



Department  
for Culture,  
Media & Sport

# Annual Report & Accounts

For the Year Ended 31 March 2024



# Department for Culture, Media and Sport

## Annual report and accounts for the year ended 31 March 2024

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This is part of a series of departmental publications which, along with the Main Estimates 2024-25 and the document Public Expenditure: Statistical Analyses 2023, present the government's outturn for 2023-24 and planned expenditure for 2024-25.



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# INTRODUCTION

## Permanent Secretary's Review

Here is our annual report and accounts. This annual report relates to the year to March 2024 and has been prepared during the pre-election period and then published under a new government. Accordingly, the commentary included in the report reflects the last Government's objectives for DCMS.

I would like to take this opportunity to extend my thanks and appreciation to all of our colleagues at the Department for Culture, Media and Sport and to all of those working across our arms' length bodies and our sectors for their contribution over this period.



**Susannah Storey**

Principal Accounting  
Officer and Permanent  
Secretary

# PERFORMANCE REPORT

## Overview

This section provides a summary of the Department for Culture, Media and Sport (DCMS) - its purpose, objectives, key risks, and how it has performed during the past year. The report also gives a breakdown of spending in the 2023-24 financial year.

This is the first Annual Report that focuses solely on the refocused DCMS. Machinery of Government (MoG) changes in February 2023, led to the creation of the new Department for Science, Innovation and Technology (DSIT) including the majority of the Digital portfolio from what was the Departmental of Digital, Culture, Media and Sport.

### Our purpose

DCMS, and the people, places and businesses it serves, are fundamental to raising prosperity and living standards in the UK. The department drives growth and enriches the lives of citizens and communities across the UK and our work in the financial year 2023-24 demonstrated that this role is more important than ever.

Through uniting the residents of the country, supporting growth and providing people with equal opportunities to culture, sports, arts and beyond, DCMS provided a significant contribution to enabling access and participation and economic growth across the UK.

Following MoG changes in February 2023, and a period of transition, DCMS took the opportunity to establish new priority outcomes that reflect its refocused policy portfolio and aims. The DCMS priorities for 2023-24 were to:

1. Drive growth across all our sectors, including creative industries and tourism, and support local economies.
2. Create opportunity for young people and enrich communities, alongside our arm's length bodies (ALBs) and charities sector, by increasing participation in, and expanding access to, grassroots sports, arts and heritage, libraries and youth services.
3. Showcase the UK to the world and boost our global reputation by delivering major cultural and sporting events across the country.
4. Deliver reforms to make our world class media sector fit for the 21st century, make the UK the safest place in the world to gamble, and protect the excellence and financial sustainability of English football, putting fans at the heart of clubs.

The majority of the department's funding in 2023-24 went to its public bodies, which operate across multiple sectors and are an extremely diverse group of organisations. DCMS works in tandem with these bodies, the majority of which are linked to the department by ministerial appointments and/or legislative requirements. DCMS has 43<sup>1</sup> Public Bodies in total, of which 36 are directly consolidated into DCMS accounts and categorised as ALBs within note 28 of the accounts.

### Financial Review

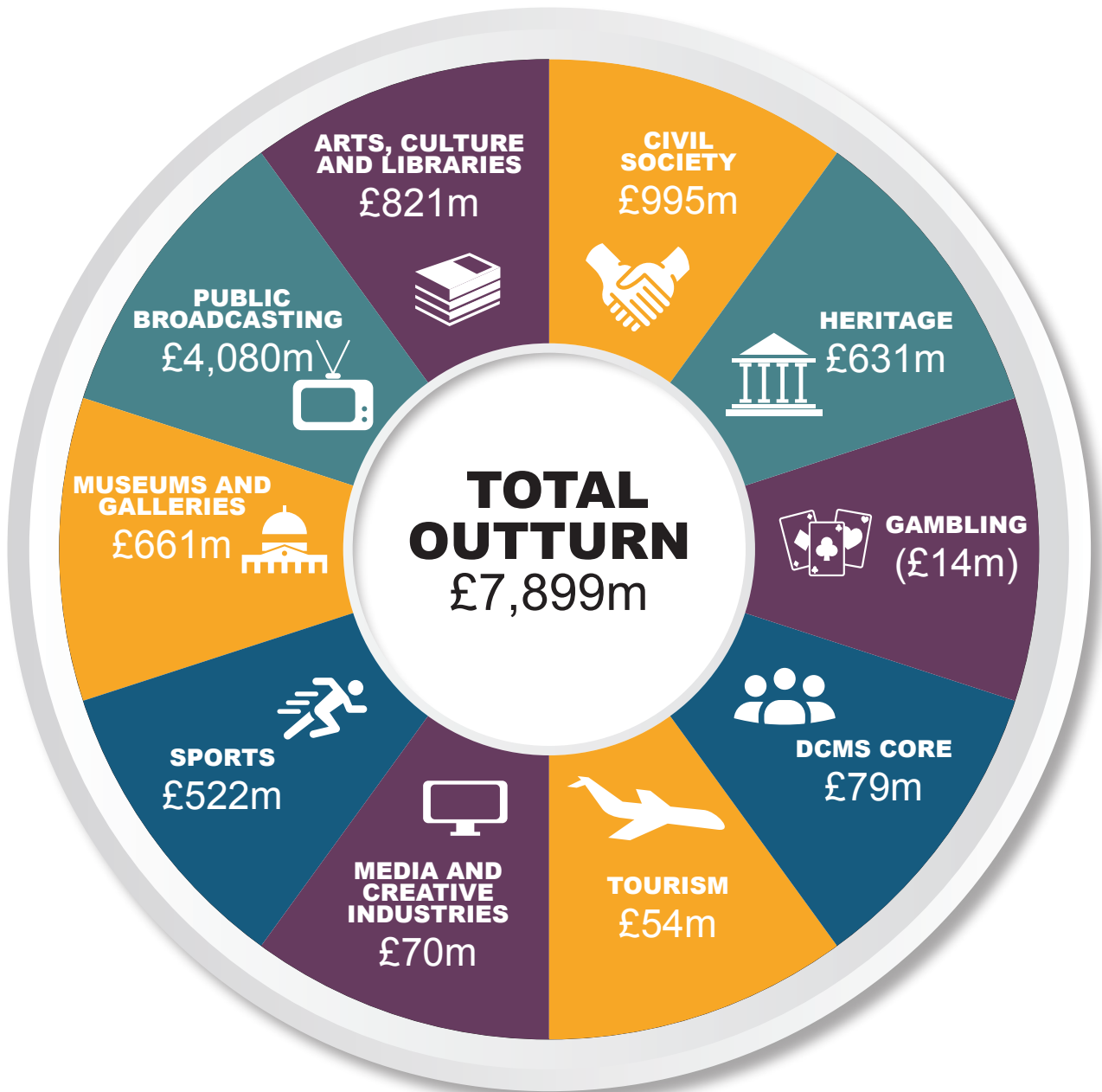
As taken from HMT Treasury's **Consolidated Budgeting Guidance**, the budgeting system that the department follows is the primary means by which HM Treasury controls public spending and underpins the work of the department and it's Arm's Length Bodies.

The budgeting system has two main objectives:

- to provide a structure under which the Treasury can control public spending. This supports the government in realising its fiscal objectives, in return supporting macro-economic stability; and
- to appropriately incentivise departments to manage spending effectively. This supports the provision of high-quality public services that offer value for money to citizens.

<sup>1</sup> Including Birmingham Organising Committee for the 2022 Commonwealth Games Ltd

## Outturn by business area

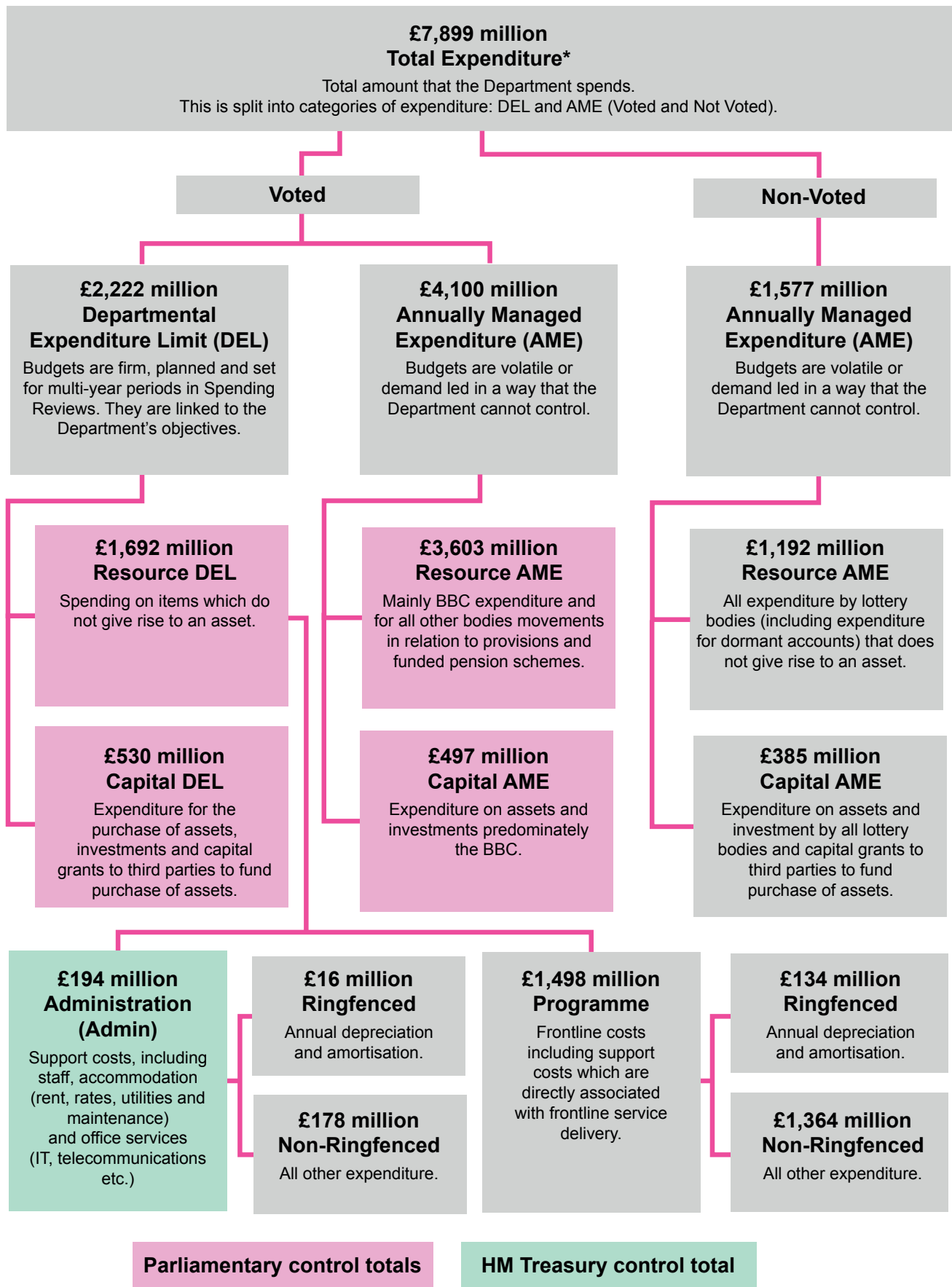


Figures in this diagram agree to the Statement of Outturn against Parliamentary Supply. For more information, please see page 96.

