sport England Lottery, and UK Sport Lottery.

The contingent liabilities relate to awards offered that have been approved in principle but are yet to be accepted by the recipient as at 31 March 2015. For more detailed information on contingent liabilities, please refer to the financial statements of the individual LDBs.

Natural History Museum (Museum)

The Museum received grant funding totalling £2.9m from the European Commission (EC) for financial years 2009 to 2014. During 2014-15, the EC auditors queried the Museum's method of overhead apportionment. The Museum and the EC have since been in discussion on the calculation methodology and in June 2015, the Museum was supplied with a revised calculation. Due to the ongoing discussions under the grant agreement, the Museum is unable to form an opinion on the likelihood of reimbursement. Under the revised calculation, the Museum is exposed to a potential grant repayment of £0.3m in 2015-16.

23.1.2 Unquantifiable

Department

Olympic Delivery Authority

The ODA had, under the various sale or lease agreements with QDD, Triathlon Homes LLP and East Village Management Ltd (EVMML), a liability for the rectification of defects in the buildings constructed by Stratford Village Development Partnership, provided that the legacy owner/operator has first exhausted all alternative contractual rights and remedies. The liability expires 12 years after the date of practical completion under the relevant contracts. An estimate of the financial impact of the contingent liability is not practicable. This contingent liability passed to DCMS following the dissolution of ODA on 2 December 2014.

Mobile Infrastructure Project (MIP) Grant Framework Agreement – Broadband Delivery UK (BDUK)

In May 2013, DCMS entered into the MIP Grant Framework Agreement with an MIP Provider (Arqiva). Part of that Grant Framework Agreement was an obligation for DCMS to provide spare parts for each site if included in the Site Build Plan approved prior to the agreement to build the site. It is not expected that spares will be required for each site and therefore this contingent liability cannot be quantified at this point in time.

Agency

The Agency does not have any unquantifiable contingent liabilities.

Group

British Library Newspaper Digitisation project

The British Library has undertaken the digitisation of millions of pages from the archive using a commercial partner to take on the costs of digitisation in return for being able to exploit the digitisations commercially. The supplier has warranted in the contract with the Library, that use of the digitisations will not infringe copyright, or give rise to any possible action for defamation and has undertaken to cover any liability falling on the Library as a result of any such claims (in addition to the cost of defending the action) up to £5.0m. The Department has agreed to permit the British Library to underwrite any liability which arises beyond that, for the duration that such claims might arise. It is considered that a claim in excess of £5.0m would be extremely unlikely.

Tate Gallery potential claw-back of London Development Agency (LDA) Grant

In March 2006 Tate Gallery was awarded a grant of up to £7m from the LDA to facilitate the surrender by EDF Energy of the western half of the switch station to the south of Tate Modern, following its upgrade and relocation of its transformer equipment. This represented part of the funding for a £215m capital project to develop Tate Modern. The LDA grant will enable Tate Gallery to bring the site of the derelict and unoccupied oil tanks, together with the western end of the switch house, into public use through the Tate Modern project. The grant is being utilised to reimburse EDF Energy for the costs of the works required to free

the land for surrender. The grant is payable in instalments, with £6m paid so far and is conditional on Tate Gallery meeting set criteria by certain dates. As part of the agreement, the LDA has taken a charge over part of the Tate Modern site; if the criteria are not met the grant must be repaid or the land subject to the charge passed over to the LDA. The key criteria are that Tate Gallery must obtain planning consent for the development by 30 June 2009 and the work must be completed by 31 December 2016. The work on the Tate Modern project is progressing and is on course for completion within the given timescale.

23.2 Contingent liabilities arising through financial guarantees, indemnities and letters of comfort

23.2.1 Quantifiable

The Department has entered into the following quantifiable guarantees or indemnities. None of these are a contingent liability within the meaning of IAS 37 since the likelihood of a transfer of economic benefit in settlement is too remote.

Managing Public Money requires that the full potential costs of such contracts be reported to Parliament. These costs are reproduced in the table below.

	01-Apr-14	Increase in year	Liabilities crystallised in year	Obligation expired in year	31-Mar-15	Amount reported to Parliament by Departmental Minute
	£m	£m	£m	£m	£m	£m
Guarantees						
Borrowing facility for Historic Royal Palaces	4.0	-	-	-	4.0	4.0
Indemnities						
Government Indemnity Scheme	5,298.0	21,108.8	-	(20,453.2)	5,953.6	5,953.6
Artworks on loan from the Royal Collection	170.8	-	-	(43.5)	127.3	127.3
Artworks on loan to the Government Art Collection	4.3	-	-	(2.7)	1.6	0.0
Totals	5,477.1	21,108.8	-	(20,499.4)	6,086.5	6,084.9

Guarantees

The 'Borrowing facility for Historic Royal Palaces' of £4m is included as a contingent liability. This guarantee expired during 2013-14 and was relaid before Parliament in September 2013.

Indemnities

The Government Indemnity Scheme indemnifies lenders to museums, galleries and other institutions when mounting exhibitions or taking long-term loans for either study or display. It is a statutory liability totalling £6bn (31 March 2014: £5.3bn). There are also non-statutory liabilities for indemnities granted in respect of works of art on loan from the Royal Collection totalling £127.3m (31 March 2014: £170.8m). In the event of loss or damage occurring to the Royal Collection, the Government has given a specific undertaking to Her Majesty that it would seek parliamentary authority for compensation.

There is also an indemnity scheme amounting to £1.6m for items on loan to the Government Art Collection (31 March 2014: £4.3m). The change in contingent liabilities arising from 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.

Letters of Comfort

The Department does not have any quantifiable letters of comfort.

23.2.2 Unquantifiable

The Group 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 IAS 37, since the likelihood of a transfer of economic benefits in settlement is too remote.

Department

Olympic and Paralympic games

The Government provided guarantees to the International Olympic Committee that it would act as the ultimate financial guarantor should there be a shortfall between the Olympic costs and revenues. At the conclusion of the Games in 2012, the forecast underspend against the £9.3bn Public Sector Funding Package was £377m. By mid-2013, this had increased to just over £500m. The period to August 2014 saw the post-Games conversion and sale of the Olympic Village for residential use. On the sale of the Village the estimated underspend against the Package remains over £500m, broadly in line with the estimate made in mid-2013. The Package contains a small amount of funding to enable the discharge of the Village defects management function post completion and sale mainly in 2014-15 to 2016-17. The likelihood of the Package being exceeded is remote.

Rugby Union World Cup

In July 2009, the International Rugby Board announced that the Rugby Football Union had been successful in its bid to host the 2015 Rugby Union World Cup in England. The Department has agreed to partially underwrite the 2015 Rugby Union World Cup tournament fee of £80m up to a maximum of £25m, but only if there is a shortfall in receipts of more than £2m.

Jubilee Gardens

The Department has given an indemnity to the Arts Council England and the Southbank Centre Limited with respect to certain liabilities owed by Shirayama Shokusan Company Limited, the owners of County Hall. This indemnity covers any costs to be incurred by Shirayama in replacing the proposed new Jubilee Gardens should Shirayama Shokusan Company Limited make use of their sub-soil lease beneath the Garden to build an underground car park. Shirayama Shokusan Company Limited, require an indemnity to cover the cost of reinstating the gardens in their new form. The cost of this is estimated at around £2m and is not time-limited. The risk of the indemnity being called upon is low as there is currently no intention to build such a car park, and the likelihood of obtaining planning permission is low. A Treasury Minute was laid on 26 April 2011 explaining the contingent liabilities in respect of the proposed development. The term of the sub-soil lease is 999 years from 1993 running to 2992 and the parties to the sub-lease could agree to extend it beyond that.

BT pension scheme (BTPS)

When BT was privatised in 1984, the government gave a guarantee (contained in the Telecommunications Act 1984) in respect of certain liabilities of the privatised company. This contingent liability was transferred to the Department from the Department for Business, Innovation and Skills following a machinery of government change in 2011. Following High Court and Court of Appeal proceedings on the terms and scope of the Crown Guarantee, which would only apply if BT were to enter insolvent winding-up, the contingent liability is

approximately the size of the BT pension scheme deficit. On 30 June 2014, this stood at £7bn.

World Athletics Championship

In order to provide confidence to the International Association of Amateur Athletics Federation, the Greater London Authority and UK Athletics in signing the contracts to stage the Championships, the Department has committed to underwrite the costs of the World Athletics Championship in 2017 to the extent that the costs exceed budget or where there is a shortfall in revenue. The main risk to a call on the Department underwriting would stem from any difficulties in the commercial sponsorship environment leading up to 2017.

HL (a minor) vs Facebook and Others

The Secretary of State has been named as a defendant in proceedings commenced in Northern Ireland concerning the use of Facebook by a minor which, it is claimed, led to her human rights, fundamental rights and privacy being infringed. There is the potential for this case, should the plaintiffs win, to give rise to a claim for damages against the Crown as well as adverse costs – DCMS is unable to quantify what this cost may be. The case is due to be heard at the end of September 2015.

Olympic Delivery Authority

Upon dissolution of the ODA on 2 December 2014, the following contingent liabilities passed to DCMS:

- In order to facilitate the redevelopment of the Olympic Park, the ODA relocated the railway siding at Thornton's Field to Orient Way. There is a contingent liability of up to £10m for one third of the cost of constructing new railway sidings at Lea Interchange should Eurostar exercise its right from 30th June 2023 to take back the railway sidings at Orient Way which are currently leased to the Secretary of State for Transport. This liability cannot be quantified reliably as it falls so far into the future and there is no certainty repossession will happen.
- The ODA provided an indemnity to the Lee Valley Regional Park Authority (LVRPA) against any costs incurred by LVRPA in connection with pollution or contamination arising from the ODA's construction of the Lee Valley White Water Canoe Centre; this indemnity expires in February 2021; the likelihood of any such contamination is remote.
- The ODA procured the design, construction and maintenance of the Lee Valley Hockey and Tennis Centre at Eton Manor. The Lawn Tennis Association agreed to provide funding of £0.5m to the ODA as a contribution towards the capital cost of building the facility. LVRPA, the Tennis Foundation and the Lawn Tennis Association have entered into a separate agreement for the operation of the facility by LVRPA. That agreement includes a claw back provision to allow the funders to recover funding in the event that LVRPA were to terminate the agreement, which LVRPA is only permitted to do after a period of 5 years from public opening of the facility. The claw back liability of LVRPA will reduce over time from year 5 to year 10, and it will be extinguished after year 10 in 2024. The ODA agreed to reimburse LVRPA 30% of any claw back liability that may become payable by LVRPA in the unlikely event that LVRPA were to terminate the operation of the facility between year 5 and year 10.

4G mobile signal rollout

The Department has a contingent liability in respect of the 4G mobile signal rollout at 800MHz by the four licensees, EE, 3, Telefonica O2 and Vodafone. In March 2013, Ofcom awarded licences to use 800MHz (and 2.6GHz) spectrum following an auction that started in January 2013. A requirement of these four licensees/Mobile Network Operator's was to fund up to £180m to provide a mitigation assistance scheme to the public whose primary Digital Terrestrial Television (Freeview) services were affected by the 4G rollout in 800MHz. The target date for the rollout to be completed is 31 December 2018 (or sooner). The licence states that any expenditure above the £180m threshold will be met by the government, subject to any overspend not being caused by the mitigation company's decision to exceed its formal remit for mitigation. The mitigation company is called Digital Mobile Spectrum Limited (DMSL) and its public name is at800. It is highly unlikely that the £180m threshold will be breached (current estimates by at800 indicate a total projected spend to 31 December 2018 of around £120m).

English National Stadium project

The Department has given an undertaking to grant an indemnity to the bank acting as Security Trustee for the English National Stadium Project in certain specified circumstances.

Agency

The Agency does not have any unquantifiable guarantees, indemnities and letters of comfort.

Group*Guarantees to and on behalf of Tate Foundation*

On 14 June 2012, a Parliamentary Minute was approved that allows the Tate Gallery to provide guarantees to and on behalf of the Tate Foundation, an independent charity, so that it can borrow up to £55m to provide cash flow support towards Tate Gallery's major capital projects and satisfy donor requirements. Tate Foundation is providing the majority of the remaining funding for the major projects and needs to borrow funds, as anticipated dates for receipt of funds from private donors will not exactly match the anticipated dates for payments under the relevant construction and associated contracts. The amount borrowed will be repaid out of donations within six years from September 2012, but with the option of being extended if necessary with the agreement of the lenders and the Tate Foundation. Bearing in mind the flow of donation income to Tate Foundation, their existing unrestricted funds and the ability to extend the facility if necessary, it is very unlikely that Tate Gallery will be called upon to pay anything under the guarantees.

23.3 Contingent Assets**Department***Sale of Olympic Village*

Subject to the value of properties in the former Olympic Village exceeding an agreed minimum threshold, DCMS is entitled to receive a minimum payment of £5m. The value of the properties is due for assessment on 6 August 2016. Also, when each of the development plots on the Village is sold, DCMS has an entitlement to surpluses from the profit of the sale (overage) up to March 2024. Any sums payable to DCMS in respect of overage on the Village development plots are subject to a 5% levy in favour of London Borough of Newham. Other overages may be payable but the likelihood is considered remote.

Agency

The Agency has no quantifiable contingent assets.

Group*Land sales on the Greenwich Peninsula*

As successor to the Millennium Commission, the BIG Lottery Fund is entitled to a share of the proceeds of land sales on the Greenwich Peninsula made by the Greater London Authority, once certain costs have been covered. No payments have become due, but payments of £87m are forecast to be received between 2015 and 2031.

Equality and Human Rights Commission contingent asset

Legal & General Group PLC is currently holding funds relating to the winding up of the Commission for Racial Equality Pension and Life Assurance Scheme. The trustees are in the process of winding up the scheme. On the closure of the scheme it is likely that some funds may be remitted to the Commission. The amount and date of this are uncertain but could be in the range of £2m to £3m.

Sale of Olympic Park

The National Lottery Distributors are entitled to receive a share of receipts from the sale of land on Queen Elizabeth Olympic Park in return for their contribution of an additional £675m to the funding of the London 2012 Olympic and Paralympic Games which was announced in 2007. The arrangements are set out in a legal agreement between the Secretary of State and the GLA dated 29th March 2012. As the National Lottery Distributors are aware land sales will take place over a 20-year period, expected to be from 2016-17 to 2036-37. DCMS expects the first payments to the Lottery Distributors to come through in 2020-21, several years earlier than previously forecast.

24. Losses and Special Payments

24.1 Losses Statements

2014-15						
	Core Department		Core Department & Agency		Departmental Group	
	Cases	Amount £'000	Cases	Amount £'000	Cases	Amount £'000
Total	12	29	12	29	1,117	2,780

Details of losses over £300k for 2014-15:

- BIG Lottery Fund incurred one loss that exceeded £300k. A £338k grant paid to Golspie Recycling and Environmental Action Now (GREAN) when GREAN was subsequently wound up.
- The Natural History Museum incurred one loss that exceeded £300k for an advance payment of a subscription to SWETS Information Service (SWETS IS) for £310k. SWETS IS went into administration in October 2014 and the subscription was not received or funds recovered.

2013-14						
	Core Department		Core Department & Agency		Departmental Group	
	Cases	Amount £'000	Cases	Amount £'000	Cases	Amount £'000
Total	1	18	1	18	101	2,391

Details of losses over £300k for 2013-14:

- BIG Lottery Fund incurred two losses that exceeded £300k for grants for the Neighbourhood Initiatives Foundation £336k and Ceramica Trust £624k.
- English Heritage incurred one book-keeping write off of £389k due to a change in the methodology used for recognising direct debit income agreed with NAO.

24.2 Special Payments

	2014-15					
	Core Department		Core Department & Agency		Departmental Group	
	Cases	Amount £'000	Cases	Amount £'000	Cases	Amount £'000
Total	1	7	1	7	119	2,694

Details of special payments over £300k for 2014-15:

- National Museums Liverpool (NML) made a special payment that exceeded £300k to settle an ongoing dispute with a contractor of £2.4m. This was previously accounted for as a provision in the 2013-14 accounts.

	2013-14					
	Core Department		Core Department & Agency		Departmental Group	
	Cases	Amount £'000	Cases	Amount £'000	Cases	Amount £'000
Total	-	-	-	-	118	3,200

Details of special payments over £300k for 2013-14:

- The Arts Council England made special payments that exceeded £300k in relation to the early termination lease costs for their Exeter office £759k, Nottingham office £678k and London office £1,100k.

24.3 Gifts

During the year the Department made one gift of £49.9m (2013-14: £9m) to the Racing Foundation and a further grant of £1.8m (2013-14: £1m) to the British Horseracing Grant Scheme. These were the final payments made as part of an agreement reached on the sale of the Tote. The agreement stated that the Government would pay £10.0m a year to the Racing industry for 4 years from 2011-12, with future payments to be agreed in the next spending review. The annual payment was split between the grant scheme and The Racing Foundation. The split was decided annually by The British Horseracing Authority (BHA) Chairman's Committee in agreement with the Department. Early repayment of the proceeds of the sale of the Tote was received in December 2013, and the Department reached agreement with the Racing Foundation on the final terms of the settlement of their share in May 2014. This settlement nullifies future payments under the previously agreed profile.

This gift was notified to Parliament in Supplementary Estimate 2014-15 Part III Note I - Gifts.

There were no other gifts made by the Group that were in excess of £300k.

25. Related Party Transactions

Core Department

At 31 March 2015, DCMS was the parent department of The Royal Parks agency and was the sponsor of the ALBs listed in Note 29. These bodies are regarded as related parties, with which the Department has had various material transactions during the year. All of these transactions were conducted in the normal course of business and at full arms length.

The Department made a number of material transactions with local government organisations, other government departments, and central government bodies. These are set out below:

A. Councils or their subsidiaries

Related parties in this instance include 39 councils or their subsidiaries who are responsible for administering and enabling the broadband rollout in their area.

B. Partners across Government

Related Party	Nature of transaction
Department for Communities and Local Government (DCLG)	DCMS contributions to cover local government Libraries and Sports PFI projects that are distributed by DCLG.
Department for Transport (DfT)	Grants made from DCMS to DfT to compensate DfT for costs relating to bandwidth spectrum clearance.
Home Office	Funding provided for the support of the Hillsborough Independent Panel, formed to oversee the release of documents related to the 1989 Hillsborough football disaster.
Treasury Solicitor's Department (TSol, which became the Government Legal Department on 1 April 2015)	TSol provided legal services to over 180 central government departments and other publicly funded bodies in England and Wales.
Department for Education (DfE)	Contributions from DfE for a number of Arts and Culture programmes (Harmony, Henley and Music Hubs).
HM Revenue and Customs (HMRC)	Payments from DCMS to HMRC relating to DCMS leasing premises from HMRC.
Department of Health (DoH)	DoH contributions to School Games Organisers programme

C. Devolved government within Great Britain and Northern Ireland

The Northern Ireland Executive	Payment of the Northern Ireland share of the Wireless and Telegraphic Act licence fee receipts.
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During the year, the Department may enter into transactions, under normal business terms with organisations in which either a Trustee/Director or a key senior member of management was regarded as having an interest. The transactions entered into during the year are set out below.

The London Organising Committee of the Olympic Games and Paralympic Games Limited (LOCOG) was a related party as the Secretary of State was a member of the Company. In accordance with the terms of LOCOG's grant agreement, LOCOG liquidators made payments to DCMS in 2014-15 of £3.0m in respect of a surplus income from ticketing and other non-grant sources.

The National Lottery Distribution Fund and the Olympic Lottery Distribution Fund are both maintained under the control and management of the Secretary of State. Both funds are related parties. During the year, a number of staff employed by the Department worked on National Lottery Distribution Fund and Olympic Lottery Distribution Fund related activities and also used systems owned by the Department. These costs were recharged to the funds by the Department.

Departmental Ministers make specific disclosure of financial interests as required by the Ministerial Code of Conduct. DCMS Non-Executive Board members must declare to the Permanent Secretary any personal or business interest which may, or may be perceived to, influence their judgement as a Board member.

No Minister, Board Member, or other related parties have (other than those mentioned above) undertaken any material transactions with the Department during the year.

Departmental Group

Ministers

Helen Grant, former Parliamentary Under Secretary of State for Sport and Tourism, was also the President of the Board of Trustees for Maidstone Museums' Foundation, which made a payment of £4k to the Victoria and Albert Museum during the year.

Executive Board Members

Sue Owen, Permanent Secretary and Accounting Officer of DCMS, is also a Governor of the National Institute of Economic and Social Research, which received income from the Commission for Equality and Human Rights of £35k during the year.

Clare Pillman, Director on the DCMS Executive Team, is also a Non-Executive Director of the National Theatre, Wales which received a grant from the Imperial War Museum of £0.175m during the year. Additionally, Clare is a Council Member of the Welsh Historic Garden Trust, which received a grant of £0.136m from the Heritage Lottery Fund (HLF). The whole grant balance from HLF is an outstanding payable to the Welsh Historic Garden Trust as at year end.

Philip French, husband of Rita French (Director on the DCMS Executive Team, who was on maternity leave at the year end), is the Director of Public Policy of the England and Wales Cricket Board (ECB). ECB received a total of £1.76m in grants from ALBs within the DCMS group, the most significant grant being from the English Sports Council of £1.63m, with an outstanding grant payable to ECB of £22k at year end. In addition, the Sport England (Lottery) had an outstanding grant payable of £8.3m at year end.

Non-executive Board Members

Sir David Verey CBE, DCMS Lead Non-Executive Board Member and Member of the Audit and Risk Committee, is a Trustee of the British Council, which received grants of £0.419m and paid grants of £0.167m with a number of ALBs during the year. The largest grant was from the Arts Council of England Exchequer of £0.35m, with an outstanding grant payable of £0.27m at year end. David was the Chairman and a Trustee of the Art Fund up to 14th July 2014, which made a number of grants to ALBs within the DCMS Group totalling £16.50m, the most significant being a gift to the Victoria and Albert Museum of the Wedgwood Collection purchased for £15.63m, with an outstanding grant receivable of £0.1m at year end. David's wife Emma, is a Trustee of the Watts Gallery which received a number of grants from ALBs within the DCMS Group totalling £0.14m. The largest grant was £80k from the Arts Council England Exchequer, of which £8k is an outstanding grant payable year end.

Andrew Tuckey, husband of Dr Tracy Long (DCMS Non-Executive Board Member and Chair of the Audit and Risk Committee) is the Chairman of the Watermill Theatre which received

grants totalling £0.95m. The grants consisted of £0.5m from the Arts Council England Lottery with an outstanding grant payable of £0.14m at year end, and a grant from the Arts Council England Exchequer of £0.45m.

Ajay Chowdhury, Non-executive Board Member of DCMS, is also the Deputy Chairman of the British Screen Advisory Council, which received income totalling £14k during the year from the BBC PSB Group and the British Film Institute. Ajay has also received a grant of £10k from Arts Council England in relation to a play he will be producing in 2015-16 called 'Merchant of Wembley'.

Ruby McGregor-Smith CBE, Non-Executive Board Member of DCMS, is also the Chief Executive of the Mitie Group plc. The Mitie Group has a number of commercial contracts with ALBs within the DCMS group. The ALBs made a total of £3.82m in payments during the year, of which the most significant payments were Ofcom of £1.60m and the Imperial War Museum of £1.36m.

Chris Walton, a co-opted independent member of the Audit and Risk Committee, is also a Non-Executive Director of the Institute of Directors, which received payments from three ALBs totalling to £26k. The largest payment was from Visit Britain of £21k.

None of the other Departmental Ministers or other Management Board members have undertaken any transactions with or have balances with bodies in the DCMS Group during the year.

26. Events after the Reporting Period

Up to the date the Accounts were approved for issue to Parliament, which was the date the Comptroller and Auditor General signed the audit opinion, the following events occurred.

Ministerial changes

The Rt Hon Sajid Javid MP was the Secretary of State for Culture, Media and Sport until 11 May 2015. The Rt Hon John Whittingdale MP was appointed Secretary of State for Culture, Media and Sport on 11 May 2015.

Helen Grant MP was the Parliamentary Under Secretary of State for Sport and Tourism until 11 May 2015. Tracey Crouch MP was appointed Parliamentary Under Secretary of State for Sport and Tourism on 12 May 2015.

Baroness Neville-Rolfe DBE CMG was appointed Parliamentary Under Secretary of State at the Department for Business, Innovation and Skills (jointly with the Department for Culture, Media and Sport) and Minister for Intellectual Property on 13 May 2015.

Baroness Shields OBE (Joanna Shields) was appointed Minister for Internet Safety and Security at the Department for Culture, Media and Sport on 13 May 2015.

Ed Vaizey MP was re-elected on 7 May 2015 and continues his appointment as Minister of State for Culture and the Digital Economy (previously known as Digital Industries).

Machinery of Government Change

The Digital Economy Unit which has been operating as a joint unit with Department for Business, Innovation and Skills became part of DCMS on 19 May 2015. This creates a strong focus on the Digital Economy in Government, led by DCMS, building on synergies with BDUK and the Creative Economy team.

Other changes

Executive Team Change

David Rossington was appointed Finance and Commercial Director from 1 April 2015. The role was previously held by Samantha Foley, who provided handover support and advice until early May 2015.

Clandon Park Fire

The Government Indemnity Scheme (see note 23), indemnified the owners of a painting of the Matthews family by Zoffany, valued at £4.2m on loan to Clandon Park, which has been damaged by fire.

Science Museum Group sale of asset

The Science Museum Group sold to Imperial College The Old Meteorological Building (known as the Post Office Building) in April 2015 for £30m.

26.1 Date Accounts authorised for issue

The Accounts were authorised for issue on the date the Comptroller and Auditor General certified the accounts. The Accounts do not reflect events after this date.