This year, intra-group eliminations (trading between ALBs in the group) has been reallocated to specific categories of expenditure where spend is solely related to that category.

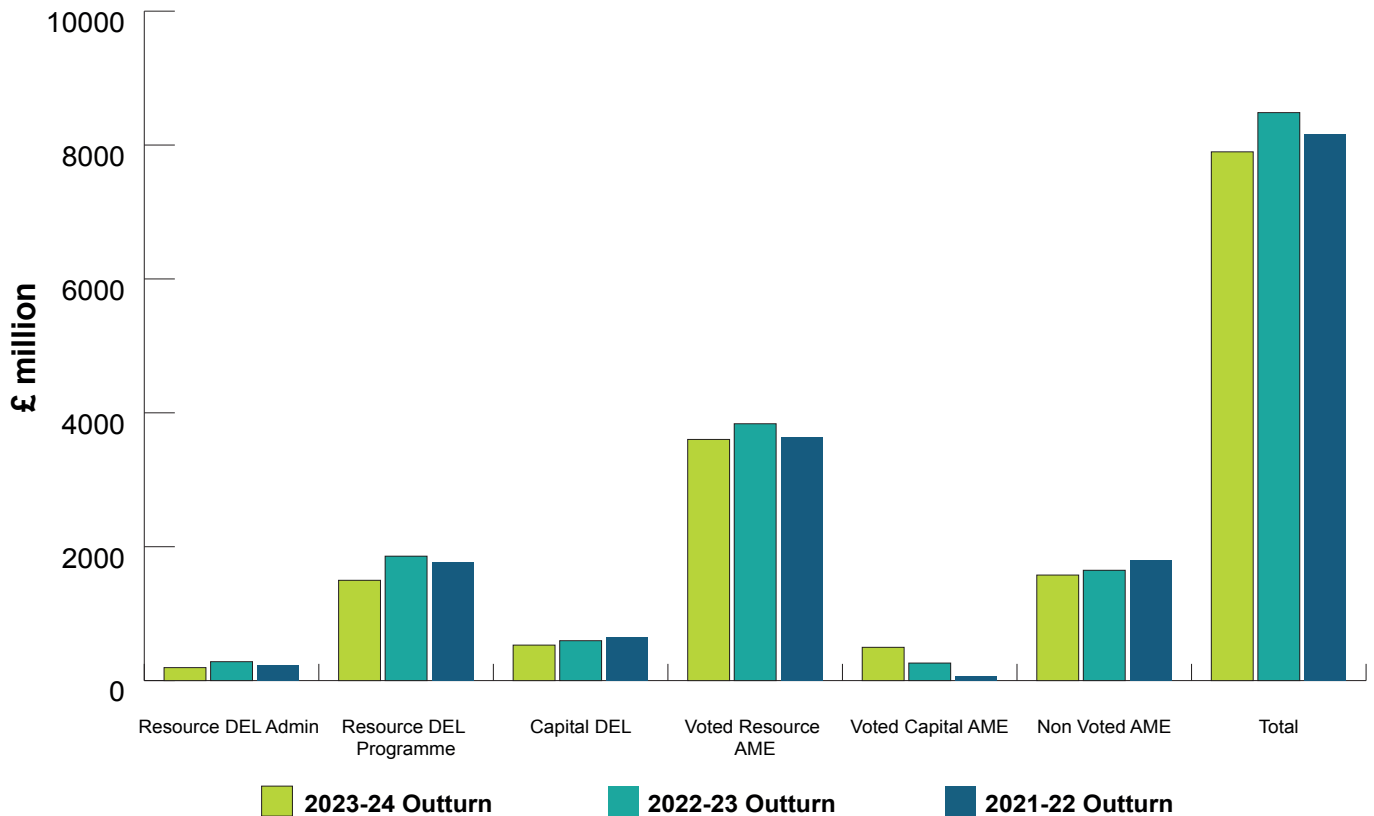
The gambling sector spend is a net credit (£14m) representing a net income position.

The budgeting framework and spend per HMT budget category is as follows, with further information on the budgeting categories provided below the Total Net Expenditure chart:



\* Figures rounded to nearest £m so may not agree to SOPS table exactly.

## Total Net Expenditure



The prior year figures have not been updated to include the effect of the Machinery of Government change.

The total of the above for 2023-24 is £7,899m and includes both Voted and Non Voted expenditure and also both Departmental Expenditure Limit (DEL) and Annually Managed Expenditure (AME).

### Explanations of Budgetary Categories

The departmental budgets are first disaggregated into two different categories:

- Departmental Expenditure Limits (DEL) –this budgetary category captures spending that is subject to limits set in the Spending Review (SR). Departments may not exceed the limits that they have been set.
- Annually Managed Expenditure (AME) –this budgetary category captures both voted and non-voted spending. Voted AME spending is subject to budgets set by the Treasury. Departments need to monitor AME closely and inform Treasury if they expect AME spending to rise above forecast. Whilst Treasury accepts that in some areas of AME inherent volatility may mean departments do not have the ability to manage the spending within budgets in that financial year, any expected increases in AME require Treasury

approval.

In addition to being split into DEL or AME, the departments' budgets are also split into resource and capital categories.

- Resource budgets capture current expenditure (including depreciation, which is the current cost associated with fixed assets). Within the resource budget some transactions will have an immediate or near-immediate impact on fiscal aggregates, for example pay and procurement. Other transactions will only have an effect in future periods, for example the take-up of provisions.
- Capital budgets capture new investment and financial transactions.

Resource DEL budgets are further split into programme and administration budgets.

- Programme budgets capture expenditure on front line services.
- Administration budgets capture any expenditure not included in programme budgets. They are controlled to ensure that as much money as practicable is available for front line services.





## Key achievements

**Outcome 1: Drive growth across all our sectors, including creative industries and tourism, and support local economies.**

### Creative Industries

- DCMS' £28.4 million Create Growth Programme (CGP) supports high-growth creative businesses in twelve English regions outside London to scale up and become investment ready. The CGP is being delivered in twelve local area partnerships across England.
- Launched the Creative Industries Sector Vision – jointly authored by DCMS and the Creative Industries Council and secured £77 million of funding for various Creative Industries funds and programmes. (June 2023)
- Worked with the Arts and Humanities Research Council (AHRC) to launch the £75.6 million Convergent screen technologies and performance in real time (CoSTAR) programme, supported by £63 million private co-investment (Announced June 2023, launched November 2023).
- Opened the first round of funding of the expanded Music Export Growth Scheme, delivered by the Department for Business and Trade, and delivered the first tranche of funding to London Fashion Week to support New Generation British designers (February 2024).
- Announced £100 million of funding for culture projects through the Levelling Up Fund

(November 2023).

### Visitor Economy

- Promoted the new Electronic Travel Authorisation (ETA) scheme in collaboration with the Home Office. The ETA scheme is now delivering visa-free travel to nationals of the Gulf Cooperation Council and Jordan. (March 2024)
- Worked with the Department for Business and Trade to deliver a package of simplified business visitor rules; and with the Home Office to deliver an EU ID exemption for French school groups. (December 2023)
- Delivered a consultation for a short-term lets registration scheme and announced a national, mandatory approach to the scheme. (February 2024)
- Provided oversight and strategic direction to Visit England, securing accreditation of 33 Destination Management Organisations as Local Visitor Economy Partnerships. Provided oversight of the North East Destination Development Partnership (DDP) pilot which is in its third year of delivery.

### Museums and Cultural Property

- Funded major capital projects, including the Natural History Museum's £221 million Unlocked programme, which is unlocking significant R&D opportunities through securing, digitising and improving access to the Museum's national collection.
- Spring Budget announced permanent 40%/45% (for non-touring/touring exhibitions) headline rates of relief for the Museums and





Galleries Exhibition Tax Relief alongside a broader set of tax relief changes for the cultural sectors. These rates will take effect from 1 April 2025. (March 2024)

### Arts and Libraries

- Working in partnership with Arts Council England, invested £32.4 million in eight projects through the Cultural Development Fund.
- Nearly £100 million of government investment to open the Aviva Studios in Manchester. (October 2023)
- Spring Budget announced permanent higher rates for Theatres (Theatre Tax Relief, TTR), and Orchestras (OTR) Tax Reliefs. This means that from 1 April 2025, these rates will be permanently set at 40% (for non-touring productions) and 45% (for touring productions) rates of the TTR, and a 45% rate for OTR. (March 2024)
- The British Library published a report on the investigation into the cyber attack, sharing lessons learned for the benefit of other organisations. (March 2024)

### Heritage

- Designated (protected) 136 Listed Buildings and 17 Scheduled Monuments.
- DCMS ALB Historic England has concluded the last year of funding for the £95 million High Street Heritage Action Zones programme.
- Secured key measures within the Levelling-up and Regeneration Act 2023 to strengthen heritage protection by enhancing enforcement of Listed Building controls through the planning system. (October 2023)
- Published first ever guidance for custodians on how to deal with commemorative heritage

assets that become contested (October 2023)

- Co-author of the cross government review, *Adapting Historic Homes for Energy Efficiency: a review of the barriers* (January 2024). This is a review examining the barriers for homeowners in installing energy efficiency measures in historic properties (listed buildings and conservation areas).

### Sport and Culture Loans

- Over 220 sports and cultural organisations have continued to benefit from the loan funding provided as part of the Culture Recovery Fund and Sport Survival Package to support these key sectors through the pandemic restrictions. Between April 2023 and March 2024, over £25 million was repaid by borrowers to the Exchequer, including two borrowers settling their loan obligations in full.
- Four borrowers also entered insolvency. DCMS is working with the independent insolvency practitioners to determine the returns to the Exchequer in each case

### Government Art Collection

- Acquired 124 new artworks to the Collection. This included acquisitions by artists working in Scotland and the North East of England, continuing the Art X-UK partnership with regional visual arts networks.
- Delivered 100 displays across the UK as well as new international displays in Washington DC, USA; Abu Dhabi and Dubai, UAE; Rome, Italy; San Jose, USA; and Ottawa, Canada.
- Commissioned 9 leading British and British based artists to create striking new artworks in response to the Coronation of Their Majesties King Charles III and Queen Camilla reflecting on the King's four priorities of youth, community, diversity and sustainability. (May 2023)



**Outcome 2: Create opportunity for young people and enrich communities, alongside our arm’s-length bodies and charities sector, by increasing participation in, and expanding access to, grassroots sports, arts and heritage, libraries and youth services.**

### Youth Services

- Allocated via the Youth Investment Fund over £250 million to 226 organisations to build, renovate and expand youth provision in levelling up areas of England.
- Provided the National Citizen Service with £49.2 million in funding to deliver a year-round offer, including residential, community-based (open to all and targeted) and digital experiences.
- In collaboration with the DfE, supported the Duke of Edinburgh Award with £4.57 million, creating over 30,000 participant places as of March 2024.
- Created over 7,500 new places in Uniformed Youth groups and opened or reopened 250 units by March 2024, using £11 million of DCMS funding.
- Through Phase 1 of the Million Hours Fund, awarded £3.7 million to over 400 organisations to deliver additional hours of positive activities in anti-social behaviour hotspots over the summer holidays and through Phase 2 awarded the remaining £17.42 million of funding to over 230 organisations who have started multi year delivery of positive activities for young people in anti-social behaviour hotspots. (August 2023-March 2024)

- Awarded a total of £3.38 million by the Shared Outcomes Fund for the delivery and evaluation of the Enrichment Partnerships pilot, jointly with the Department for Education, to enhance school enrichment offers. (September 2023-March 2024)

### Civil Society Strategy & Delivery

- Launched and completed delivery of the Community Organisations Cost of Living Fund (CCLF), a £76 million fund that awarded grants to frontline Voluntary, Community and Social Enterprise (VCSE) organisations delivering critical cost of living services to low-income households through winter. (July 2023 - March 2024)
- Launched the VCSE Energy Efficiency Scheme (EES), a £25.5 million fund to support VCSE organisations by saving money on energy bills, through independent energy assessments and capital grants. (December 2023)
- Published an updated Framework Document for the Charity Commission, setting out the governance and accountability arrangements between DCMS and the Charity Commission, and our respective core responsibilities and roles. (June 2023)
- Implemented further provisions of the Charities Act 2022, to support charities’ operation.

### Civil Society Impact Funding

- Made £11.6 million of outcomes payments to the 29 locally commissioned projects in the





Life Chances Fund (LCF) in 2023-24 which ensured that 415 people entered employment, 4,233 people entered sustainable accommodation and 1,383 children avoided care proceedings.

- With £413,000 of funding in 2023-24, provided training and shared expertise with 689 VCSE organisations through the Contract Readiness Programme. This £900,000 package of support was designed to enable the voluntary, community and social enterprise (VCSE) sector in England better compete for government contracts.
- Passed secondary legislation to set the focus of the English portion of dormant assets funding on youth, financial inclusion, social investment wholesalers, and community wealth funds. (November 2023)
- Accelerated £15.35 million funding to the Building Futures Programme, delivered by Youth Futures Foundation, to support 5,000 vulnerable young people to receive intensive mentoring and careers coaching. (November 2023)

### **Volunteering & Tackling Loneliness**

- Continued to deliver the Volunteering Futures Fund, with projects through Arts Council England running until March 2024. The programme had a strong focus on young people, those experiencing loneliness, those with disabilities and those from ethnic minority backgrounds.
- Celebrated volunteering through delivering the daily Prime Minister's Points of Light award

to recognise the contribution of volunteers across the UK. Between March 31 2023 - 1 April 2024, DCMS recognised 298 Points of Light.

- Delivered a communications campaign focused on reducing the stigma of loneliness with 16-24 year olds, which encouraged them to visit the NHS Better Health Every Mind Matters page to access support and practical suggestions reaching millions of people.
- Supported the Voluntary and Community Sector Emergencies Partnership (VCSEP) to build emergency response preparedness in the voluntary sector. DCMS provided £750,000 in 2023-24 to support the efficacy and efficiency of the voluntary and community sector's input into emergency preparedness, planning and response
- Contributed £19 million DCMS funding through the up to £30 million Know Your Neighbourhood (KYN) Fund, widening participation in volunteering and tackling loneliness in 27 disadvantaged areas across England. (October 2023)

### **Sport**

- Launched a new government strategy for sport and physical activity, Get Active, including the establishment of the National Physical Activity Taskforce. (August 2023).
- Published a government response supporting the recommendations of the Independent Review of Women's Football led by Karen Carney OBE. (December 2023).
- Announced an additional £25 million of



investment in 2024-25 (taking the total for multi-sport facilities UK-wide to over £100m that year), with £5 million top-up investment from the FA, for the Lionesses Futures Fund which will deliver 30 state-of-the-art 3rd Generation Artificial Grass Pitches in England, with gold-standard provision for women and girls. (November 2023)

- Invested £93 million through the Multi-Sport Grassroots Facilities Programme this year to deliver improvements to over 1100 projects - with at least half of the investment focused in the 40% most deprived Local Authorities - and £13.6 million, in partnership with the Lawn Tennis Association to renovate 1,839 courts as part of the Park Tennis Court Renovation Programme. (January - March 2024)
- Committed £60.8 million at Spring Budget 2024 for the Swimming Pool Support Fund (SPSF) to support swimming pool providers across England with energy and running costs, and investment in decarbonisation to make pools/leisure centres more energy efficient. This has supported 788 individual pools. (March 2024)

### Arts and Libraries

- Arts Council England's (ACE) updated National Portfolio saw investment begin in April 2023. This will invest £444 million in 985 organisations across England. Published the evaluation for the Culture Recovery Fund. (April 2023)
- Published Baroness Sanderson's independent review of public libraries in England, alongside the government response. (January 2024)
- Announced the results of the third and final round of the Libraries Improvement Fund (LIF),

part of the Cultural Investment Fund (CIF). 43 library services will benefit from £10.5 million of investment, in addition to the £10 million already announced as part of rounds 1 and 2. (March 2024)

### Museums and Cultural Property

- Granted over £450 million to the UK's museums and galleries, including for major infrastructure and maintenance needs as part of continued core support and the 2023-24 round of Public Bodies Infrastructure Fund (PBIF), to improve access and protect the nation's collections.
- Museums and galleries across the UK received outstanding cultural objects during 2023-24 under the Acceptance in Lieu and Cultural Gifts Schemes enabled by DCMS. The Government Indemnity Scheme saves museums and galleries around £100 million each year in commercial insurance costs, for nearly 30,000 loaned objects.
- Committed an additional £150 million exchequer funding to the British Museum Energy Centre programme to help with their energy transition and to safeguard and ensure access to the British Museum's collection for future generations (May 2023).
- Announced Round 3 of the £86 million Museum Estate and Development Fund (2023-24) awards worth £22.6 million to 23 projects across England. (March 2024).
- Funded museum projects worth over £3.9 million at 31 venues across England (80% outside London) through the DCMS/Wolfson Museums and Galleries Improvement Fund. Funded three new storage facilities for the British Museum, Science Museum Group





and V&A, with two of the museums fully relocated from Blythe House. This will see over 2 million artefacts placed into secure, fit for purpose storage preserving them for future generations.

- In August 2023, the British Museum launched an independent review of its security after items from the collection were found to have been stolen. The review concluded in December 2023 and made a range of recommendations which the Museum accepted and started implementing.

### Heritage

- Announced the national roll out of the Blue Plaque scheme, an expansion of the London Scheme, delivered by Historic England. The scheme aims to celebrate individuals who have made an exceptional impact in their field, community, or society. (September 2023)
- The £7.4 million High Streets Heritage Action Zones (HSHAZ) Cultural Programme, in its final year, has complemented the Historic England-led HSHAZ programme and enables local people to celebrate what makes their high street special. (March 2024)
- Continued the Heritage Schools programme,

which has reached over 11,000 teachers and over 2,500 schools, and is estimated to have reached over 2 million children, delivered by Historic England with funding from DfE, which uses local heritage to connect children to where they live and develop a sense of understanding and pride in that place. (April 2024)

### Creative Industries

- Announced an additional £5 million of funding for the Grassroots Music Fund to help support the talent pipeline of the UK's music sector and protect at risk venues from closure.
- Continued to develop the Cultural Education Plan with DfE and Arts colleagues to enrich the lives of young people through arts and culture; and deliver the Creative Careers Programme to encourage young people and their care-givers to consider a career in the creative sector.





**Outcome 3: Showcase the UK to the world and boost our global reputation by delivering major cultural and sporting events across the country.**

### Major Sporting Events

- Enabled the successful UK and Ireland bid to host the men’s UEFA European Championships in 2028 (EURO 2028). (October 2023)
- Advanced preparations to ensure the safe and successful delivery of the UEFA Champions League Final (hosted 1 June 2024), the biggest one-off sporting event in the world.
- Established the £70m Commonwealth Games Legacy Enhancement Fund drawing on underspends from the Birmingham 2022 Commonwealth Games, investing nearly £16m into projects across the West Midlands in 2023-24.
- Supported ongoing planning for the delivery of major sporting events and their legacy. This has included support for the host city launch for the 2025 Women’s Rugby World Cup (RWC) and the RWC Impact Programme, as well as as well as the delivery of the Sport Accord World Sport and Business Summit in April 2024, and continuing to work with the Greater London Authority LA and Football Association on delivering a safe and secure UEFA Champions League Final.
- Securing the future of the Birmingham 2026 European Athletics Championships, following financial challenges faced by Birmingham City Council. (January 2024)

- Led the way, alongside our coalition of 36 like-minded nations, in ensuring that state sponsored Russian and Belarusian athletes will be prevented from competing in Paris at the Olympic and Paralympic Games, and ensuring an appropriate level of neutrality for those who are competing.
- Completed the evaluation of the Birmingham 2022 Commonwealth Games (one year post Games report). (April 2024).

### Project Delivery & Major Events

- Working with Marie Curie, DCMS supported the successful delivery of the 2024 Day of Reflection. The Day saw over 215 unique organisations support commemorative activity around 26,000 unique website users to the Marie Curie microsite and bespoke resources being downloaded over 6,200 times. DCMS funding was also helped to support a number of local community commemorative events of which nearly 200 took place across the UK (March 2024).

### Coronation

- Successfully delivered on the central weekend of His Majesty King Charles III’s Coronation, enjoyed by many millions both in the UK and across the globe and worked closely with partners across and outside Government to ensure the celebrations were delivered smoothly and safely. (May 2023)

### Eurovision

- Worked with the BBC and the City of Liverpool to deliver a highly-successful Eurovision Song





Contest in 2023. (May 2023)

### **Bradford UK City of Culture 2025**

- Announced £10 million funding for Bradford UK City of Culture 2025. The investment will support the delivery of Bradford’s programme of cultural activity over the year – ranging from live performances in existing cultural venues to pop-up experiences in a bespoke touring venue, Beacon. (July 2023)

### **AI Summit**

- DCMS was instrumental in lending its expertise in the delivery of Major Events to DSIT as lead government department for delivering the first major global summit on Artificial Intelligence safety. The summit, hosted at Bletchley Park on the 1st and 2nd November 2023 brought together international stakeholders and culminated in the Bletchley Declaration - the first global agreement on understanding the opportunities and risks posed by frontier AI. (November 2023)

### **International Coordination**

- Supported the UK’s accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. (July 2023)
- Marked the 120th anniversary of the Entente Cordiale by supporting cultural, creative and sporting events to celebrate the UK’s bilateral relationship with France. (January - December 2024)

### **Cultural Diplomacy**

- Delivered 45 projects through the International

Cultural Heritage Protection Programme, including 37 projects through the Cultural Protection Fund and 8 through other partners including United Nations Educational, Scientific and Cultural Organisation (UNESCO) and Arts and Humanities Research Council (AHRC).