27. Third-party assets

Third party assets are held by the Group on behalf of third parties and are not included in the Consolidated Statement of Financial Position. As at 31 March 2015 the group held assets of £15.2m (31 March 2014: £10.0m).

Neither the Department nor the Agency hold third party assets. The significant third party assets of the Group include:

- a) BIG Lottery Fund (BIG) had third party assets as at 31 March 2015 of £13.4m (31 March 2014: £9.6m). These assets represent third party bank balances for whom BIG manage grant programmes, the National Lottery Promotions Unit to meet payments processed by BIG under service level contracts.
- b) The Natural History Museum had third party assets as at 31 March 2015 of £1.8m (31 March 2014: £0.4m). These funds arise where the Natural History Museum acts as lead manager on grants, receiving funds from the grantor and distributing them to participants over the life of the funded projects.

28. Restatement of Statement of Financial Position and Statement of Comprehensive Net Expenditure

Prior periods have been restated to include:

Machinery of Government Changes

BBC World Service (BBC WS), a segment of the BBC Group transferred into the Departmental Group's Boundary on 1 April 2014. From 1 April 2014 the BBC WS was funded by the BBC PSB Group. BBC WS was previously Grant-in-Aid funded and consolidated by the Foreign and Commonwealth Office (FCO).

Reclassification of expenditure

The BBC PSB Group expenditure has been reclassified between staff costs and programme costs to better reflect the nature of these costs.

Other Adjustments

Lottery bodies: BIG Lottery Fund and British Film Institute

As a result of a change to their Accounts Directions, the Lottery Distributing Bodies are now required to prepare their statutory accounts on an accruals basis. This change has resulted in prior period adjustments for the statutory accounts of the Lottery Distributing Bodies. Of those bodies, The BIG Lottery Fund and the lottery funded arm of the British Film Institute have identified prior period adjustments which impact on the DCMS Group accounts as well as their underlying statutory accounts. These prior period adjustments have been reflected in this set of accounts with prior periods being restated to reflect the impact of the change.

BBC Monitoring

BBC Monitoring, a segment of the BBC Group transferred into the Departmental Group's Boundary on 1 April 2013 when this segment became funded by the BBC PSB Group. BBC Monitoring is not a separate legal entity and has not previously been consolidated by a government department. Up until 2012-13 BBC Monitoring was funded by a grant from Cabinet Office. Although funding transferred on 1 April 2013, BBC Monitoring was not included in the Group's 2013-14 Accounts and therefore 2013-14 is restated to include BBC Monitoring from the date of transfer.

Eliminations for BBC WS

In line with the principles of transfers by merger accounting the Group's accounts reflect the entries previously recognised by the FCO, adjusted for the eliminations which arise from bringing BBC WS into the DCMS Group Accounts. These eliminations are required to prevent any double counting in the DCMS Group Accounts. The impact of these eliminations on the restated accounts for 2013-14 are:

- Decrease Revenue £51.6m
- Decrease Expenditure £51.6m

Reclassification of investment

The BBC PSB Group consider the treatment of their investment in Daunus Limited to be more appropriately classified as a joint venture using the equity method of accounting. Under the equity method of accounting the interest in the joint venture is measured at cost of the investment plus its share of net surplus or deficit, less dividends received. The impact of this change reduces non-current assets at 1 April 2013 by £116.4m and 31 March 2014 by £104.5m, the revaluation reserve at 1 April 2013 by £107.3m and 31 March 2014 by £91.6m and reduces the general fund at 1 April 2013 by £9.1m and 31 March 2014 by £12.9m.

Comparative details in various notes have also been restated for the above and any omissions discovered. The financial impact of these prior period adjustments are set out in the tables below:

28. Restatement of Statement of Financial Position and Statement of Comprehensive Net Expenditure

	Published 2013-14			Restated 2013-14					
	Published 2013-14: Department and Agency £'000	Published 2013-14: Departmental Group £'000	Machinery of Government changes £'000	Accounting Standard Changes £'000	Other Adjustments - Lottery Bodies £'000	Reclassification of Expenditure £'000	Other adjustments - BBC £'000	2013-14: Core Department and Agency £'000	2013-14: Departmental Group £'000
Consolidated Statement of Comprehensive Net Expenditure as at 31 March 2014									
Administration costs:									
Staff costs	28,672	149,373	-	-	-	-	-	28,672	149,373
Other costs	23,593	156,813	-	-	-	-	-	23,593	156,813
Income	(2,993)	(81,360)	-	-	-	-	-	(2,993)	(81,360)
Net administration costs	49,272	224,826	-	-	-	-	-	49,272	224,826
Programme costs:									
Staff costs	3,474	1,453,346	71,603	-	-	32,000	12,797	3,474	1,569,746
Other costs	128,835	6,311,336	178,734	-	(47,056)	(32,000)	(66,215)	128,835	6,344,799
Income	(264,711)	(3,818,142)	(6,554)	-	-	-	41,474	(264,711)	(3,783,222)
Grants and subsidies	4,550,755	38,444	-	-	-	-	-	4,789,235	38,444
Net programme costs	4,418,353	3,984,984	243,783	-	(47,056)	-	(11,944)	4,656,833	4,169,767
Net operating cost	4,467,625	4,209,810	243,783	-	(47,056)	-	(11,944)	4,706,105	4,394,593
Other comprehensive net expenditure									
(Gain)/loss on revaluation of property, plant & equipment and intangible assets	(702)	(516,491)	(5,133)	-	-	-	3,143	(702)	(518,481)
Impairments	-	1,219	-	-	-	-	-	-	1,219
Revaluation of available for sale financial assets	-	(4,477)	-	-	-	-	(15,681)	-	(20,158)
Remeasurements	-	(105,508)	-	-	-	-	-	-	(105,508)
Net other comprehensive net expenditure	(702)	(625,257)	(5,133)	-	-	-	(12,538)	(702)	(642,928)
Total comprehensive expenditure	4,466,923	3,584,553	238,650	-	(47,056)	-	(24,482)	4,705,403	3,751,665

28. Restatement of Statement of Financial Position and Statement of Comprehensive Net Expenditure (continued)

	Published 2013-14			Restated 2013-14					
	Published 2013-14: Department and Agency £'000	Published 2013-14: Departmental Group £'000	Machinery of Government changes £'000	Accounting Standard Changes £'000	Adjustments - Lottery Bodies £'000	Reclassification of Expenditure £'000	Other adjustments - BBC £'000	2013-14: Core Department and Agency £'000	2013-14: Departmental Group £'000
Consolidated Statement of Financial Position as at 31 March 2014									
Non-current assets:									
Property, plant & equipment	27,392	5,735,833	113,064	-	-	-	14,454	27,392	5,863,351
Heritage assets	32,789	1,087,027	-	-	-	-	-	32,789	1,087,027
Intangible assets	170	82,741	540	-	-	-	34	170	83,315
Investments in associates and joint ventures	-	200	-	-	-	-	-	-	200
Investment properties	-	3,260	-	-	-	-	-	-	3,260
Trade and other receivables	-	23,302	-	-	-	-	8	-	23,310
Financial assets	-	292,462	-	-	-	-	(104,499)	-	187,963
Total non-current assets	60,351	7,224,825	113,604	-	-	-	(90,003)	60,351	7,248,426
Current assets:									
Assets classified as held for sale	-	494	-	-	-	-	-	-	494
Inventories	-	603,820	-	-	-	-	-	-	603,820
Trade and other receivables	14,021	1,664,518	9,180	-	-	-	(1,803)	14,021	1,671,895
Financial assets	-	54,705	-	-	-	-	-	-	54,705
Cash and cash equivalents	72,940	2,339,424	8,800	-	-	-	2,037	72,940	2,350,261
Total current assets	86,961	4,662,961	17,980	-	-	-	234	86,961	4,681,175
Current liabilities:									
Trade and other payables	(131,286)	(2,101,960)	(13,391)	-	(589,759)	-	(3,083)	(131,286)	(2,708,193)
Provisions	(442)	(623,586)	(4,100)	-	558,962	-	(89)	(442)	(68,813)
Financial liabilities	-	(62,569)	-	-	-	-	-	-	(62,569)
Total current liabilities	(131,728)	(2,788,115)	(17,491)	-	(30,797)	-	(3,172)	(131,728)	(2,839,575)
Non-current liabilities:									
Provisions	(380)	(700,040)	(5,529)	-	635,185	-	99	(380)	(70,285)
Trade and other payables	-	(1,642,097)	-	-	(581,043)	-	(37)	-	(2,223,177)
Financial liabilities	-	(1,354)	-	-	-	-	-	-	(1,354)
Pension liabilities	-	(1,625,348)	-	-	-	-	-	-	(1,625,348)
Deferred tax liability	-	-	-	-	-	-	-	-	-
Total non-current liabilities	(380)	(3,968,839)	(5,529)	-	54,142	-	62	(380)	(3,920,164)
Assets less liabilities	15,204	5,130,832	108,564	-	23,345	-	(92,879)	15,204	5,169,862

28. Restatement of Statement of Financial Position and Statement of Comprehensive Net Expenditure (continued)

	Published 2013-14		Restated 2013-14						
	Published 2013-14: Core Department and Agency £'000	Published 2013-14: Departmental Group £'000	Machinery of Government changes £'000	Accounting Standard Changes £'000	Other Adjustments - Lottery Bodies £'000	Reclassification of Expenditure £'000	Other adjustments - BBC £'000	2013-14: Core Department and Agency £'000	2013-14: Departmental Group £'000
Consolidated Statement of Financial Position as at 31 March 2014									
Taxpayers' equity:									
General fund	(748)	2,828,643	95,197	-	-	-	(1,211)	(748)	2,922,629
Pension reserve	-	-	-	-	-	-	-	-	-
Revaluation reserve	15,952	270,462	13,367	-	-	-	(91,668)	15,952	192,161
Other reserves	-	-	-	-	-	-	-	-	-
Total taxpayers' equity	15,204	3,099,105	108,564	-	-	-	(92,879)	15,204	3,114,790
Lottery funds	-	(1,196,910)	-	-	23,345	-	-	-	(1,173,565)
Charitable funds	-	3,228,637	-	-	-	-	-	-	3,228,637
Total reserves	15,204	5,130,832	108,564	-	23,345	-	(92,879)	15,204	5,169,862

28. Restatement of Statement of Financial Position and Statement of Comprehensive Net Expenditure (continued)

	Published 2012-13		Restated 2012-13						
	Published 2012-13: Department and Agency £'000	Published 2012-13: Departmental Group £'000	Machinery of Government changes £'000	Accounting Standard Changes £'000	Adjustments - Lottery Bodies £'000	Reclassification of Expenditure £'000	Other adjustments - BBC £'000	2012-13: Department and Agency £'000	2012-13: Departmental Group £'000
Consolidated Statement of Financial Position as at 1 April 2013									
Non-current assets:									
Property, plant & equipment	27,094	5,233,114	117,344	-	-	-	(973)	27,094	5,349,485
Heritage assets	32,670	991,349						32,670	991,349
Intangible assets	221	45,565	1,633	-	-	-	(1)	221	47,197
Investments in associates and joint ventures	-	231	-	-	-	-	-	-	231
Investment properties	-	2,886	-	-	-	-	-	-	2,886
Trade and other receivables	82,918	167,591	-	-	-	-	-	82,918	167,591
Financial assets	-	299,392	-	-	-	-	(116,380)	-	183,012
Total non-current assets	142,903	6,740,128	118,977	-	-	-	(117,354)	142,903	6,741,751
Current assets:									
Assets classified as held for sale	-	1,454	-	-	-	-	-	-	1,454
Inventories		822,984	-	-	-	-	-	-	822,984
Trade and other receivables	6,287	1,136,977	11,100	-	-	-	168	6,287	1,148,245
Financial assets	-	56,452	-	-	-	-	-	-	56,452
Cash and cash equivalents	22,921	2,355,131	5,300	-	-	-	-	22,921	2,360,431
Total current assets	29,208	4,372,998	16,400	-	-	-	168	29,208	4,389,566
Current liabilities:									
Trade and other payables	(103,797)	(2,595,349)	(12,500)	-	(388,899)	-	30	(103,797)	(2,996,718)
Provisions	(1,899)	(466,554)	(8,100)	-	392,769	-	8,100	(1,899)	(73,785)
Financial liabilities	-	(352)	-	-	-	-	-	-	(352)
Total current liabilities	(105,696)	(3,062,255)	(20,600)	-	3,870	-	8,130	(105,696)	(3,070,855)
Non-current liabilities:									
Provisions	(338)	(617,036)	(6,100)	-	506,931	-	(7,887)	(338)	(124,092)
Trade and other payables	(82,918)	(1,370,485)	-	-	(534,512)	-	(361)	(82,918)	(1,905,358)
Financial liabilities	-	(59,885)	-	-	-	-	-	-	(59,885)
Pension liabilities	-	(1,703,911)	-	-	-	-	-	-	(1,703,911)
Deferred tax liability	-	-	-	-	-	-	-	-	-
Total non-current liabilities	(83,256)	(3,751,317)	(6,100)	-	(27,581)	-	(8,248)	(83,256)	(3,793,246)
Assets less liabilities	(16,841)	4,299,554	108,677	-	(23,711)	-	(117,304)	(16,841)	4,267,216

28. Restatement of Statement of Financial Position and Statement of Comprehensive Net Expenditure (continued)

	Published 2012-13			Restated 2012-13					
	Published 2012-13: Core Department and Agency £'000	Published 2012-13: Departmental Group £'000	Machinery of Government changes £'000	Accounting Standard Changes £'000	Other Adjustments - Lottery Bodies £'000	Reclassification of Expenditure £'000	Other adjustments - BBC £'000	2012-13: Core Department and Agency £'000	2012-13: Departmental Group £'000
Consolidated Statement of Financial Position as at 1 April 2013									
Taxpayers' equity:									
General fund	(35,206)	2,254,352	108,677	-	-	-	(21,332)	(35,206)	2,341,697
Pension reserve	-	-	-	-	-	-	-	-	-
Revaluation reserve	18,365	219,427	-	-	-	-	(95,972)	18,365	123,455
Other reserves	-	-	-	-	-	-	-	-	-
Total taxpayers' equity	(16,841)	2,473,779	108,677	-	-	-	(117,304)	(16,841)	2,465,152
Lottery funds	-	(787,314)	-	-	(23,711)	-	-	-	(811,025)
Charitable funds	-	2,613,089	-	-	-	-	-	-	2,613,089
Total reserves	(16,841)	4,299,554	108,677	-	(23,711)	-	(117,304)	(16,841)	4,267,216

29. List of bodies within the Group

The bodies included in the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2014, known as the "Designation Order" are listed below. The Annual Report and Accounts for each of these bodies can be found on their own websites, given below. The Olympic Delivery Authority ceased operation in the year, and PhonepayPlus has been brought into the Group boundary. Details are included below. No other changes to the Group Designation Order have arisen since 2013-14.

Bodies consolidated in Departmental Group accounts for 2014-15	Status	Website
The Department for Culture, Media and Sport (DCMS)	Core Department	www.gov.uk/dcms
The Royal Parks (TRP)	Executive Agency	www.royalparks.org.uk
BBC	Public Broadcasting Authority	www.bbc.co.uk
<i>The BBC is governed by Royal Charter and an associated Agreement with Government. The Charter and Agreement set out the BBC's accountability to Parliament for use of the public money it receives whilst at the same time preserving the BBC's independence on editorial policy and programming.</i>		
S4C (Sianel Pedwar Cymru)	Public Broadcasting Authority	www.s4c.cymru
<i>S4C is a statutory corporation, and the Welsh Fourth Channel Authority is responsible for S4C's strategic policy and for ensuring the fulfilment of its statutory functions.</i>		
Museums and Galleries		
British Museum	Executive NDPB and Charity	www.britishmuseum.org
Geffrye Museum	Executive NDPB and Charity	www.geffrye-museum.org.uk
Horniman Public Museum and Public Park Trust	Executive NDPB and Charity	www.horniman.ac.uk
Imperial War Museum	Executive NDPB and Charity	www.iwm.org.uk
National Gallery	Executive NDPB and Charity	www.nationalgallery.org.uk
National Museums Liverpool	Executive NDPB and Charity	www.liverpoolmuseums.org.uk
National Maritime Museum	Executive NDPB and Charity	www.rmg.co.uk
National Portrait Gallery	Executive NDPB and Charity	www.npg.org.uk
Natural History Museum	Executive NDPB and Charity	www.nhm.ac.uk
Royal Armouries Museum	Executive NDPB and Charity	www.royalarmouries.org
Science Museum Group	Executive NDPB and Charity	www.sciencemuseum.org.uk
Sir John Soane's Museum	Executive NDPB and Charity	www.soane.org
Tate Gallery	Executive NDPB and Charity	www.tate.org.uk
Victoria and Albert Museum	Executive NDPB and Charity	www.vam.ac.uk
Wallace Collection	Executive NDPB and Charity	www.wallacecollection.org
Libraries		
British Library	Executive NDPB and Charity	www.bl.uk

Bodies consolidated in Departmental Group accounts for 2014-15	Status	Website
Arts		
Arts Council England	Executive NDPB	www.artscouncil.org.uk
Architecture and the Historic Environment		
The Historic Buildings and Monuments Commission for England (English Heritage)	Executive NDPB	www.historicengland.org.uk
From 1 April 2015 English Heritage will be known as Historic England.		
National Heritage Memorial Fund (NHMF)	Executive NDPB	www.nhmf.org.uk
<i>includes the Heritage Lottery Fund</i>		
Communications		
Office of Communications (Ofcom)	Statutory Competition Authority and Regulator	www.ofcom.org.uk
PhonepayPlus	Regulator	www.phonepayplus.org.uk/
PhonepayPlus is included within the Group boundary by virtue of Ofcom's powers under the Communications Act 2003 to approve a code made by another person for regulating premium rate services.		
Tourism		
British Tourist Authority	Executive NDPB	www.visitbritain.org
Creative industries		
British Film Institute	Executive NDPB	www.bfi.org.uk
Sports		
Sports Ground Safety Authority	Executive NDPB	www.safetyatsportsgrounds.org.uk
The English Sports Council (Sport England)	Executive NDPB	www.sportengland.org
The United Kingdom Sports Council (UK Sport)	Executive NDPB	www.uksport.gov.uk
UK Anti-Doping Limited (UKAD)	Executive NDPB and Company limited by guarantee	www.ukad.org.uk
<i>The sole guarantee of £1 is provided by the Secretary of State for Culture, Media and Sport, who is the owner of the £1 issued share capital.</i>		
Olympics		
Olympic Delivery Authority (ODA)	Former Executive NDPB	www.gov.uk/oda
<i>The ODA transferred its functions, property, rights and liabilities to DCMS from 2 December 2014. Its final results are included within these accounts.</i>		
Gambling and National lottery		
Big Lottery Fund		www.biglotteryfund.org.uk
<i>Policy responsibility for Big Lottery Fund rests with the Cabinet Office, however DCMS fulfils the sponsorship function.</i>		
Gambling Commission	Executive NDPB and Regulator	www.gamblingcommission.gov.uk
Horserace Betting Levy Board (HBLB)	Executive NDPB and Statutory Body	www.hblb.org.uk
Equalities		
Equalities and Human Rights Commission (EHRC)	Executive NDPB	www.equalityhumanrights.com

Bodies consolidated in Departmental Group accounts for 2014-15	Status	Website
Other ALBs		
Churches Conservation Trust		www.visitchurches.org.uk
Committees funded by DCMS:		
Reviewing Committee on the Export of Works of Art	Advisory NDPB	
Treasure Valuation Committee	Advisory NDPB	
Bodies excluded from the boundary		
<i>The Public Sector Bodies that are outside the Departmental accounting boundary, and for which the Department had lead policy responsibility during the year, are listed below together with their status. More detail can be found in the Public Bodies Directory.</i>		
Public Corporations sponsored by DCMS		
Channel 4 Television Corporation		
Historic Royal Palaces		
<i>Public Corporations are market bodies that derive more than 50% of their income from the sale of goods and services. They have substantial day to day operating independence.</i>		
Lottery Funds		
The Department is responsible for the operation of two lottery funds which are separately accounted for and are not consolidated in these Accounts:		
National Lottery Distribution Fund		
Olympic Lottery Distribution Fund		
<i>The OLDF ceased operations on 30 January 2015</i>		
The following bodies receive a grant from DCMS		
Chatham Historic Dockyard		
Design Museum		
Greenwich Foundation for the Old Royal Naval College (ORNC)		
National Film and Television School (NFTS)		
People's History Museum		
Royal Household (RHH)		
<i>The Department provides funding for the security and upkeep of Marlborough House, a historic royal palace occupied by the Commonwealth Institute.</i>		

Appendix A to the Annual Report – Annual Summary of the 2014-15 QDS

Quarterly Data Summary

The Quarterly Data Summary (QDS) is a Cabinet Office led data collection exercise, to enable comparison across Whitehall on common areas of spending. This data is used for benchmarking Government Departments. The primary purpose of the QDS is to make more of the management information currently held by Government available to members of the public on a regular basis. Results for the 2014-15 financial year for QDS categories are in the table below.

QDS Headline Spend Data	£ million¹¹⁹
Total Spend 2014-15	530.56
(A1) Organisation's own budget (DEL), Sub-Total	530.56
(A2) Expenditure managed by the organisation (AME), Sub-Total	0.00
(A3) Other expenditure outside DEL and AME	0.00
(A1 + A2 + A3) Total Spend	530.56
(B1) Cost of running the estate, Sub-Total	4.92
(B2) Cost of running IT, Sub-Total	4.10
(B3) Cost of corporate services, Sub-Total	8.59
(B4) Policy and policy implementation, Sub-Total	512.95
(B5) Other costs	0.00
(B1 + B2 + B3 + B4 + B5) Total Spend	530.56
(C1) Accruals Based Procurement Spend	47.58
(C2) People costs, Sub-Total	24.98
(C3) Grants, Sub-Total	457.38
(C4) Other costs	0.62
(C1 + C2 + C3 + C4) Total Spend	530.56

The 2014-15 QDS return is comparable with the 2013-14 return with the exception of the organisation's own budget (DEL), policy and policy implementation, and other costs lines. This is because in the previous year net expenditure by the ALBs was included in these lines (all other figures referred to Core Departmental spend only). In 2014-15 DCMS reported on the Core Department only.

¹¹⁹ These figures were as per the Quarterly 4 QDS return.

Appendix B to the Annual Report – Core Tables

These Tables present actual expenditure by the Department for the years 2008-09 to 2014-15 and planned expenditure for the years 2015-16 to 2016-17. The data relates to the Department's expenditure on an Estimate and budgeting basis. From 2012-13 there is alignment between Estimates and budgets, and the administration costs of Partner Organisations are shown as such rather than as programme.

The format of the Tables is determined by HM Treasury, and the disclosure in Tables 1 to 3 follow that of the Supply Estimate Functions.

The data in the Tables has been restated to take account of Machinery of Government changes and other restatements over the period.

Table 1 Total Departmental Spending – summarises expenditure on functions now administered by the Department, covering the period from 2008-09 to 2014-15. Consumption of resources includes programme and administration costs. Total Departmental expenditure is analysed by Departmental Supply Estimates, and any unallocated provision. The table is based on the OSCAR database and the mappings may differ from the lines in SoPS Note 2.

Table 2 Resource Budget – is complementary to Table 1 and shows 2014-15 figures against the original and final budgetary control limits. The table is based on the OSCAR database and the mappings may differ from the lines in SoPS Note 2.

Table 3 Total Capital Employed – shows capital employed by the Department in Statement of Financial Position format as disclosed in the Department's Accounts. It also shows as a separate line the net capital employed by its Partner Organisations to give a total figure for capital employed by the Departmental Group.

Table 4 Administration Budgets – provides a more detailed analysis of the administration costs of the Department. It retains the high level functional analysis used in Table 1. One of the classification changes resulting from the SR2010 Settlement was the movement of the administration costs of Partner Organisations from programme funding into administration. Table 4 shows assumed figures for past years other than 2011-12 and 2012-13. The table is based on the OSCAR database and the mappings may differ from the lines in SoPS Note 2.

Table 5 Staff in Post – shows staff numbers employed by the main Department and its Agencies.

Tables 6, 7 and 8 show analyses of the Department's spending by country and region, and by function. The data presented in these tables are consistent with the Country and Regional Analyses (CRA) published by HM Treasury in the November 2014 release¹²⁰. The figures were largely taken from the Online System for Central Accounting and Reporting (OSCAR) during the summer of 2014 and the regional distributions were completed by the following autumn (taking on board any revisions to Departmental totals). Therefore the tables may not show the latest position and are not consistent with other tables in the Departmental Report. Please note that totals may not sum due to rounding.

The analyses are set within the overall framework of Total Expenditure on Services (TES). TES broadly represents the current and capital expenditure of the public sector, with some differences from the national accounts measure Total Managed Expenditure. The tables show the central Government and public corporation elements of TES. They include current and capital spending by the Department, its executive agencies and its NDPBs, and public

¹²⁰ <https://www.gov.uk/government/statistics/country-and-regional-analysis-2014>

corporations' capital expenditure, but do not include capital finance to public corporations. They do not include payments to local authorities or local authorities' own expenditure.

TES is a cash equivalent measure of public spending. 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. Further information on TES can be found in Annex E of PESA 2014.

The data feature both identifiable and non-identifiable spending:

- a) Identifiable expenditure on services – which is capable of being analysed as being for the benefit of individual countries and regions.
- b) Expenditure that is incurred for the benefit of the UK as a whole and cannot be disseminated by individual country or region is considered to be non-identifiable.

Across government, most expenditure is not planned or allocated on a regional basis. Social security payments, for example, are paid to eligible individuals irrespective of where they live. Expenditure on other programmes is allocated by looking at how all the projects across the department's area of responsibility, usually England, compare. So the analyses show the regional outcome of spending decisions that on the whole have not been made primarily on a regional basis.