- DCMS Ministers attended the G20 culture and tourism working group ministerial meetings supporting India’s G20 presidency. (August 2023)
- Ratified the UNESCO 2003 Convention for the Safeguarding of Intangible Cultural Heritage. (March 2024)

**Outcome 4: Deliver reforms to make our world class media sector fit for the 21st century, make the UK the safest place in the world to gamble, and protect the excellence and financial sustainability of English football, putting fans at the heart of clubs**

### **Television & Broadcasting**

- Finalised a package of new safeguards to ensure the UK TV production industry benefits from previously-announced reforms to support Channel 4’s long-term sustainability (November 2023).
- Published consultation proposals to ensure more of the channels available on UK TV screens are appropriately regulated. Work in this area complements the change to the regulation of video-on-demand services being made through the Media Bill (November 2023).



- Concluded the Mid-Term Review (MTR) of the BBC's regulation and governance. The MTR was launched in May 2022, and was a programme of work evaluating the governance and regulation of the BBC. (January 2024).
- Set out proposals for supporting the local TV sector, including confirming the intention to permit Ofcom to renew existing licences (February 2024).
- Launched the BBC Funding Model Review with accompanying Terms of Reference (December 2023). This was followed by the announcement of the Expert Advisory Panel (March 2024).

#### **Media Bill**

- Following publication in draft (March 2023), the Media Bill underwent pre-legislative scrutiny from the Culture, Media and Sport Select Committee. It was introduced to Parliament in November 2023 following the Committee's report, and took on board a number of suggestions to improve the drafting of the Bill. (November 2023)

#### **Press, Radio, and Media Freedom**

- Established an ongoing Strategic Lawsuits Against Public Participation (SLAPPs) Taskforce to support journalists who are working to investigate and publish stories in the public interest. (September 2023)
- Launched a consultation on analogue community radio licensing, which sought views on whether analogue community radio licences should be extended, and whether

existing provisions on advertising revenue remain appropriate. (November 2023)

- Convened an industry-led Journalism and AI Working Group, which considered the risks and opportunities AI presents to newsrooms across the UK. (January 2024 onwards)
- Introduced legislation to ban foreign states from controlling newspapers, or news magazines, through the Digital Markets, Competition, and Consumer Bill. (March 2024)

#### **Advertising**

- Published a response to the 2022 consultation on the Online Advertising Programme, which considered the regulation of online advertising in the UK.
- Launched the Online Advertising Taskforce, which brings together representatives from government and the online advertising industry to work in collaboration to address online advertising harms (July 2023).
- Published the Taskforce's Action Plan, summarising commitments from government and the online advertising sector to promote industry best practice and build the evidence base (November 2023).

#### **Football Regulation**

- Following consultation on the White Paper, 'A Sustainable Future Reforming Club Football Governance', published the Government Response setting out the government's commitment to the introduction of a new independent regulator for English football clubs (September 2023).





- Appointed an Interim Chief Operating Officer, to lead the preparatory work to set up the new independent football regulator, and established the Shadow Regulator to undertake preparatory activity to set up the IFR, alongside passage of the legislation (December 2023 and January 2024).

### **Gambling and Lotteries**

- In 2023-24 the National Lottery raised £1.8 billion for good causes (which included Investment Income received by the NLDF, as well as contributions from the operators); in total £47.2 billion has been raised for good causes since 1994.
- Presented the 'High stakes: gambling reform for the digital age' White Paper to Parliament, setting out the government's plan for reform of gambling regulation following the review of the Gambling Act 2005. Of the 62 proposals

announced in the White Paper over half were consulted on or were complete as at 31 March 2024. (April 2023-January 2024).

- Carried out a review of the Horserace Betting Levy, taking account of the changes set out in the Gambling Act Review White Paper to ensure the levy delivers an appropriate level of funding for the horseracing sector. (March 2024)
- Actively supported the Gambling Commission in the smooth transition to the Fourth National Lottery Licence, which commenced on 1 February 2024. This was the first time that a new operator has taken over running of the National Lottery since its inception in 1994. (February 2024)

## Public bodies

Throughout the 2023-24 Financial Year DCMS had 43 Public Bodies in total, of which 36 were consolidated into DCMS accounts (see note 28). These 36 are included in the table below.

Museums and Galleries	
British Museum	Royal Armouries Museum
Museum of the Home	Royal Museums Greenwich
Horniman Museum	Science Museum Group
Imperial War Museum	Sir John Soane's Museum
National Gallery	Tate Gallery
Natural History Museum	Victoria and Albert Museum
National Museums Liverpool	Wallace Collection
National Portrait Gallery	
Sport	
Birmingham 2022 Organising Committee for the 2022 Commonwealth Games	UK Anti-Doping
Sport England	UK Sport
Sports Grounds Safety Authority	
Media / Creative Industries	
British Broadcasting Corporation	S4C (Sianel Pedwar Cymru)
British Film Institute	
Heritage	
Churches Conservation Trust	Historic England
National Heritage Memorial Fund / National Lottery Heritage Fund	
Tourism	
British Tourist Authority (VisitBritain and VisitEngland)	
Arts and Libraries	
Arts Council England	British Library
Civil Society	
Big Lottery Fund (operating as National Lottery Community Fund)	National Citizen Service Trust
Gambling	
Gambling Commission	Horserace Betting Levy Board
Cultural Property	
Reviewing Committee on the Export of Works of Art and Objects of Cultural Interest	Treasure Valuation Committee

VisitBritain and VisitEngland are legally constituted as the British Tourist Authority under the Development of Tourism Act 1969, and will each be referred to separately throughout the report.

BBC is a public broadcasting authority. The BBC's Public Service Broadcasting Group, BBC Commercial Limited and its direct subsidiary holding companies fall within the DCMS accounting boundary and this element is consolidated into the DCMS accounts. See note 1.3 for further details.

In addition to the above bodies, DCMS sponsors 3 public corporations (Channel 4, Historic Royal Palaces and The Royal Parks), two non-ministerial government departments (The National Archives and The Charity Commission) and two Advisory Non-Departmental Public Bodies - the Advisory Council on National Records and Archives (consolidated in the National Archives accounts) and The Theatres Trust. These bodies are not included in the accounts.

## Risks affecting delivery

Strategic risks affecting delivery continue to be effectively monitored and managed at project and programme level, with strategic risks captured on the departmental Executive Risk Register, for monthly review at the Executive Board. DCMS has a specialist risk management team to oversee risk management and improve risk culture. The risk management team provides risk reports to the Departmental Board, Audit and Risk Committee, and the Executive Board and its sub committees; ensuring each strategic risk is reviewed at the appropriate senior level. Further information on how risk management is embedded within the department is included in the Governance Statement.

The table below highlights the strategic risks faced by the department during 2023-24. Most of the risks are not new but the department has continued to invest in appropriate mitigations to address them. During the year, the key changes have been to those risks arising from external economic pressures. Two risks that the Executive Board level were monitoring due to their cross cutting impacts were inflationary pressures and labour market supply to DCMS sectors. These risks have now decreased and are being monitored at local levels. However, there are now funding risks to DCMS's sectors arising from financial pressures in local authorities which are, in some places, resulting in reduced arts, culture and sporting funding from those bodies. During the year the department also successfully managed risks arising from Machinery of Government Changes.

Strategic Risk	Risk description	Mitigation	Trend ↑↔↓
<b>Departmental capacity, capability and resilience</b>	DCMS may not be able to attract and retain high-performing skilled staff, including in specialist skilled areas, due to competitive labour markets, departmental changes, reduced staff wellbeing and/or financial constraints. This could impact staff wellbeing; and without adequate resourcing contingency plans it may not be able to fully deliver on short term programmes, such as a cyber attack.	Risk management processes help us to identify potential areas of resourcing risk in advance of decision-making. DCMS has established a pool of volunteers who could be stood up to work as part of a crisis coordination hub to respond to a crisis. In the longer term, we continue to protect our people through a new workforce strategy and people plan. A new pay band split, with the intention of retaining employees longer and providing internal career progression, was brought in. DCMS continues to look at a range of retention strategies such as: pay, career pathways strategy, learning and development, and employee value proposition projects.	Risk decreased ↓
<b>Cyber attack</b>	The department and our Public Bodies may suffer loss of service, data leakage and / or corruption if a successful cyber attack occurs.	Security layers are in place, including engagement with the National Cyber Security Centre (NCSC) and other government security experts, employment continuity services, threat monitoring, staff comms, review of cyber defences against NCSC advice and reviewing incident management plans. The Cyber team is working closely with Public Bodies to build capability and resilience.	↔
<b>Corporate services operational maturity</b>	Without a strategic approach to systems and data, localised technology systems may be developed with a lack of shared knowledge and interoperability, this may result in inefficiencies, increased risk of error, and lost opportunities to exploit data or new technologies to their fullest.	DCMS invested in Digital, Data and Technology (DDAT) capacity which will provide support for corporate systems development. DCMS finance, HR and commercial systems are due to be integrated as part of the cross-government shared services programme. DCMS plans to migrate its technology platform to align with other government departments to improve collaboration and create opportunities to adopt emerging technologies.	↔

Strategic Risk	Risk description	Mitigation	Trend ↑↔↓
<b>Inability to deliver environmental sustainability goals</b>	DCMS may not be able to meet cross-government climate requirements due not having the capability needed to assess climate adaptation and net zero targets in our policy and operations.	DCMS created an action plan to map work the department needs to undertake and capability required to do so.	↔
<b>Public body governance and delivery</b>	DCMS public bodies may not be able to deliver DCMS priorities due to: <ul style="list-style-type: none"> <li>• mis-aligned priorities,</li> <li>• failure to implement governance arrangements and standards consistent with best practice.</li> </ul>	DCMS has a partnership regime in place, including: clear framework documents to set out the sponsorship relationship and expectations; quarterly partnership meetings to review objectives; a risk escalation framework; chair appraisals; attendance/paper reviews of audit committees. We have established a public body review programme with detailed reviews of higher risk bodies.	↔
<b>Public body financial sustainability</b>	DCMS public bodies may face financial sustainability issues due to several years of economic pressures.	DCMS has commissioned a review into the financial position of several public bodies and will make spending proposals at the next spending review.	<b>NEW</b>
<b>Local authority funding</b>	Local Authorities' financial difficulties impacting their funding for arts, culture and sporting sectors.	Regular engagement with Local Authorities' Chairs and the Department for Levelling Up, Housing and Communities (DLUHC) to understand impacts on DCMS sectors.	<b>NEW</b>



# Performance analysis

This section sets out performance in 2023-24 against DCMS's four priority outcomes for 2023-24, including information on the highlights and progress made against them. The datasets used to monitor performance relate to the latest information available.

'GVA' refers to Gross Value Added.



## Outcome 1: Drive growth across all our sectors, including creative industries and tourism, and support local economies.

### Creative Industries

The creative industries are a global British success story and DCMS has committed to further maximise the potential of this sector through the Creative Industries Sector Vision, published in June 2023. The creative industries added £13.5 billion in GVA between 2019 and 2022, from £111.1 billion in 2019 to £124.6 billion in 2022. The creative industries filled 80 thousand jobs between 2021 and 2023, growing from 2.34 million to 2.42 million filled jobs.

The Creative Industries Sector Vision sets out UK ambitions to: boost the creative industries by an extra £50 billion by 2030; support one million more jobs by 2030; and maximise the impact of the creative industries by 2030.

The Sector Vision is supported by £310 million in government spending, with £77 million in new spending for the creative industries – on top of an existing £233 million delivered since 2021.

DCMS has taken considerable action to deliver on the Sector Vision since its publication in addition to the key achievements listed above. For example, to help deliver plans to grow the creative industries by £50 billion by 2030, working with HM Treasury (HMT) on delivering a range of tax reliefs, interventions and funding at the Autumn Statement in November 2023 and

Spring Budget in March 2024 to ensure support for the creative industries that promotes growth, jobs, and investment, worth more than £1 billion over the next five years for the cultural and creative sectors.

### Visitor economy

DCMS has announced that 33 new Local Visitor Economy Partnerships have been accredited across a range of English regions including in the North East, Yorkshire, Staffordshire, Cumbria and the Cotswolds. The North East Destination Development Partnership pilot is in its second year of delivery and the second pilot has been launched in the West Midlands. The LVEPs and DDP pilots will strengthen the structure and coherence of the regional tourism landscape, with the aim of supporting regional areas to better attract and manage tourists.

At the end of 2022 the Government committed to the introduction of a registration scheme for short-term lets in England through the now Levelling Up and Regeneration Act. DCMS launched a consultation between April to June 2023, asking respondents to consider three high-level approaches to the scheme, along with a series of more detailed questions on the design of the scheme. Over 2,600 responses were received. In February 2024 DCMS announced a national, mandatory approach to the scheme and has started the first stage of digital development, the results of which will inform a full consultation response.

For international tourism, the government has introduced an Electronic Travel Authorisation (ETA) scheme as part of our transformation and digitisation of the UK border. The ETA scheme enables nationals of the Gulf Cooperation Council to travel visa-free to visit the UK, improves the end-to-end user experience for legitimate passengers, and promotes the UK as a top destination for tourism and business passengers. From January, Youth Mobility Schemes (YMS) for Australia and Canada were expanded from 18-30 to 18-35 year olds, and from two to three years. As of 31st January 2023 there are also 1,500 more places for Japanese applicants (up to 6,000 from 4,500) and 4,000 more places for South Korean applicants (up to 5,000 from 1,000). The Government has also simplified and expanded the permitted business activities that can be undertaken on a UK visit visa. These reforms to the visitor routes will broaden and clarify the activities that can be undertaken in an intra-corporate setting, offer wider coverage for the legal services sector and simplify arrangements for those undertaking paid engagements.

### **CASE STUDY - the Create Growth Programme**

DCMS's £28.4 million Create Growth Programme (CGP) supports high-growth creative businesses in twelve English regions outside London to scale up and become investment ready. The CGP is being delivered in twelve local area partnerships, led by: Greater Manchester, East Anglia, North East, South East, East Midlands, Nottingham and Nottinghamshire, Hull and East Yorkshire, West Midlands, West Yorkshire, Hertfordshire, West of England (Cornwall) and West of England (Devon).

DCMS is partnering with delivery partners Innovate UK (IUK) and Innovate UK Business Connect to work with investors at a national and local level to better understand the investment opportunities in the creative industries.

The funding supports businesses in monetising their ideas, accessing resources and attracting private investment to scale up and maximise their potential. Businesses are able to access workshops and masterclasses and mentoring with industry experts. The programme also provides support for scaling up and investment training programmes. It is anticipated that around 1,800 creative businesses will benefit from a combination of bespoke advice and financial support to help them unlock the private investment they need to scale-up faster.

So far, the CGP has awarded more than £3 million to over 100 businesses. For example, Broaden Films has been able to host its own entertainment festival, start building a new sustainable studio and work with more clients as a result of the support. The expansion of CGP provided an additional £10.9 million in funding, including £6 million in finance grants to eligible businesses, £3.1 million in business support grants to the regions to deliver a programme of events and learning. The remaining £1.4 million covers small grants for shortlisted applicants to develop their full applications, monitoring and evaluation, management costs and a contingency.

The figures in this section were correct as of the 2nd August 2024. Some changes may have been made since. Please refer to the sources for each when quoting data to ensure you are using the most up-to-date figure available.





### Monthly GVA of DCMS sectors

Sector-level Gross Value Added (GVA) is our main indicator of growth in DCMS sectors but is not fully driven by the activity of the department. GVA of reported DCMS Sectors (excluding Tourism) in March 2024 was 7% above February 2020 levels, which was the most recent month prior to pandemic measures being introduced in the UK. By comparison, GVA for the whole UK economy was 2.6% higher than in February 2020.

The figures on the below table are on a monthly basis.

Time Period	GVA (£bn)					
	Total DCMS	Creative Industries	Cultural Sector	Civil Society	Gambling	Sport
April 2023	14,231	10,447	2,961	1,892	399	1,548
May 2023	14,351	10,531	3,011	1,907	392	1,584
June 2023	14,324	10,559	3,050	1,908	387	1,541
July 2023	14,141	10,293	2,971	1,928	382	1,618
August 2023	14,074	10,336	2,949	1,912	381	1,514
September 2023	14,060	10,289	2,961	1,909	381	1,540
October 2023	13,890	10,166	2,961	1,914	381	1,495
November 2023	13,955	10,172	2,934	1,915	381	1,549
December 2023	14,039	10,214	2,965	1,923	381	1,586
January 2024	13,945	10,144	2,920	1,942	379	1,553
February 2024	14,037	10,239	3,016	1,953	377	1,546
March 2024	14,045	10,237	3,008	1,944	376	1,549

● Source: DCMS Economic Estimates



## Notes:

- Source: This data is correct as of the DCMS Sectors Economic Estimates Monthly GVA (to March 2024) release, published in May 2024.
- Release schedule: Quarterly
- <https://www.gov.uk/government/collections/dcms-sector-economic-estimates-gross-value-added>
- Monthly GVA estimates are based on incomplete information and should only be used to illustrate general trends, rather than be taken as definitive measures.
- Monthly GVA figures are our earliest provisional estimates of GVA and subject to revision on a monthly basis when the underlying datasets are updated.
- These GVA figures are in chained volume measures (i.e. are adjusted for inflation) and in 2022 prices.
- Due to overlap between sectors, GVA cannot be summed together for individual sectors as this will result in double counting.
- With reference to the GVA of the Gambling sector, the government has been clear that it recognises the value of a responsible industry which protects players, provides jobs and pays taxes. The Department's interest is in ensuring we have the right regulatory framework which balances this with the need to protect children, vulnerable people and wider communities from harm.
- Civil Society in the table represents nonmarket charities sitting in the Non-profit Institutions Serving Households sector. This is an underestimate for the sector and does not include market provider charities who have passed the market test and therefore sit in the corporate sector, social enterprises and mutuals.

## Tourism – annual GVA\*

Tourism contributed £15.9bn in 2021, accounting for 0.8% of UK GVA. The GVA of Tourism fell by 7.0% between 2020 and 2021, leaving it 76.3% lower than pre-pandemic (2019) and 74.0% smaller in 2021 than it was in 2016 (in real terms), the first available year for the sector with comparable methodology to later years

Time period	GVA (£m)
2019	73,620
2020	26,654
2021	15,861

\*Tourism is reported annually due to a time lag with the data.

- **Source:** ONS UK Tourism Satellite Account (UK-TSA)
- Release Schedule: Annual
- Tourism GVA figures reported in the table are in current prices, however time series comparisons are in real terms (i.e. adjusted for inflation).
- Note: 2020 and 2021 saw major disruption to tourism, due to lockdowns and restrictions on international travel following the COVID-19 Pandemic.
- <https://www.ons.gov.uk/economy/nationalaccounts/satelliteaccounts/datasets/uktourismsatelliteaccounttsatables>



## DCMS Sectors Skills Gaps (percentage of businesses in the UK with at least one skills gap in their workforce)

9.7% of DCMS Sector businesses have at least one skills gap in their workforce, similar to All Sectors (9.8%). Compared to All Sectors, skills gaps in DCMS businesses are lower in Creative Industries (7.2%) and Cultural Sector (6.8%).

Sector	DCMS sector skills gap, 2022 (%)
Creative Industries	7.2
Cultural Sector	6.8
Tourism	10.4
Sport	11.2
Gambling	5.4
Civil Society	9.7
All UK Sectors	9.8
All DCMS Sectors	9.7

- **Source:** DCMS Sector Skills Shortages and Skills Gaps
- Release schedule: Ad-hoc
- <https://www.gov.uk/government/statistics/dcms-sector-skills-shortages-and-skills-gaps-2022-uk>
- 2022 is the most recent data in this series, as the Department for Education’s Employer Skills Survey – used to compile these estimates – is carried out every two years.
- These statistics cover the whole of the UK (England, Wales, Northern Ireland and Scotland) and are therefore not directly comparable to the 2019 estimates previously published which excluded Scotland. Estimates for 2022 excluding Scotland have been provided in the data tables to allow for some comparison.
- The Tourism figures in this release are based on a “Tourism Industries” approach, which counts any establishment for which the principal activity is a tourism characteristic activity, i.e. it includes 100% of the businesses in a subset of the standard industrial classes. Therefore, the Tourism estimate will account for a greater proportion of the DCMS sector total than in some of the other DCMS statistical publications that look at the sector.
- The Civil Society sector is not like a traditional industry like other DCMS Sectors which are defined by Standard Industrial Codes. Estimates of skills shortages and skills gaps for the Civil Society sector were evaluated by focusing on businesses that define “Type of establishment” as “A charity or voluntary sector organisation”. It therefore may not cover the full spectrum of Civil Society organisations, and may classify as an underestimate for the sector.

## VISITOR ECONOMY

### Domestic tourism visitor numbers (volume and spend)

Tourism Day Visits within England reached 282 million in Q4 2023, up 3% from Q4 2022. Visitors spent a total of £13.3bn during the 3 months, up 24% vs Q4 2022. In real terms, visitor spending was up 19% vs Q4 2022. However, due to the methodological change in the survey, the new survey from 2021 onwards cannot be directly compared to the old survey up to 2019 (pre-pandemic), which is needed for a full understanding of recovery.