The functional analyses of spending in Table 8 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 Table A of the CRA November 2014 release. These are not the same as the strategic priorities shown elsewhere in the report.

Table 6 Expenditure by Country and Region – shows identifiable expenditure on services, i.e. expenditure which can be shown as being for the benefit of specific countries and regions. It also includes, for completeness, a line for non-identifiable expenditure i.e. that which is deemed to be on behalf of the United Kingdom as a whole.

Table 7 Expenditure per Head by Country and Region – analyses the identifiable expenditure underlying Table 6, per head of population.

Table 8 Expenditure by Function/Programme by Country and Region – shows the outturns in Table 6 analysed into functional categories. These categories are the standard COFOG categories.

Table 1 – Public Spending

Resource DEL (£'000s)	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Plans
Support for the Museums and Galleries sector	12,619	4,230	4,170	3,831	13,336	12,664	16,267	16,003	17,167
Museums and Galleries sponsored ALBs (net)	334,044	278,988	357,425	361,853	306,816	359,754	354,959	329,932	375,872
Libraries sponsored ALBs (net)	99,452	104,277	103,587	106,243	113,172	110,753	101,374	98,369	109,040
Museums, libraries and archives council (net)	59,804	61,838	58,376	64,474	43,741	8,632	-	-	-
Support for the Arts sector	3,088	(1,273)	(3,821)	(1,737)	2,373	(53,218)	(67,219)	(58,465)	(78,678)
Arts and culture ALBs (net)	402,293	413,791	420,612	420,204	380,835	446,545	442,838	433,475	442,554
Support for the Sports sector	8,525	2,203	8,801	1,098	5,394	6,847	21,147	18,075	7,432
Sport sponsored ALBs (net)	141,744	161,154	151,945	148,362	136,077	144,942	114,967	113,206	116,512
Ceremonial and support for the Heritage sector	19,064	20,633	18,555	22,200	13,946	22,161	16,690	29,456	39,778
Heritage sponsored ALBs (net)	141,608	151,149	151,825	144,270	130,737	97,567	92,975	122,768	91,482
The Royal Parks	18,999	20,092	18,487	15,759	17,162	16,955	13,637	14,600	13,687
Support for the Tourism sector	1,985	2,230	127	2,362	16	70	10	(200)	-
Tourism sponsored ALBs (net)	53,848	52,985	50,450	39,479	45,494	47,824	48,200	46,502	33,902
Support for the Broadcasting and Media sector	4,417	2,722	2,624	1,561	3,218	15,161	12,063	34,551	7,118
Broadcasting and Media sponsored ALBs (net)	118,109	129,542	136,260	138,139	170,893	183,597	96,731	84,181	114,211
Administration and Research	53,309	56,476	56,448	53,406	58,429	51,679	34,863	39,211	48,026
Support for Horseracing and the Gambling sector	(11,518)	(5,121)	(3,732)	(4,020)	2,700	(1,560)	(1,603)	(843)	(1,817)
Gambling Commission(net)	16,610	7,927	5,801	4,107	4,722	1,959	3,097	1,449	3,617
Olympics - legacy programmes	459	(67)	524	13,022	65,868	501,628	(18,083)	(33,823)	13,186
London 2012(net)	24,130	(2,703)	(35,363)	(18,700)	45,399	1,575,240	(29,477)	55,715	-
Government Equalities Office	5,969	10,333	13,998	11,611	7,080	15,283	7,298	12,059	11,531
Equality and Human Rights Commission (net)	74,129	59,395	55,700	52,800	42,982	26,683	19,230	19,388	22,109
Spectrum Management Receipts	-	-	-	-	-	(60,142)	(54,535)	(52,594)	(61,800)
Total resource DEL	1,582,687	1,530,801	1,572,799	1,580,324	1,610,390	3,531,024	1,225,429	1,323,015	1,324,929

Resource DEL (£'000s)		2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
		Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Plans
Total resource DEL (brought forward from previous page)		1,582,687	1,530,801	1,572,799	1,580,324	1,610,390	3,531,024	1,225,429	1,323,015	1,324,929
<i>Of which:</i>										
Staff costs		632,674	585,335	604,087	606,177	648,611	593,804	631,494	559,636	222,207
Purchase of goods and services		817,214	852,475	795,638	745,002	931,655	849,574	1,088,665	917,056	530,085
Income from sales of goods and services		(400,225)	(435,149)	(371,751)	(364,397)	(402,992)	(273,532)	(474,637)	(105,758)	(24,500)
Current grants to local government (net)		48,672	91,378	38,415	57,507	(26,931)	10,603	(7,008)	27,794	-
Current grants to persons and non-profit (net)		575,071	580,437	649,477	606,302	585,540	786,028	502,356	541,107	533,585
Current grants abroad (net)		(12,410)	906	493	823	136	-	(1,528)	13,269	-
Subsidies to private sector companies		-	-	-	-	-	-	157	-	-
Subsidies to public corporations		-	-	-	82,590	74,880	522,976	10,026	54,411	(10)
Rentals		-	-	-	800	6,346	3,545	33,199	24,410	-
Depreciation ¹		107,081	28,571	115,617	109,300	114,120	1,443,884	157,153	104,391	185,328
Change in pension scheme liabilities ²		-	-	-	100	471	12	(44)	-	-
Other resource		(185,390)	(173,152)	(259,177)	(263,880)	(321,446)	(405,870)	(714,404)	(813,301)	(121,766)
Resource AME (£'000s)										
		2,962,800	2,868,987	3,020,000	3,121,360	2,608,460	3,224,802	3,050,735	3,386,240	3,398,064
British Broadcasting Corporation(net)		6,786	(276)	13,027	96,255	35,957	19,449	16,854	(27,281)	44,067
Provisions, Impairments and other AME spend		882,351	1,010,728	1,000,814	994,845	1,334,509	1,450,239	1,352,673	1,594,409	1,261,800
Lottery Grants		(507)	13,667	26,057	156,592	(155,839)	(30,996)	102,138	-	-
London 2012(net)		-	-	-	-	(30,535)	(10,268)	(2,721)	4,021	-
Gambling levy bodies		-	-	-	-	-	-	-	-	-
Total resource AME		3,851,430	3,893,106	4,059,898	4,369,052	3,792,552	4,653,226	4,519,679	4,957,389	4,703,931

Resource AME (£'000s)		2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
		Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Plans
Total resource AME		3,851,430	3,893,106	4,059,898	4,369,052	3,792,552	4,653,226	4,519,679	4,957,389	4,703,931
<i>Of which:</i>										
Staff costs		1,097,800	974,130	1,248,000	1,053,000	1,199,758	921,649	929,732	1,041,638	1,419,824
Purchase of goods and services		2,375,000	2,410,870	2,279,000	2,630,510	1,973,067	2,812,655	2,470,057	2,695,639	2,484,206
Income from sales of goods and services		-	-	-	-	-	(328,808)	-	-	(180,902)
Current grants to local government (net)		43,953	102,440	79,898	73,666	57,497	20,812	34,896	32,218	65,754
Current grants to persons and non-profit (net)		729,672	784,288	784,245	761,179	961,726	557,133	1,245,777	1,470,874	1,196,046
Subsidies to public corporations		-	-	-	-	-	-	24	4,823	-
Rentals		-	-	-	-	-	80,775	104,496	106,848	-
Depreciation ¹		35,000	84,787	93,000	69,585	124,644	237,372	278,390	211,087	181,861
Take up of provisions		12,911	17,283	41,771	292,898	(96,968)	592,197	29,422	21,713	1,033
Release of provision		(6,632)	(3,892)	(2,687)	(6,041)	(16,345)	(40,604)	(11,576)	(15,813)	-
Change in pension scheme liabilities ²		-	-	-	-	-	162,422	178,831	192,115	-
Unwinding of discount rate on pension scheme liabilities ²		-	-	-	-	560,222	730,035	82,412	70,459	10,298
Release of provisions covering pension benefits		-	-	-	-	-	(234)	(14,336)	(11,769)	-
Other resource		(436,274)	(476,800)	(463,329)	(505,745)	(971,049)	(1,092,178)	(808,446)	(862,443)	(474,189)
Total resource budget		5,434,117	5,423,907	5,632,697	5,949,376	5,402,942	8,184,250	5,745,108	6,280,404	6,028,860
<i>Of which: Depreciation¹</i>		142,081	113,358	208,617	178,885	238,764	1,681,256	435,543	315,478	367,189

Capital DEL (£'000s)	2007-08 Outturn	2008-09 Outturn	2009-10 Outturn	2010-11 Outturn	2011-12 Outturn	2012-13 Outturn	2013-14 Outturn	2014-15 Outturn	2015-16 Plans
Support for the Museums and Galleries sector	2,734	(1,490)	3,904	4,390	6,050	2,100	100	1,981	1,934
Museums and Galleries sponsored ALBs (net)	56,096	112,562	60,564	52,228	154,781	76,284	15,987	38,277	23,867
Libraries sponsored ALBs (net)	29,217	26,982	30,634	26,543	13,603	17,167	7,173	12,561	3,221
Museums, libraries and archives council (net)	65	424	120	-	-	-	-	-	-
Support for the Arts sector	323	403	314	256	100	-	117	-	115
Arts and culture ALBs (net)	27,191	27,663	32,051	35,931	12,778	18,222	18,679	14,432	26,320
Support for the Sports sector	3,521	10,015	-	-	3,000	-	250	-	-
Sport sponsored ALBs (net)	41,997	53,578	55,306	42,532	32,965	31,698	27,920	26,819	33,515
Ceremonial and support for the Heritage sector	600	1,284	550	2,400	3,797	7,581	6,882	2,182	1,600
Heritage sponsored ALBs (net)	41,096	39,015	28,172	31,379	22,066	29,079	16,805	99,574	13,269
The Royal Parks	536	1,384	2,076	2,785	1,574	1,583	2,620	2,570	1,865
Tourism sponsored ALBs (net)	395	1,176	304	130	191	189	357	325	186
Support for the Broadcasting and Media sector	323	205	211	157	108	9,136	55,198	229,066	274,725
Broadcasting and Media sponsored ALBs (net)	1,571	3,898	7,265	11,420	51,097	40,667	22,961	3,473	19,907
Administration and Research	5,396	2,569	2,350	1,381	897	1,830	373	2,441	1,125
Support for Horseracing and the Gambling sector	-	-	-	-	-	9,000	9,000	49,896	(80)
Gambling Commission(net)	1,780	1,389	635	262	238	737	302	335	80
Olympics - legacy programmes	-	(432,530)	(644,240)	(654,845)	35,143	42,053	-	-	-
London 2012(net)	323,978	1,009,025	938,487	1,022,684	917,180	54,056	(184,059)	(256,703)	-
Equality and Human Rights Commission (net)	7,175	904	382	268	1,370	495	416	400	387
n/a	-	(34,950)	-	-	-	-	-	-	-
Total capital DEL	543,994	823,506	519,085	579,901	1,256,938	341,877	1,081	227,629	402,036
Capital support for local government (net)	(42,778)	(89,646)	(86,871)	(171,004)	75,965	1,245,270	50,452	220,067	-
Capital grants to persons & non-profit (net)	106,685	76,982	77,072	126,276	121,296	49,103	(103,067)	(97,788)	-
Capital grants to private sector companies (net)	-	-	-	-	(88)	25,976	(13,457)	18,443	360,034
Capital grants abroad (net)	(34,621)	-	-	-	791	(216)	(202)	-	-
Capital support for public corporations	35	-	-	-	(47,088)	46,818	-	80,050	-
Purchase of assets	581,142	1,336,936	1,455,522	1,593,833	1,208,437	374,201	531,760	262,412	42,082
Income from sales of assets	(2,489)	(59,878)	(822)	(73,650)	(6,382)	(1,242,845)	(384,823)	(260,068)	-
Net lending to the private sector and abroad	-	-	-	-	-	(26,761)	(11,437)	23,387	-
Other capital	(63,980)	(440,888)	(925,816)	(895,554)	(95,993)	(129,669)	(68,145)	(18,874)	(80)

Capital AME (£'000s)	2007-08 Outturn	2008-09 Outturn	2009-10 Outturn	2010-11 Outturn	2011-12 Outturn	2012-13 Outturn	2013-14 Outturn	2014-15 Outturn	2015-16 Plans
British Broadcasting Corporation(net)	85,000	81,100	123,000	121,600	172,012	(80,380)	105,650	116,384	133,537
Provisions, impairments and other AME spend	10,000	-	-	-	-	-	-	-	538,200
Lottery Grants	713,455	535,632	751,532	597,410	379,916	536,954	523,540	601,444	-
London 2012(net)	-	-	-	-	-	-	-	-	-
Gambling levy bodies	-	-	-	-	-	(8,411)	(1,763)	1,991	-
n/a	-	(45,200)	-	-	-	-	-	-	-
Total capital AME	808,455	571,532	874,532	719,010	551,928	448,163	627,427	719,819	671,737
<i>Of which:</i>									
Capital support for local government (net)	293,462	277,019	231,576	149,864	137,333	99,230	132,060	188,770	84,001
Capital grants to persons & non-profit (net)	352,830	257,613	277,427	208,546	242,583	355,026	311,789	329,681	454,199
Capital support for public corporations	-	-	-	-	-	-	18	417	-
Purchase of assets	95,000	81,100	123,000	121,600	172,012	135,451	129,856	124,090	133,537
Income from sales of assets	-	(45,200)	-	-	-	(208,487)	(15,683)	(6,342)	-
Net lending to the private sector and abroad	-	-	-	-	-	8,455	21,360	17,612	-
Other capital	67,163	1,000	242,529	239,000	-	58,488	48,027	65,591	-
Total capital budget	1,352,449	1,395,038	1,393,617	1,298,911	1,808,866	790,040	628,508	947,448	1,073,773
Total departmental spending³	6,644,485	6,705,587	6,817,697	7,069,402	6,973,044	7,293,034	5,938,073	6,912,374	6,735,444
<i>Of which:</i>									
Total DEL	2,019,600	2,325,736	1,976,267	2,050,925	2,753,208	2,429,017	1,069,357	1,446,253	1,541,637
Total AME	4,624,885	4,379,851	4,841,430	5,018,477	4,219,836	4,864,017	4,868,716	5,466,121	5,193,807

1 Depreciation includes impairment

2 Pension schemes report under IAS19 Employee Benefits accounting requirements. These figures, therefore, include cash payments made and contributions received, as well as certain non-cash items.

3 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 the total AME is the sum of the resource budget AME and capital budget AME less depreciation in AME.

Table 2 - Public Spending Control

Spending in Departmental Expenditure Limits (DEL) £'000s		2014-15 Original Plans		2014-15 Adjusted Plans		2014-15 Final Plans		2014-15 Outturn	
		Resource	Capital	Resource	Capital	Resource	Capital	Resource	Capital
Voted expenditure		1,406,248	538,387	1,412,248	538,387	1,564,523	360,393	1,375,609	227,629
<i>Of which:</i>									
Support for the Museums and Galleries sector		17,478	2,000	17,478	2,000	16,478	2,000	16,003	1,981
Museums and Galleries sponsored bodies		412,336	53,819	412,336	53,819	435,436	68,584	329,932	38,277
Libraries sponsored bodies		112,196	4,742	112,196	4,742	112,347	4,742	98,369	12,561
Support for the Arts sector		(61,175)	119	(61,175)	119	(61,472)	119	(58,465)	-
Arts and culture bodies		434,221	13,066	440,221	13,066	440,321	13,066	433,475	14,432
Support for the Sports sector		16,874	0	16,874	0	17,032	500	18,075	-
Sport sponsored bodies		120,269	26,129	120,269	26,129	122,580	27,022	113,206	26,819
Ceremonial and support for the Heritage sector		30,607	1,400	30,607	1,400	32,297	1,400	29,456	2,182
Heritage sponsored bodies		97,311	16,816	97,311	16,816	111,280	96,881	122,768	99,574
The Royal Parks		14,767	895	14,767	895	14,167	895	14,600	2,570
Support for the Tourism sector		0	0	0	0	400	0	(200)	-
Tourism sponsored bodies		27,591	192	27,591	192	46,490	319	46,502	325
Support for the Broadcasting and Media sector		10,190	479,417	10,190	479,417	46,593	308,062	34,551	229,066
Broadcasting and Media sponsored bodies		91,042	25,373	91,042	25,373	104,197	23,158	84,181	3,473
Administration and Research		37,630	1,164	37,630	1,164	35,479	1,164	39,211	2,441
Support for Horseracing and the Gambling sector		(2,817)	(80)	(2,817)	(80)	(1,032)	49,815	(843)	49,896
Gambling Commission		3,765	80	3,765	80	2,365	530	1,449	335
Olympics - legacy programmes		178	0	178	0	(24,770)	0	(33,823)	-
London 2012		100	(87,145)	100	(87,145)	77,300	(238,264)	55,715	(256,703)
Government Equalities Office		18,900	0	18,900	0	16,200	0	12,059	-
Equality and Human Rights Commission (EHRC)		24,785	400	24,785	400	20,835	400	19,388	400
Non-voted expenditure		(62,600)	0	(62,600)	0	(62,600)	0	(52,594)	-
<i>Of which:</i>									
Spectrum management receipts		(62,600)	0	(62,600)	0	(62,600)	0	(52,594)	-
Total spending in DEL		1,343,648	538,387	1,349,648	538,387	1,501,923	360,393	1,323,015	227,629

Spending in Annually Managed Expenditure (AME) £'000s		2014-15 Original Plans		2014-15 Adjusted Plans		2014-15 Final Plans		2014-15 Outturn	
		Resource	Capital	Resource	Capital	Resource	Capital	Resource	Capital
Voted expenditure		3,533,570	113,079	3,533,570	113,079	3,575,089	142,689	3,362,980	118,375
<i>Of which:</i>									
British Broadcasting Corporation		3,471,499	113,079	3,471,499	113,079	3,501,172	136,812	3,386,240	116,384
Provisions, Impairments and other AME spend		62,071	0	62,071	0	73,917	0	(27,281)	-
Gambling levy bodies			0		0		5,877	4,021	1,991
Non-voted expenditure		1,401,425	498,575	1,401,425	498,575	1,355,443	544,559	1,594,409	601,444
<i>Of which:</i>									
Lottery Grants		1,401,425	498,575	1,401,425	498,575	1,355,443	544,559	1,594,409	601,444
Total spending in AME		4,934,995	611,654	4,934,995	611,654	4,930,532	687,248	4,957,389	719,819
Total		6,278,643	1,150,041	6,284,643	1,150,041	6,432,455	1,047,641	6,280,404	947,448
<i>Of which:</i>									
Voted expenditure		4,939,818	651,466	4,945,818	651,466	5,139,612	503,082	4,738,589	346,004
Non-voted expenditure		1,338,825	498,575	1,338,825	498,575	1,292,843	544,559	1,541,815	601,444

Table 3 – Capital Employed

	2010-11 Outturn £'000	2011-12 Outturn £'000	2012-13 Outturn £'000	2013-14 Outturn £'000	2014-15 Outturn £'000
Assets					
<u>Non-current assets</u>					
Intangible assets	489	273	221	170	185
Property, plant & equipment of which:	63,926	58,899	59,764	60,181	62,695
<i>Land and buildings</i>	24,580	19,774	18,533	19,111	19,777
<i>Dwellings</i>	1,299	1,324	1,408	1,630	1,705
<i>Information technology</i>	2,950	2,210	2,066	1,396	2,456
<i>Plant and machinery</i>	1,012	2,216	2,010	2,906	3,254
<i>Furniture and fittings</i>	1,682	1,208	1,861	1,871	1,670
<i>Heritage</i>	30,722	31,597	32,670	32,789	32,679
<i>Assets under construction</i>	1,681	570	1,216	478	1,154
Other non-current assets	54	161,512	82,918	-	7,693
<u>Current assets</u>	194,789	100,703	29,208	86,961	101,285
	259,258	321,387	172,111	147,312	171,858
Liabilities					
Payables (<1 year)	(214,344)	(183,986)	(103,797)	(131,286)	(219,002)
Payables (>1 year)	(11,000)	(102,780)	(82,918)	-	-
Provisions	(3,828)	(4,644)	(2,237)	(822)	(1,602)
	(229,172)	(291,410)	(188,952)	(132,108)	(220,604)
Capital employed within Core Department & Agency	30,086	29,977	(16,841)	15,204	(48,746)
NDPB net assets	5,480,031	7,260,322	4,284,057	5,154,658	5,814,656
Total capital employed in Departmental Group	5,510,117	7,290,299	4,267,216	5,169,862	5,765,910

Table 4 - Administration Budgets

Resource DEL £'000s	2007-08 Outturn	2008-09 Outturn	2009-10 Outturn	2010-11 Outturn	2011-12 Outturn	2012-13 Outturn	2013-14 Outturn	2014-15 Outturn	2015-16 Plans
Libraries sponsored ALBs (net)	-	-	-	-	9,936	10,497	8,297	7,462	10,512
Museums, libraries and archives council (net)	-	-	-	-	6,157	7,808	-	-	-
Support for the Arts sector	-	-	-	-	-	(366)	(236)	(100)	(314)
Arts and culture ALBs (net)	-	-	-	-	22,783	26,612	20,909	14,828	18,491
Sport sponsored ALBs (net)	-	-	-	-	13,304	15,210	14,543	12,155	14,179
Ceremonial and support for the Heritage sector	-	-	-	-	208	222	22	-	413
Heritage sponsored ALBs (net)	-	-	-	-	18,182	14,931	14,194	15,873	14,926
The Royal Parks	-	-	-	-	2,147	2,318	2,338	2,601	2,774
Tourism sponsored ALBs (net)	-	-	-	-	34,494	31,967	30,537	26,392	29,202
Support for the Broadcasting and Media sector	-	-	-	-	7,714	9,207	7,816	19,881	100
Broadcasting and Media sponsored ALBs (net)	-	-	-	-	78,395	67,989	53,410	56,047	73,200
Administration and Research	51,009	53,213	53,612	49,852	56,245	50,926	34,869	38,757	46,356
Government Equalities Office	5,208	7,857	9,396	8,651	6,188	9,346	4,683	3,214	-
Equality and Human Rights Commission (net)	53,514	38,167	38,740	41,040	32,130	22,594	16,836	15,661	15,347
Spectrum Management Receipts	-	-	-	-	-	(60,142)	(54,535)	(52,594)	(61,800)
Total administration budget	109,731	99,237	101,748	99,543	287,883	209,119	153,683	160,177	163,386
<i>Of which:</i>									
Staff costs	68,182	57,208	64,315	63,466	208,113	180,876	150,388	109,071	74,442
Purchase of goods and services	38,912	37,838	33,240	33,206	158,323	168,549	106,033	105,552	130,624
Income from sales of goods and services	(1,284)	(1,601)	(2,399)	(3,023)	(40,233)	(96,429)	(24,386)	(24,662)	-
Current grants to persons and non-profit (net)	-	-	-	-	-	543	(86)	634	-
Current grants abroad (net)	(163)	-	-	-	-	-	-	-	-
Subsidies to private sector companies	-	-	-	-	-	-	148	-	-
Rentals	-	-	-	800	5,848	-	18,490	13,415	-
Depreciation	3,950	5,606	6,100	4,873	20,875	17,243	13,597	10,584	20,800
Change in pension scheme liabilities	-	-	-	100	471	12	-	-	-
Other resource	134	186	492	121	(65,514)	(61,675)	(110,501)	(54,417)	(62,480)

Table 5 – Staff in Post

DCMS Core	2012-13 Outturn	2013-14 Outturn	2014-15 Outturn
Payroll Employees (FTE)	376	381	461
Non-Payroll Employees (FTE)	69	51	68
Total	445	432	529

These figures represent number of staff in post (FTE) on 31 March 2015.

Payroll Employee FTE is calculated using the ONS headcount methodology. This includes all employees who are being paid on the organisation's payroll. Interim managers, specialist contractors and agency staff are excluded.

The above figures cannot be directly compared to Note 3 of the Departmental Accounts' figures for permanently employed staff, which is an average across the year and excludes loaned or seconded in staff who have transferred to the Department's payroll. These are captured under the 'others' heading.

Interim managers, specialist contractors and agency staff are included in non-payroll employees.