### Domestic Tourism visitors, Overnight and Day, England

Time period	Domestic Tourism Visitors, Overnight		Domestic Tourism Visitors, Day	
	Volume of overnight domestic tourism visitors, England (m)	Spend of overnight domestic tourism visitors, England (£m)	Volume of domestic day tourism visitors, England (m)	Spend of domestic day tourism visitors, England (£m)
April - June 2023	25.4	6,781	257.5	10,231
July - September 2023	29.8	7,809	271.9	11,875
October - December 2023	23.7	5,809	282.0	13,328

- **Source:** Great Britain Tourism Survey. This data is correct as of July 2024
- Release schedule: Quarterly
- Overnight Domestic Tourism: <https://www.visitbritain.org/gb-domestic-overnight-tourism-latest-results>
- Day Domestic Tourism: <https://www.visitbritain.org/research-insights/great-britain-domestic-day-visits-latest-results>
- Note: Data is available annually but fieldwork for 2020 and the first 3 months of 2021 was impacted by COVID-19 related travel restrictions. A break in survey methodology means that data from 2021 onwards cannot be compared with previous years.

## Inbound tourism visitor numbers (volume and spend, Quarterly, UK)

During Jan-March 24, for the first time inbound visits to the UK surpassed pre-pandemic levels as the UK welcomed 8.7m inbound visits, up 5% vs Q1 2019. Visitors spent £5.5bn in Q1 2024, 15% higher vs Q1 2019 in nominal terms however in real terms, visitor spend in Q1 2024 was down 7% vs Q1 2019.

Time period	Visits (m)	Spend (£m)
April-June 2023	9.906	7,913
July-September 2023	10.928	10,113
October-December 2023	9.441	7,428
January-March 2024	8.731	5,530

- **Source:** International Passenger Survey
- Release schedule: Quarterly
- <https://www.visitbritain.org/research-insights/inbound-visits-and-spend-quarterly-uk>

## Domestic Day Trips (Volume and Spend, England)

Tourism Day Visits within England reached 1 billion in 2023, up 8% from 2022. Across 2023, London, South East and North West received the highest share of Tourism Day Visits. The regions with the highest year-on-year growth were London (24%), North East (20%) and East Midlands (16%). The North West and East of England saw a decline in visits in 2023 compared to 2022.

Visitors spent a total of £44bn within England across 2023, an increase of 15% compared to 2022 in nominal terms, and an increase of 7% in real terms. London, South East and North West received highest share of spend. The regions with the highest year on-year growth were London (43%), Yorkshire (27%), South West (19%) and South East (17%). The North West was the only region to see a decline in spend in 2023 compared to 2022.

Time period	Volume (m)		Value (£m)	
	2022	2023	2022	2023
England	1,086.2	1,021	45,043	44,430
North West	126.5	118.9	6,029	5,260
North East	28.4	33.9	1,359	1,465
Yorkshire and Humber	77.6	87.0	3,189	4,064
West Midlands	88.2	98.1	3,889	4,063
East Midlands	74.7	86.4	2,934	3,010
East of England	110.0	98.3	3,416	3,528
South West	98.7	101.3	3,751	4,448
London	169.1	210.1	8,016	11,448
South East	162.0	177.3	5,863	6,871

- **Source:** Great Britain Domestic Day Trips, Regional
- Release schedule: Quarterly

- Note: The tourism industry is heavily affected by seasonality. Due to this, annual comparisons for regions are more accurate than quarterly comparisons.
- **Note:** 2022 figures may still be impacted by the COVID-19 pandemic.

### International Inbound Trips (Volume and Spend, by Region of England)

- Overall, the UK welcomed nearly 38 million visits in 2023. The majority of regions saw growth in inbound visits in 2023 compared to 2022, but remained below 2019 levels. Of the 38m inbound visits to the UK in 2023, London received a little over half (53%). This is in line with the proportions of visits received prior to COVID-19, and in 2022. Visits to London were 7% below 2019, the same as for the UK overall. Visits to England outside London in total were 10% below 2019. The most visited England regions (excluding London) in 2023 were the South East (4.3m visits), the North West (3.4m visits) and the South West (2.4m visits).
- Overall, visitors spent £31.1bn in the UK in 2023. Most regions saw record spend in nominal terms for inbound visitors in 2023. Visitors to London spent a record £16.7bn in the capital in 2023, up 6% on 2019, and up 18% compared to 2022. Of the English regions (outside London), the South East (£2.5bn spend), the North West (£2.2bn spend) and the South West (£1.5bn spend) reported the largest value. North West, West Midlands, East Midlands, East of England and South West all set spending records in 2023.

Region	Volume (m)		Value (£m)	
	2022	2023	2022	2023
United Kingdom	31.244	37.959	26,497	31,075
North West	2.655	3.417	1,632	2,155
North East	0.477	0.459	311	360
Yorkshire and Humber	1.058	1.147	533	644
West Midlands	1.642	1.889	864	1,058
East Midlands	0.962	1.083	514	600
East of England	2.035	2.209	1,004	1,116
South West	2.104	2.431	1,291	1,464
London	16.126	20.277	14,149	16,697
South East	3.641	4.312	2,286	2,477

- **Source:** International Passenger Survey, Regional
- Release schedule: Quarterly
- **Note:** The tourism industry is heavily affected by seasonality. Due to this, annual comparisons for regions are more accurate than quarterly comparisons.
- **Note:** 2022 figures may still be impacted by the COVID-19 pandemic
- <https://www.visitbritain.org/research-insights/inbound-visits-and-spend-quarterly-regional>



**Outcome 2: Create opportunity for young people and enrich communities, alongside our arm’s-length bodies and charities sector, by increasing participation in, and expanding access to, grassroots sports, arts and heritage, libraries and youth services.**

### Sport

DCMS has invested £167.4 million into grassroots facilities in total in 2023-24. This includes:

- £93 million for the Multi-Sport Grassroots Facilities Programme to build or upgrade pitches and facilities. Over 1,100 projects benefitted this year, bringing the total number of projects supported so far to over 2,900.
- £13.6 million for the Park Tennis Court Renovation Programme, renovating over 2,000 courts so far, with 3,005 park courts forecast to be renovated by Autumn 2024.
- £60.8 million for the Swimming Pool Support Fund for 442 individual facilities and 788 individual pools across 269 Local Authorities, supporting the rise in running costs, and investing in decarbonisation and energy efficiency.

DCMS also committed £25 million for the Lionesses Futures Fund for 2024-25 to build 30 new artificial grass pitches with gold standard provision for women and girls.

DCMS launched a new strategy for sport and physical activity, ‘Get Active’ in August 2023. The Strategy sets out how the government will work together with the sector to achieve these aims by ensuring that everyone has the opportunity to get active. Central to this will be

a focus on ensuring that children establish a lifetime of engagement with sport and physical activity, with the introduction of national targets for participation to help hold government and the sector to account for delivering the change that is needed. The Strategy included the establishment of the National Physical Activity Taskforce, which brings together government departments, the sport sector and independent experts to deliver coordinated and innovative policy that will help encourage people to get active, particularly in those groups where inactivity rates have remained stubbornly high. The Taskforce will drive forward the ambition to see 2.5 million more adults and 1 million more children being classed as active by 2030.

### Civil Society Strategy and Delivery

DCMS has made good progress in supporting civil society with cost of living pressures, recognising that organisations have been impacted by increased demand for their critical services at the same time as higher running costs.

Through the Community Organisations Cost of Living Fund, in 2023-24 DCMS successfully awarded frontline VCSE organisations with grants of between £10,000 and £75,000 to meet increased demand from low-income households and individuals for food and emergency supplies, emergency shelter, safe spaces, warmth, and financial or housing advice.

Through the VCSE Energy Efficiency Scheme, DCMS was spending £25.53 million in 2023-24 and 2024-25 to increase the energy efficiency and long-term sustainability of frontline VCSE



organisations, allowing them to deliver more efficient services for individuals and communities.

The scheme has two main components:

- **Independent Energy Assessments:** This involves arranging an independent energy assessor to help identify energy-saving opportunities in the VCSE building, and can be used to inform applications to the other component of funding, as below. Applications for this component of the scheme opened on 7 December 2023; and
- **Capital Grants:** Grants between £2,000 and £150,000 can be used to install capital energy efficiency measures, such as improving insulation or installing heat pumps. Applications for this component of the scheme opened on 18 January 2024.

### Civil Society Impact Funding

Over the last year, our work has successfully channelled non-government funding into some of the most pressing challenges of our society. We have supported the scaling up of innovative funding ecosystems that are now a key funding source for VCSEs and wider social and environmental purpose organisations.

Work to test the efficacy of VCSE-led social outcomes partnerships as tools to enhance public services via the Life Chances Fund has continued to produce targeted support for vulnerable people. This has been done via £11.6 million of funding in 2023-24, which only pays on the achievement of successful outcomes. It has been complemented by an additional £413,000 of funding in 2023-24, which has provided 689 VCSE organisations with enhanced commercial awareness through the Contract Readiness Programme.

DCMS has been exploring the expansion, and extension, of philanthropic giving, as there's untapped capacity for the wealthiest in our society to do more. We've been working closely across government and with stakeholders on growing the size of the philanthropy sector, strengthening the culture of giving across society, and improving the mechanisms for delivery to ensure funding is deployed effectively, efficiently and where it is most impactful.

The government responded to a public consultation with over 3,300 responses on how to spend dormant assets in England and enshrined the resulting four causes in secondary legislation. We also opened the Dormant Assets Scheme up to insurance and pensions firms, paving the way

for an estimated £575 million to be unlocked from that sector, and welcomed its first two voluntary participants.

### Youth Services

Over 2023-24 DCMS continued to deliver the National Youth Guarantee, which aimed to ensure that every young person can engage in regular clubs and activities, adventures away from home and volunteering opportunities.

Work towards creating and redeveloping up to 300 youth facilities through the Youth Investment Fund is continuing. Over £250 million has already been awarded, supporting 226 organisations to give thousands more young people access to opportunities in their community. Over 120,000 young people took part in the National Citizen Service programme in 2022-23.

DCMS has worked with the Department for Education to expand access to the Duke of Edinburgh's Award in schools and communities across the country, with over 400 new organisations delivering the programme, giving more than 30,000 young people the opportunity to challenge themselves, support their communities and learn new skills. The Enrichment Partnerships Pilot with the Department for Education was established, seeking to test a new approach to linking the youth and education sectors, working with up to 200 secondary schools.

DCMS has supported Uniformed Youth Organisations to recruit more volunteers and sustainably increase their capacity. Over 7,500 young people already have a new place in an existing group, or in one of the 250 new groups we have helped to establish.

In partnership with the National Lottery Community Fund, the Million Hours Fund is supporting youth organisations to deliver an additional million hours of positive activities for young people in areas where they may be at risk of anti-social behaviour.

DCMS continued the Adventures Away from Home fund delivered by UK Youth. This £1.765m programme distributed grants to 83 recognised outdoor learning providers across England, providing opportunities to over 12,500 young people. Between December 2023 and March 2024, these providers delivered fully funded outdoor learning experiences to develop life skills for young people facing disadvantage or 'under-representation'.

## **Volunteering and Tackling Loneliness**

DCMS is supporting volunteering and tackling loneliness, through initiatives which are researched and evidence-based.

The Know Your Neighbourhood Fund is designed to widen participation in volunteering and tackle loneliness in 27 disadvantaged areas across England. It will run until March 2025 and includes up to £10 million of funding from the National Lottery Community Fund, as well as £19 million of DCMS funding and at least £1 million of match funding. More than 15,000 people will be supported in volunteering and given opportunities to build social connections in libraries, museums, arts organisations and charities through 167 partner organisations.

Through the Arts Council England grants of £4.65 million to 19 organisations, the Volunteering Futures Fund was able to create thousands more volunteering opportunities to improve the accessibility of volunteering in the arts, culture, sports, civil society, youth and heritage sectors - DCMS' core sectors. For example, Portsmouth City Council targeted communities of multiple deprivation, plus diverse, existing and aspiring volunteers, including those with learning disabilities. It is working across organisations to create a culture of volunteering and creativity to create 500 volunteering opportunities. The project addressed loneliness and explored solutions to complex barriers to volunteering.

The DCMS grant to the Voluntary and Communities Sector Emergencies Partnership (VCSEP) supports VCS organisations to input

into emergency preparedness, planning and response, with our grant running until March 2025. This is part of wider work to support communities to prepare and respond to emergencies.

DCMS continued to carry out research into formal volunteering, which is producing insights into national enabling environments for volunteering, digital tools and the digital infrastructure around volunteering; equity, diversity & inclusion policies and practices in volunteering; and the economic value of volunteering (March 2023-March 2025). The reports for these projects are due to be published in summer 2024.

## **Creative Industries**

In terms of engagement with the creative industries, the percentage of adults in England who said they had engaged with the arts in-person during 2022-23 has risen from 87% in 2021-22 to 89% in 2022-23. Similar metrics indicate that engagement with the creative industries has remained steady in Scotland and increased in Wales and Northern Ireland. The percentage of adults in England who said they had engaged with the arts online in the last 12 months has risen from 27% in 2021-22 to 28% in 2022-23.



## CASE STUDY - Grassroots Sports Facilities



Between 2021 and 2025, Government has committed an unprecedented total of over £400 million into grassroots sports through the Multi-Sport Grassroots Facilities Programme, the Park Tennis Court Renovation Programme, and the Swimming Pool Support Fund to help more people get active and access high quality facilities.

As part of this, in 2023-24 the Multi-Sport Grassroots Facilities Programme has invested £93 million to provide new or improved pitches and facilities through over 1,100 projects UK wide. These projects included 65 artificial grass pitch projects, and 133 grass pitch projects - with other projects including support for solar panels, maintenance machinery, goalposts and changing rooms. Projects range in size and scale but focus on impacting the groups and communities who need this funding the most. Many are already delivering increases in participation, in particular for under-represented groups such as women and girls. 50% of the investment in each part of the UK has been directed into the 40% most deprived local authorities, ensuring that these communities have access to better quality places to get active. Although the fund is primarily football focussed, 40% of projects support at least one other sport, such as rugby or cricket, to ensure as many people as possible can benefit

from this investment. Many projects also provide access to high quality facilities for schools, and enable clubs to grow their youth offer.

In this year's project announcement, DCMS confirmed that Lochinch, Pollock Park in Glasgow is receiving over £2.3 million over two years, for an artificial grass pitch upgrade, grass pitch upgrade, a new grass pitch and a changing room pavilion upgrade. Large scale investment like this means sites can provide more inclusive facilities and a wider range of playing times and opportunities throughout the year. The project is due to conclude in October 2024 and will support the programme's aims to increase participation in the most deprived local authorities. Amongst others, this hub will benefit Queens Park FC who, as well as their senior men's teams, have a senior women's team, a pre academy for under 9s, and a youth academy for under 11s onwards, by providing more training and match play opportunities. Smaller sums for projects such as new floodlights often have a massive impact on grassroots clubs, which are often volunteer-led, allowing them to use their pitches for longer in all seasons.

The current programme runs to March 2025, with some sites due to complete after this.



## Number of facilities funded through DCMS Multi-Sports Grassroots Facilities Programme

Nation	Number of funded projects, April 2023 - March 2024
England	1,424
Scotland	33
Wales	62
Northern Ireland	10

- **Source:** Multi-Sport Grassroots Facilities Programme Projects: 2023-24
- **Release schedule:** Annual
- <https://www.gov.uk/guidance/multi-sport-grassroots-facilities-programme-projects-2023-to-2024>

## Percentage of adults who are active or fairly active on a weekly basis

Time period	Percentage of adults, England (%)
November 2022 - November 2023	74.3

- **Source:** Active Lives Adult Survey
- Active is defined as at least 150 minutes of moderate physical activity each week. Fairly active is defined as between 30-149 minutes of moderate activity each week.
- Release schedule: Annually (previously twice yearly)
- [https://www.sportengland.org/research-and-data/data/active-lives/active-lives-data-tables?section=adult\\_surveys#november-2022-23-32509](https://www.sportengland.org/research-and-data/data/active-lives/active-lives-data-tables?section=adult_surveys#november-2022-23-32509)

## Percentage of children who are active or fairly active on a weekly basis

Time period	Percentage of children, England (%)
Academic Year 2022/23	69.8

- **Source:** Active Lives Children and Young People Survey
- Active is defined as 60+ minutes a day of at least moderate activity both at and outside school. Fairly Active is defined as an average of 30-59 minutes a day of at least moderate activity both at and outside school.
- **Release schedule:** Annually
- [https://www.sportengland.org/research-and-data/data/active-lives/active-lives-data-tables?section=children\\_and\\_young\\_people\\_surveys](https://www.sportengland.org/research-and-data/data/active-lives/active-lives-data-tables?section=children_and_young_people_surveys)

## Participation Survey

Time Period	Percentage of adults in England who have engaged physically or digitally with the arts at least once in the last 12 months	Percentage of adults in England who have visited a museum or gallery (in person or online) at least once in the last 12 months [Note 1]	Percentage of adults in England who have engaged with public library services (physically or digitally) at least once in the last 12 months [Note 2]	Percentage of adults in England who have engaged with heritage physically or digitally at least once in the last 12 months*
April - June 2023	91	44	29	
July - September 2023	92	46	30	
October - December 2023	91	46	30	69
January - March 2024	92	46	31	68

- **Source:** DCMS Participation Survey.
- **Release schedule:** Quarterly
- \*Issue with Heritage sampling in the 2023 publication of PS means this area cannot be updated for Q1 and Q2 2023-24.
- [Note 1] - We have fixed a processing error that was not fully counting responses via paper surveys for museum engagement. Figures for Q1, 2 and 3 have therefore been updated.
- [Note 2] We have revised the figures for engagement with library services (physically or digitally) due to an error in the derivation for Q1, 2 and 3.
- Figures cover respondents interviewed in the previous quarterly period.
- This is an official statistic measuring how adults (16+) in England engage with the arts, heritage and public library services, rather than a measure of performance of the respective arts and heritage sectors, or performance of libraries.
- <https://www.gov.uk/government/collections/participation-survey-statistical-releases>

## COMMUNITY LIFE SURVEY

### Percentage of individuals who have engaged in civic participation in the last 12 months

34% of respondents in 2021-22 said they had engaged in some form of civic participation at least once in the last 12 months. In the survey, civic participation is defined as engagement in democratic processes, both in person and online, including contacting a local official (such as a local councillor or MP), signing a petition, or attending a public rally (excludes voting). This is a decrease in reported participation in 2020-21 (41%). When looking at belonging, 63% of respondents reported that they ‘very strongly’ or ‘fairly strongly’ belong to their immediate neighbourhood in 2021-22. This is in line with levels in 2020-21(65%). Finally, overall 76% were either very or fairly satisfied with their local area as a place to live in 2021-22. This is a decrease from levels in 2020-21 (79%).

Time Period	Percentage of individuals who have engaged in civic participation in the last 12 months	Percentage of adults feeling they very or fairly strongly belong to their immediate neighbourhood	Percentage of adults very or fairly satisfied with their local area as a place to live
Annual: 2021-22	34	63	76
Annual: 2020-21	41	65	79

- **Source:** Community Life Survey (People aged 16+ in England)
- **Release schedule:** Annually, Quarterly (in 2023-24 and 2024-25)
- In May 2024, the Community Life Survey published its first quarterly release, providing data for October - December 2023. The quarterly releases contain headline findings only and do not contain geographical or demographic breakdowns – this detail will be published through the annual publication, due in autumn 2024.
- The most recent annual data, for the Community Life Survey is for 2021-22. There was no survey in 2022-23
- <https://www.gov.uk/government/collections/community-life-survey--2>





**Outcome 3: Showcase the UK to the world and boost our global reputation by delivering major cultural and sporting events across the country.**

### Major Sporting Events

DCMS worked closely with UK Sport to publish the updated Gold Framework, an iteration which outlines the importance that HMG places on major sporting events that deliver on key sporting and Government priorities - including reach, accessibility, sustainability and building Women's sport.

Building on this, DCMS supported a range of UK Sport-funded events in 2023, including the UCI Cycling World Championships in Glasgow and the ICF Canoe Slalom World Championships. In 2024, DCMS has continued to amplify the UK's upcoming events, supporting the Rugby World Cup 2025, as well as the delivery of the Sport Accord World Sport and Business Summit in April 2024, and continuing to work with the Greater London Authority and The Football Association on delivering a safe and secure UEFA Champions League Final which took place on 1 June 2024.

Progress has also been made on building the pipeline of major and mega sporting events. The UK Government - led by DCMS - fully supported the UK and Ireland bid to host the UEFA men's European Championships in 2028 (EURO 2028), and in October 2023 UEFA announced the UK and Ireland as hosts. This will be the biggest sporting event the UK and Ireland have ever

jointly hosted with predicted cumulative socio-economic benefits of up to £2.6 billion across the UK and Ireland.

DCMS confirmed an investment of £680,000 to secure the hosting of the 2026 European Athletics Championships in Birmingham, following the City Council's financial challenges, and which will build on the legacy of the 2022 Games.

The evaluation of the Birmingham 2022 Commonwealth Games was completed in 2023/24 and published in April 2024. The project has demonstrated the wide range of impacts delivered by the Games, with significant economic activity generated, new jobs created and infrastructure delivered, providing a lasting legacy for Birmingham and the West Midlands. High level findings include: £1.2 billion GVA economic impact across the UK, with almost half seen in the West Midlands (46%); 22,380 full time equivalent years of employment; £79.5 million in social value (and over £150 million social value expected in the longer term); an estimated 45 million visitors to Birmingham in 2022, representing a 6% increase in visitor numbers when compared to 2019 levels; an increase of 27% of Foreign Direct Investment projects in the West Midlands, and a global TV viewership of the Games events of 834.9 million, over 215 million digital views and 141 million interactions on social media. The one year post Games report published in April 2024 is the final official evaluation report in a series of three (previous reports: [Pre-Games evaluation](#)



framework and baseline report and Interim report).