Table 6 - Total identifiable expenditure on services by country and region, 2009-10 to 2013-14

	National Statistics - £ Million				
	2009-10 Outturn	2010-11 Outturn	2011-12 Outturn	2012-13 Outturn	2013-14 Outturn
North East	124	114	105	102	136
North West	249	224	222	205	246
Yorkshire and the Humber	197	190	197	185	219
East Midlands	165	153	134	128	146
West Midlands	206	195	204	187	210
East	180	170	166	165	196
London	1,292	1,431	1,356	1,345	777
South East	285	280	270	285	281
South West	220	208	201	180	205
Total England	2,917	2,966	2,855	2,780	2,417
Scotland	179	147	186	189	171
Wales	176	212	258	176	193
Northern Ireland	77	63	77	52	84
UK identifiable expenditure	3,349	3,388	3,376	3,198	2,865
Outside UK	191	181	207	196	164
Total identifiable expenditure	3,541	3,569	3,583	3,394	3,028
Non-identifiable expenditure	4,339	4,512	4,113	3,778	3,398
Total expenditure on services	7,880	8,081	7,696	7,172	6,427

**Table 7 - Total identifiable expenditure on services by country and region, per head
2009-10 to 2013-14**

	National Statistics - £ per Head				
	2009-10 Outturn	2010-11 Outturn	2011-12 Outturn	2012-13 Outturn	2013-14 Outturn
North East	48	44	40	39	52
North West	36	32	31	29	35
Yorkshire and the Humber	38	36	37	35	41
East Midlands	37	34	30	28	32
West Midlands	37	35	36	33	37
East	31	29	28	28	33
London	163	178	165	162	92
South East	34	33	31	33	32
South West	42	40	38	34	38
England	56	56	54	52	45
Scotland	34	28	35	36	32
Wales	58	70	84	57	63
Northern Ireland	43	35	43	28	46
UK identifiable expenditure per head	54	54	53	50	45

Table 8 - Department for Culture, Media and Sport Expenditure on services by sub-function, 2013-14

Data in this table are National Statistics - £ million	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Scotland	Wales	Northern Ireland	Outside UK	Not Identifiable	Grand Total
Economic affairs																
General economic, commercial and labour affairs	1	3	2	2	2	3	4	3	2	23	2	1	-	-	-	27
Other industries	1	3	2	1	2	2	29	5	3	48	4	1	1	-	-	53
Total economic affairs	2	6	4	3	5	5	33	9	5	71	6	2	1	-	-	80
Environment protection																
Environment protection n.e.c.	5	5	5	3	4	5	12	4	3	46	6	5	6	-	-	63
Total environment protection	5	5	5	3	4	5	12	4	3	46	6	5	6	-	-	63
Health																
Central and other health services	2	2	2	1	2	2	5	2	2	21	3	2	3	-	-	29
Total health	2	2	2	1	2	2	5	2	2	21	3	2	3	-	-	29

Data in this table are National Statistics - £ million	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Scotland	Wales	Northern Ireland	Outside UK	Not Identifiable	Grand Total
Recreation, culture and religion																
Recreational and sporting services	27	57	51	42	42	41	51	73	41	424	31	6	3	-	(91)	373
Cultural services	60	123	114	66	121	90	537	146	118	1,375	72	24	11	155	-	1,637
Broadcasting and publishing services	1	5	2	1	1	6	26	9	3	54	1	110	8	6	3,490	3,668
Religious and other community services	1	3	2	2	2	2	3	3	2	19	-	-	-	-	-	19
R&D recreation, culture and religion	-	-	-	-	-	-	-	-	-	2	-	-	-	-	-	2
Recreation, culture and religion n.e.c.	1	2	2	1	2	2	12	3	2	26	1	2	-	3	-	31
Total recreation, culture and religion	90	190	170	112	168	141	628	234	166	1,900	105	142	22	164	3,398	5,730
Education																
Education n.e.c.	3	3	3	2	3	3	8	3	2	31	4	3	4	-	-	42
Total education	3	3	3	2	3	3	8	3	2	31	4	3	4	-	-	42
Social protection																
Social protection n.e.c.	35	39	35	24	29	39	91	30	26	349	46	38	47	-	-	481
Total social protection	35	39	35	24	29	39	91	30	26	349	46	38	47	-	-	481
TOTAL DCMS EXPENDITURE ON SERVICES	136	246	219	146	210	196	777	281	205	2,417	171	193	84	164	3,398	6,427

Appendix C to the Annual Report – Sustainability Report

Sustainable Development, Adapting to Climate Change and Rural Proofing

Sustainable Development

Business Planning

Sustainable development is embedded in the DCMS Business Plan and our strategic policy objectives. We incorporate consideration of sustainable development in both our policy development and how we operate. Policy teams have a responsibility to consider the long term social, economic, environmental and financial impacts of their policies, as well as understanding the effects on all communities and businesses.

Social and environmental impacts have been managed and assessed for sustainable development within a project management structure. Projects move through the governance structures via a series of gateways as they progress, with the emphasis on achieving sustainable outputs. We continue to explore how to effectively formalise sustainable development into our governance, decision making, policy and assurance processes, alongside strengthening our learning and development.

Broadband

Establishing world-class connectivity throughout the UK by investing in our broadband and mobile networks is an example of a DCMS strategic objective making a significant contribution to sustainable development. As part of our impact assessment procedures, the Government's investment in Superfast Broadband rollout resulted in the following conclusion in an independent report by consultancy SQW Ltd:

"The availability and use of faster broadband will have significant environmental impacts. We estimate that, by 2024, it will save a total of:

- 2.3 billion km in annual commuting, predominantly in car usage, through enabling increased telework for a proportion of the workforce. This is in the order of 2% of the current total annual UK commuting distance;
- 5.3 billion km in annual business travel, predominantly in car usage, through the increased use of video and online collaboration tools by broadband using firms. This is in the order of 9% of the current total annual UK business travel distance; and
- 1 billion kWh of electricity usage per annum, through broadband-using firms shifting part of their server capacity onto (more energy efficient) public cloud platforms.

Allowing for rebound effects (in particular, teleworkers needing to heat their homes in the winter), we estimate that faster broadband will account for about 1.6 million tonnes of carbon dioxide equivalent (CO₂e) savings per annum, by 2024. This is equivalent to about 0.3% of the UK's current greenhouse gas emissions. Of these CO₂e savings, publicly funded intervention in faster broadband will account for approximately 0.4 million tonnes per annum by 2024."

Tourism

Following on from the launch of the European Tourism Indicator System (ETIS) and associated toolkit in 2013, which is still regarded as the leading toolkit for destinations to use when measuring the local impacts of tourism, a number of English destinations engaged in

the second destination pilot stage set up by the EU Working Group, which ended in December 2014. VisitEngland is also planning to publish introductory guidance on understanding tourism in destinations, which complements ETIS.

The 8th International Conference on Responsible Tourism in Destinations (RTD8) that took place in Manchester during English Tourism Week (3-5 April 2014), was the first time the Conference had been hosted in England. Delegates representing international, national and local organisations debated how to make tourism better for communities and the environment, and took part in sessions on sustainable tourism, human rights, local economic development, destination management and the impact of the internet on tourism. VisitEngland was a key partner in the event.

The International Centre for Responsible Tourism (at Leeds Metropolitan University) have fully updated VisitEngland's Keep it Real toolkit for businesses, helping them to understand how to embed messages on sustainability within communications.

In 2014, VisitEngland updated its Good Practice Sustainability Guides. These guides provide businesses with easy and practical tips on how to reduce waste, save energy and engage customers.

Procurement

The Department is committed to sustainable procurement. DCMS's policy of using Crown Commercial Service (CCS) frameworks as a default step, plus the centralisation of our low value procurement activity through the CCS' managed service, enables us to take advantage of the CCS commitment to sustainable procurement. CCS routinely uses the flexible framework as a platform, and has an active sustainable procurement policy to ensure that Departmental obligations are properly reflected. They have also implemented the Department for Environment, Food & Rural Affairs (Defra) sustainable procurement prioritisation tool to support decision making and, where appropriate, sustainability obligations are included within contracts both let by CCS and the Department to ensure that goods and services are purchased on whole life costs and enable performance to be monitored throughout the life of the contract.

The use of SMEs for the supply of goods and services across the DCMS family are on track to exceed both the Government's 25% target and our own stretch target of 35%; where these figures are expected to be published by Crown Commercial Services. Action continues to be taken to develop SME engagement further through encouraging use of LEAN procurement techniques including use of the OPEN procedure, active encouragement of SME participation in procurement activity, and by analysing and recording second and third tier SME involvement in supply chains.

People

DCMS officials are part of the cross-Whitehall Sustainable Development Mainstreaming Group to ensure the Department is kept abreast of Government-wide initiatives and able to contribute to future developments.

DCMS is active in supporting staff learning and participation on sustainable development by promoting the range of products on Civil Service Learning. These include:

- Introduction to sustainable development;
- Department for Work and Pensions policy evaluation tool on sustainable development; and
- Sustainable development in the workplace.

As a staff incentive, DCMS provides an interest free advance of salary for the purchase of season tickets for public transport travel between home and the office. DCMS promotes the benefits of cycling to work and has a cycle to work scheme, where the Department hires bicycles and equipment to employees, through salary sacrifice reductions over a twelve month period, to travel to work or between work locations. Lockers, shower facilities and a bicycle parking are available to those who join the scheme.

Our flexible working policy encourages remote working, including working from home. This approach reduces employees' carbon footprint when travelling to and from the office.

The Department's travel and subsistence policy highlights the need to consider the environment and encourages employees to use telephone or conferencing in the first instance.

Adapting to Climate Change

Business Planning

A commitment to achieving sustainable solutions that consider long term environmental issues and which are scrutinised by the Department's corporate governance process, gives assurance that action has been taken to ensure that those policies with long term implications are robust in the face of changing weather, extreme events and sea level rise from climate change.

DCMS has recognised that climate change will have an impact across many of our sectors of responsibility, our associated Agency (the Royal Parks), and ALBs. Environmental, social and economic impacts from changing weather conditions such as flood damage, severe winters, heat waves and increasingly severe storm conditions will result in damage to our historical and cultural property, public parks and sports pitches, tourist destinations and leisure facilities, and any investments in tangible infrastructure assets resulting from broadband and Olympic Games sporting legacy projects.

During 2014-15 DCMS continued addressing issues:

- Raising awareness: we continue to play a positive role in raising awareness and generating debate within our sectors of the likely impacts of climate change and helping understand what can be done in response.
- Adaptation: identifying and dealing with the risks and opportunities of a changing climate. We have continued to provide our sectors with information, evidence and support.
- Mitigation: we have continued to implement sustainable practices in the management of the Department's operations and continued to monitor our ALBs' long term reduction of carbon emissions and encouraged the adoption of energy efficient measures.

Managing the adverse effects of climate change will continue to be a challenging prospect for all. We are committed to ensuring the impacts of climate change are minimised for all areas within our remit.

Tourism

Hotter, drier summers could be beneficial to the UK tourism industry through increased visitor numbers, but this needs to be carefully managed, especially in popular destinations that are already at capacity at certain times. It may also put increased pressure on the natural environment. There may also be increased health risks for visitors (for example from

sunstroke and sunburn, and respiratory illness as a result of worsening air pollution). Extra traffic resulting from more people travelling to destinations because of warmer weather will impact on air pollution and increase road congestion.

Sea level rises and increased winter rainfall, together with more frequent and intense extreme weather events, increases the risk of coastal erosion and flooding, as witnessed this winter. These extreme events will increase costs for the sector. There is also the danger that places are perceived as 'closed for business' because of flooding when in fact, for much of the tourism offer in these flood-hit areas, it is 'business as usual'.

As extreme weather becomes a bigger issue for the UK we continue to work with the industry to encourage the development of wet weather options, especially in rural and coastal environments. As a result of £2 million of funding from Government, VisitEngland delivered a programme of business support activity. This focussed on increasing the resilience and recovery of tourism businesses in the face of unexpected events, such as the extreme weather of Winter 2014. Subsequently VisitEngland undertook a survey of the 548 businesses who attended a workshop or one-to-one advice sessions, of those businesses that responded, three quarters said that they were, or will be, more resilient in the future as a result of the information/advice they received.

Rural Proofing

Business Planning

Many DCMS policies have an impact on rural communities. The Department places a high importance on rural proofing to ensure policies reflect these challenges. When deciding policy objectives, consideration is given, where applicable, to the impacts intended in rural areas prior to any decisions being made. Consultation and stakeholder engagement are important where rural issues are identified.

DCMS Business Plan commitments on Rural Proofing include:

- A clear project priority to facilitate the introduction of Superfast Broadband in remote areas at the same time as in more populated areas;
- Facilitating the extension of mobile coverage where existing mobile network coverage is poor or non-existent;
- Contributing to rural tourism through Visit England's marketing investment; and
- Promoting and protecting Britain's cultural heritage.

The Arts

Arts Council England (ACE) is committed to ensuring that, no matter where people in England live, they benefit from a strong arts and cultural offer.

Rural proofing has been incorporated into ACE funding decisions since 2004 and has continued to evolve. ACE has developed its strategy in consultation with Defra and DCMS. ACE is committed to:

- Responding positively and proactively to the needs and aspirations of England's rural communities;
- Recognising the particular characteristics, needs and strengths of rural communities and rural culture;
- Working in partnership with Defra to take account of rural proofing, including an ongoing review of the evidence base; and
- Sustaining a national dialogue with rural stakeholders.

Public Library Services

In response to the Arts Council England (ACE) and the Local Government Association's publication of the "Guiding Principles for Community Libraries" in January 2013, Defra, with assistance from ACE and DCMS, undertook a more in-depth consideration of the policy's rural issues.

OPM, an independent research organisation and consultancy, and Locality were commissioned to undertake a programme of research exploring the rural impacts of changes to library services. The objectives of this research were to understand, add to existing knowledge, and learn lessons on:

- The issues, challenges and opportunities for rural areas arising from changes to library services;
- Good practice and shared learning on how to shape library services in rural areas to meet local need; and
- The possible future role of statutory and non-statutory libraries in rural areas in the light of the envisioning the library of the future research project undertaken by ACE.

The project commenced in September 2013, and involved eight local authorities to explore the different challenges, issues and opportunities that rural library services are experiencing, as well as the responses and approaches that can create. The eight areas identified were Buckinghamshire, Cumbria, Devon, North Yorkshire, Suffolk, Surrey, Wakefield and Warwickshire and were selected in order to provide as wide a coverage as possible in terms of geography, types of rural area and rural issues represented, the approaches being taken around rural library services and stages of implementation.

The final report was published on 4 September 2014. The key findings are that in rural communities:

- It will be important to encourage and co-design library services with other services to secure economies of scope, rather than looking to economies of scale.
- There is a major role for rural library services as places which utilise, unlock and build social capital – not least, with their 'out-reach' potential, providing access to many different services and activities otherwise missing in many rural areas.
- We need more positive approaches to involving communities in rethinking the future of their rural libraries and library services – including how library services and other rural services can intersect.
- The level and nature of support provided to rural libraries in future will depend on the outcomes those services and venues are able to contribute to. These may be far-removed from the traditional function of a library, yet hugely valuable to a community (and to public agencies).

Rural Growth Network

The five Rural Growth Network (RGNs) pilots are tackling a number of barriers to rural economic growth. These include a lack of suitable premises, poor physical infrastructure, and fragmented business networks and support due to lack of 'critical mass' in rural areas. RGNs are delivering locally tailored solutions including enterprise hubs, infrastructure and business support.

£1.6 million has been allocated to projects dedicated to supporting women to overcome the specific problems women face when starting a business in rural areas. To the end of December 2014, 1,524 women-led business had been assisted.

The Local Enterprise Partnerships that have received this funding are:

- Swindon and Wiltshire (GEO funding £240,000);
- The North East (GEO funding £200,000);
- Cumbria (GEO funding £491,000);
- Heart of the South West (Devon and Somerset) (GEO funding £387,000); and
- Coventry and Warwickshire (GEO funding £327,726).

The final evaluation of the project is now underway and the final report on the project is due in December 2015.

Rural Tourism

Rural tourism is worth £25 billion per annum in turnover. Tourism-related industries accounted for 10.4% of enterprises, 6.8% of turnover and 13.4% of employment in rural areas in 2012-13.¹²¹ Rural tourism generates economic opportunities particularly suited to small businesses, local environments and communities. The Rural Economy Growth Review launched a £25 million package in 2011, aimed at growing the visitor economy in rural areas. As part of this package, Visit England estimates its promotional activity will create over 6,000 extra jobs and £260 million in additional visitor spend. The figures will be available shortly. VisitEngland's Growing Tourism Locally Programme, which received £19.8 million of funding from the Regional Growth Fund, includes thematic marketing campaigns that specifically market rural areas.

Defra's Rural Development Programme launched in early 2014 and will target EU investment in priorities established by Local Enterprise Partnerships in their European Structural Investment Fund Strategies. About £20m has been allocated for investment in rural tourism by some of the LEPs. This will be spent over the next 5 years. The programme has potential for wider impacts through its other strands which could benefit rural tourism e.g. business start-ups, skills and rural broadband.

It is estimated that there were 21.7 million overnight domestic visits to the countryside and villages in Britain in 2014, resulting in spend of £4.2 billion. 17.1 million of these visits were in England, along with £3.1 billion of the total spend.¹²² Additionally, there were 353 million domestic day visits in 2014 by British residents where the main destination was rural (countryside and villages), 308 million of which were in England. These visits resulted in £8.5 billion of spend across Britain, £7.2 billion of which was in England.

Within the tourism industry's Strategic Framework – led by VisitEngland, the rural tourism action plan recognised the need to take action, and sets out the challenges and opportunities facing tourism businesses in rural areas. The Strategic Framework is currently being refreshed. Actions that can drive sustainable growth in rural tourism will be developed across the refreshed strategy priorities – for delivery by VisitEngland and partners. Rural tourism partners have been engaged in this process – including Defra, Destination Organisations, National Parks, Areas of Outstanding Natural Beauty (AONBs) and trade associations that represent rural tourism businesses. A number responded to the industry-wide consultation which closed in May.

VisitEngland has added a Rural Tourism Business Toolkit to its new Business Advice Hub. The toolkit has been created as part of the COOL Tourism Project by the COOL Partnership and tourism development charity Hidden Britain. It comprises a series of easy-to-follow guides to help new and existing tourism operators make the most of their offering and develop robust business processes. It is designed to help rural businesses with business

¹²¹ Inter-Departmental Business Register (ONS)

¹²² Great Britain Tourism Survey 2014

evaluation, market identification and effective communication and marketing, as well as inspire operators to create great visitor experiences.

English Heritage engages with rural tourism in many ways, including through their properties, most of which are in rural locations, through working with Local Economic Partnerships on the development of their Strategic Economic Plans and associated strategies, and through their partnership work with Defra, local authorities and other bodies. English Heritage has in place a memorandum of understanding with Defra which includes the joint priority to maximise the contribution that heritage can make to economic growth, including tourism and quality of life, in rural areas. English Heritage participates in the National Rural Tourism Partnership convened by the Country Land and Business Association alongside a number of partners, including Defra.

Greening Government for Core Department

The Department's sustainability report has been prepared in line with the requirements under Greening Government commitments. The three tables below demonstrate our continuing commitment to sustainable development. We plan to reduce our use of materials and energy, minimise waste and water use, sustainable procurement and minimise our carbon footprint.

Table A - Summary of Performance against 2009-10 Baseline

	2015 Government reduction target	Reduction position at 31 March 2015
Greenhouse gas emissions	25%	57%
Waste	25%	55%
Water	6m ³ per FTE	4.0m ³ per FTE
Paper	10%	42%

Table B – 2014-15 Actuals to Targets

Area		2014-15 Performance	
		Actual	Target
Greenhouse gas emissions (scope 1,2,3)		570	660
Office estate energy	Consumption (kWh)	1,393,156	1,553,800
Office estate waste	Consumption (tonnes)	39	37
Office estate water	Consumption (m ³)	2,159	3,164

The Department is making good progress in meeting its targets and has exceeded the targets for all areas other than Office estate waste which has increased slightly.

Under the terms of occupation of 100 Parliament Street, HMRC are responsible for utilities. The Department pays a percentage of the total bill based on occupation. Due to increased occupancy there has been a small increase in consumption, although the Department has still exceeded the Government target and its own in year target by a significant margin.

Table C – Performance against 2009-10 Baseline

The non-financial performance of the Core Department over the last five years against the 2009-10 baseline target is represented in the table below.

	Estate Carbon (Reduction to baseline for 2009-10)	Domestic flights (Number of flights)	Waste (Reduction to baseline for 2009-10)	Water (Usage per FTE)	Paper usage (Number of A4 reams)
2014-15	57%	398	55%	4.0 m ³	2,960
2013-14	64%	221	71%	5.0 m ³	2,723
2012-13	33%	146	53%	9.0 m ³	2,493
2011-12	29%	241	18%	13.4 m ³	4,968
2010-11	21%	169	3%	13.7 m ³	4,952

When making travel plans, the Department looks for the best price between rail and flights and on occasions it is cheaper for people to fly than travel by rail. Recent increases in the number of domestic flights are a result of the rollout of the broadband project (team members often travel long distances where flying is the most effective travel method) and necessary travel for high profile projects including WW1 and the Commonwealth Games.

Sustainability Report - Group Performance

Data has only been included from ALBs that meet the required threshold for sustainability reporting. This sustainability report is not based on the same Departmental accounting boundary as the 2014-15 accounts. The ALBs exempt for 2014-15 and prior years are:

- Churches Conservation Trust
- Commission for Equality and Human Rights
- Geffrye Museum Trust Limited
- Horniman Public Museum & Public Park Trust
- Horserace Betting Levy Board
- National Heritage Memorial Fund
- PhonePay Plus
- Royal Armouries Museum
- S4C
- Sir John Soane's Museum
- The English Sports Council
- Sports Grounds Safety Authority
- UK Anti-Doping
- UK Sports Council
- Wallace Collection
- Olympic Delivery Authority (not exempt in 2013-14 and 2012-13)

Where possible, comparatives have been restated to better align with 2014-15 data.

This sustainability report includes data from the following ALBs for the first time:

ALB (with comparatives)	ALB (no comparatives)
BBC Group	The National Portrait Gallery
Heritage Lottery Fund	The Gambling Commission

Table 1 - Greenhouse Gas Emissions

Table 1 Greenhouse Gas Emissions		2014-15		Restated 2013-14		Restated 2012-13	
		Core	Group	Core	Group	Core	Group
Non-financial indicators (1,000 tCO ₂ e)	Total gross emissions¹²³	0.6	1,677.7	0.5	1,494.6	0.9	1,918.1
	Gross emissions Scope 1 (direct) (gas, oil & fuel)	0.6	93.9	0.5	97.8	0.9	114.0
	Gross emissions Scope 2 (indirect) (electricity)	-	1,571.4	-	1,382.7	-	1,790.0
	Gross emissions Scope 3 (indirect) (domestic business travel)	-	12.4	-	14.1	-	14.1
Related Energy Consumption (million kWh)	Total energy consumption	1.4	652.0	1.1	723.1	0.4	797.2
	Electricity: non-renewable	1.0	342.4	0.9	394.0	-	444.9
	Electricity: renewable ¹²⁴	-	44.5	-	42.8	-	16.6
	Gas	0.4	258.0	0.2	279.1	0.4	327.7
	LPG	-	3.7	-	3.5	-	4.0
	Other	-	3.4	-	3.7	-	4.0
Financial indicators (£m)	Total expenditure¹²⁵	0.2	87.1	0.3	84.3	0.4	84.1
	Expenditure on energy	0.1	46.7	0.2	46.2	0.2	47.3
	CRC licence expenditure (2010 onwards)	-	1.1	-	0.6	0.0	0.5
	Expenditure on accredited offsets	-	0.1	-	0.2	-	0.2
	Expenditure on official business travel	0.1	39.2	0.1	37.3	0.2	36.1

Where an ALB did not split between non-renewable and renewable electricity consumption, the entire amount was classified as non-renewable.

¹²³ The increase in Total gross emissions and Scope 2 emissions is predominately the result of The Royal Park's new electric vehicle fleet.

¹²⁴ There is also a small increase in renewable energy consumption which can be attributed to The Royal Parks.

¹²⁵ The apparent increase in Total expenditure is a result of comparative financial indicators not being available for four ALBs.

Table 2 – Waste

Table 2 Waste			2014-15		Restated 2013-14		Restated 2012-13	
			Core	Group	Core	Group	Core	Group
Non-financial indicators (tonnes)	Total waste¹²⁶		39.0	18,738.0	36.0	18,451.7	66.0	17,038.4
	Hazardous waste		-	67.4	-	48.0	-	174.8
	Non-hazardous waste	Landfill	18.0	1,925.2	13.0	1,301.0	41.0	2,669.8
		Reused/ recycled	21.0	7,861.3	23.0	7,354.7	25.0	8,320.8
		Composted	-	4,740.8	-	4,138.6	-	696.6
		Incinerated with energy recovery	-	4,045.3	-	5,605.6	-	3,590.6
		Incinerated without energy recovery	-	98.0	-	3.8	-	1,585.8
Financial indicators (£ '000)	Total disposal cost¹²⁷		5.0	1,944.5	19.0	835.1	11.9	761.2
	Hazardous waste		-	8.4	-	8.1	-	12.0
	Non-hazardous waste	Landfill	-	49.2	-	78.2	-	74.5
		Reused/ recycled	-	284.4	-	277.9	-	249.9
		Composted	-	28.9	-	26.0	-	14.0
		Incinerated with energy recovery	-	267.3	-	233.2	-	208.2
		Incinerated without energy recovery	-	-	-	-	-	-

126 The apparent increase in Total waste of 286.3 tonnes between 2013-14 and 2014-15 mainly relates to National Portrait Gallery who have produced a sustainability report for the first time in 2014-15 and do not have comparative data.

127 Total disposal cost include some costs that are not in the itemised lines. These were not provided by some ALBs due to the limitations of their current service contracts. The absence of comparatives for some ALBs, explains the apparent increase of £1,109.4k in Total disposal costs between 2013-14 and 2014-15.

Table 3 – Finite Resource Consumption

Table 3 Finite Resource Consumption			2014-15		Restated 2013-14		Restated 2012-13	
			Core	Group	Core	Group	Core	Group
Non-financial indicators ('000m ³)	Total water consumption¹²⁸		2.2	2,112.1	2.1	2,290.3	4.4	2,272.7
	Water consumption (office estate)	Supplied	2.2	1,006.9	2.1	1,193.5	4.4	1,317.2
		Abstracted	-	69.0	-	40.4	-	14.7
		per FTE	0.004	0.031	0.005	0.037	0.009	0.041
	Water consumption (non-office estate)	Supplied	-	184.9	-	292.9	-	132.1
		Abstracted	-	851.3	-	763.5	-	808.7
Financial indicators (£'000)	Total water cost		1.4	2,484.2	-	2,569.6	-	3,109.9
	Water supply costs (office estate)		1.4	2,199.7	-	2,157.1	-	2,731.3
	Water supply costs (non-office estate)		-	284.5	-	412.5	-	378.6

¹²⁸ The overall trend is a reduction in water consumption, although some ALBs did report a small increase. Significant reductions were achieved by the BBC through the use of a combination of measures including leak detection, reduction in space occupied and the incorporation of water saving measures.