## PROJECT DELIVERY & MAJOR EVENTS

### Covid Commemoration

The Covid-19 pandemic will never be forgotten and it is important DCMS finds an appropriate way to reflect and remember this unique and challenging time for our country, including those who lost their lives. In September 2023, DCMS assumed responsibility for responding to the report to the UK Commission on Covid Commemoration. DCMS acknowledges the interest in publishing a response as quickly as possible, but also recognises the sensitivity and seriousness of the commission's work and wants to do justice to these important recommendations by careful, thoughtful and well considered policy development ahead of publicly announcing our plans. Since starting this work, DCMS has met regularly with representatives of various Bereaved Family Groups to discuss progress towards a response. Ahead of the planned full government response, DCMS worked with Marie Curie, experts in the field of bereavement, to deliver the 2024 Day of Reflection and ensure this important national moment could go ahead this year. DCMS provided over £500,000 including dedicated funding to support local, community driven events and moments of reflection across all four UK nations. Nearly 200 events were held on the day itself and in the week leading up to it, many with the support of DCMS funding.

### AI Summit

In June 2023, the Prime Minister announced that the UK would host the first major global summit on Artificial Intelligence safety. The summit was hosted at historic Bletchley Park, the home of computing, on the 1st and 2nd November. It brought together international governments, leading AI companies, civil society groups and experts in research to consider the risks of AI and discuss how they can be mitigated through internationally coordinated action.

Building on DCMS skills and expertise built up through delivery of major events, DCMS was instrumental in supporting DSIT as lead government department to deliver the Summit. DCMS surged staff from across the department into the AI Safety Summit operations team leading on recruiting the whole summit unit (over 70 staff), designing and then leading a command and control structure, supporting the logistics for over 350 attendees and providing overall programme management support.

### Eurovision

DCMS worked with the BBC and the City of Liverpool to deliver a highly-successful Eurovision Song Contest in May 2023. Ukraine, on whose behalf the UK hosted Eurovision, was rightly at the heart of everything in the UK. Displaced Ukrainians living in the UK attended all nine live shows thanks to the government's Displaced Ukrainian Ticket Scheme. Liverpool's EuroFestival - the cultural programme funded in large part by the government - featured 24 cultural commissions around the city, 19 of which were direct collaborations with Ukrainian artists. Liverpool welcomed 500,000 people over the week. The net additional spend for Liverpool City Region totalled £43 million and the North West totalled £45.3 million.



## Case Study - The Coronation of Their Majesties, King Charles III & Queen Camilla



DCMS was the lead government department to support the Royal Household on the coordination of the programme of events for the new Sovereign's Coronation, a once-in-a-generation moment which provided an occasion for the entire country to come together in celebration, and offered a unique opportunity to celebrate and strengthen our national identity and showcase the UK to the world.

The Coronation ceremony took place on Saturday 6 May 2023 at Westminster Abbey, where His Majesty King Charles III was crowned alongside Her Majesty The Queen Consort.

DCMS successfully supported the Coronation and worked closely with partners across and outside Government to ensure the celebrations were delivered smoothly and safely. The Coronation achieved more than 100,000 news stories and reached an estimated global audience of 2 billion people in 125 countries.

Many community events took place across the Bank Holiday weekend. The Coronation Big Lunch (Sunday 7 May) was celebrated by almost

1 in 5 people, and £14.4 million was raised for charity. It gave communities an opportunity to put on street parties and celebratory lunches across the UK, in a nationwide act of celebration and friendship.

The Coronation saw thousands of people line the streets of London and watch from big screens both in the capital and in other UK cities. The Coronation celebrations began with a procession and Westminster Abbey Service attended by over 2,000 guests (Saturday 6 May).

Sunday night (7 May) showcased the UK's diverse cultural heritage at the Coronation Concert in Windsor Castle, which was attended by 20,000 people, most of whom got their tickets in a national public ballot. Volunteers from The King and The Queen Consort's many charity affiliations, charitable organisations including those who work in support of young people, the military, the environment and those who work to support their local communities and the wider Commonwealth, were also given the opportunity to be part of this event at Windsor Castle.

And finally, The Big Help Out community activity (Monday 8 May), organised by The Together Coalition and a range of community groups (such as The Scouts, the Royal Voluntary Service and faith groups), was a day dedicated to supporting good causes to showcase 'the nation in service'. Over 6 million people took part by volunteering and attending an event or informally in their communities, and more than 47,400 Big Help Out events were held over the Coronation weekend.

As part of the Coronation programme, other activities across the UK took place, including National Lottery funding made available for

local communities across the UK for events and activities, DCMS-commissioned Coronation short film about the British Monarchy and the significance of the Coronation for primary-aged children, published in English, Welsh, Scottish Gaelic and BSL (the video had 1,500+ downloads and 40,000+ views on YouTube, making it the most watched video on DCMS's YouTube channel). Ideas Foundation ran a digital poster competition receiving 32,000+ impressions and resulting in 20 selected designs displayed on over 2,600 advertising screens across the UK.

### **Percentage of participants who voted for United Kingdom as one of the three most attractive countries for a source of art and culture**

The UK is ranked in the top five for attractiveness as a source of arts and culture, below Italy, Japan, France and the USA. This remains unchanged from 2021.

<b>Time Period</b>	<b>Percentage (%)</b>
<b>2021</b>	23
<b>2023</b>	23



## Percentage which a UK event had been ‘heard of’ by participants in the G20

The Coronation was the most well-known event among G20 participants. After the Coronation, sporting events and Eurovision are the most familiar types of events/festivals.

Event	Percentage (%)
The Coronation of His Majesty The King	28
The FA Cup Final	27
Wimbledon Championships	26
Eurovision Song Contest 2023 - Liverpool	19
Six Nations Rugby	13
The Boat Race (Oxford-Cambridge)	11
WOMAD Music Festival (World of Music, Arts and Dance)	10
Chelsea Flower Show	9
Notting Hill Carnival	9
25th Anniversary of the Belfast / Good Friday Agreement	9
Glastonbury Festival	9
Brighton Pride Festival	8
Grand National	8
Belfast International Arts Festival	8
Edinburgh Fringe	7
Reading and Leeds Festivals	6
Diwali Leicester	6
Birmingham Mela	6
National Eisteddfod of Wales	5
Hay Festival of Literature and Arts	5

- **Source:** British Council Global Perceptions Survey 2023
- **Release Schedule:** Biennial
- <https://www.britishcouncil.org/global-perceptions-2023>
- Participants from 18 countries. Participants are not shown their own countries.
- For context, when asked ‘Which, if any, of these UK events have you heard of?’, participants were also given a ‘dummy’ event, which 4% of respondents reported hearing of before. Events below 10% recognition are considered to be ‘low recognition’.

**Outcome 4: Deliver reforms to make our world class media sector fit for the 21st century, make the UK the safest place in the world to gamble, and protect the excellence and financial sustainability of English football, putting fans at the heart of clubs.**

**Gambling and Lotteries**

The White Paper ‘High stakes: gambling reform for the digital age’ was published on 27 April 2023. Since then, DCMS has consulted on all the measures in the paper that are led by DCMS; the introduction of stake limits for online slots games, measures relating to the land-based gambling sector, and the introduction of a statutory levy on gambling operators to fund research, prevention and treatment.

Other measures in the White Paper are being led and implemented by the Gambling Commission (the statutory regulator) and the gambling industry. DCMS is working closely with the Gambling Commission on their measures. The Commission has consulted on nine measures, and had one consultation left to run as at 31 March 2024. It has also implemented six measures, and is overseeing their ongoing implementation or monitoring.

DCMS published the response to the online slots consultation in February 2024, confirming the intention to introduce online slot stakes limits, which will be set at £5 per spin for over-25s, and £2 per spin for 18-24 year olds.

DCMS worked at pace to publish a consultation on the structure, distribution and governance of the statutory levy, which ran from October to December 2023. We will publish a response to the consultation in due course.

DCMS also delivered a consultation on five gambling reforms to modernise the land-based sector from July - October 2023, which sought views on measures to update the regulation of land-based venues, alongside provisions to further protect young people and support local authorities. The government published its response to this consultation in May 2024.

The National Lottery Fourth Licence commenced on 1 February 2024 and will run until February 2034. The new licence builds on the success of previous licences, and introduces a new commercial incentive mechanism to bring profit made by the operator and returns to good causes into closer alignment. The new outcomes-based model retains the Gambling Commission’s

power to intervene, whilst providing the operator with greater flexibility to adapt to changing technology, regulatory requirements, and consumer preferences. The new licence also sees an increased annual contribution from the operator for research, education and treatment of gambling harm.

DCMS has carried out its review of the Horserace Betting Levy, taking into account the changes set out in the Gambling Act Review White Paper to ensure that the levy delivers an appropriate level of funding for the horseracing sector. In the absence of a legislative vehicle for implementation, Racing and Betting industries were encouraged to work together to reach a voluntary agreement on the levy.

**Press, Radio and Media Freedom**

DCMS established a SLAPPs Taskforce, which sits within the framework of the National Committee for the Safety of Journalists, and together government, civil society groups, representative bodies for journalists and legal services stakeholders to help coordinate a non-legislative response to SLAPPs. The Taskforce published its work plan in December 2023.

Following roundtables with broadcasters and news publishers in autumn 2023, DCMS convened an industry led Journalism and AI Taskforce. Across three meetings, the Taskforce focused on how to capitalise on the huge potential opportunities AI presents to newsrooms across the UK, as well as ways to mitigate its risks. Discussions with the sector on these issues continue as we develop our understanding of the long-term impact of generative AI on news media.

DCMS also worked at pace to introduce legislation to ban foreign states from controlling newspapers, or news magazines, through the DSIT/DBT led Digital Markets, Competition, and Consumer Bill. Newspapers and news magazines play a unique role in providing accurate news and information, helping to shape opinions and contributing to political debate, and the purchase of UK news organisations by foreign states runs the risk of eroding trust in the press and in other news media organisations.

## Advertising

DCMS made good progress on the Online Advertising Programme, which has been reviewing the regulation of paid-for online advertising in the UK. Our first consultation sought views on the effectiveness of the current self-regulatory regime and considered how the government could support regulators and industry to meet the challenges of the online sphere. We published the response to the consultation in July 2023, and as a result launched the Online Advertising Taskforce, which brought together representatives from across government and the online advertising industry to improve the evidence base on the scale and impact of online advertising harms and promote voluntary industry initiatives focused on tackling drivers of illegal harms. The Taskforce's Action Plan was published in November 2023.

## Media Bill

The Media Bill, which was introduced into Parliament in November 2023, will allow DCMS to support the future sustainability of our UK broadcasting sector. This includes measures to modernise the 'mission statement' for public service TV so our public service broadcasters (BBC, ITV, STV, Channel 4, S4C, Channel 5) can serve audiences across the UK with high quality programmes on a wider range of services. It will ensure public service content is always carried by connected devices and online platforms, and remains easy to find for UK audiences e.g. on smart TVs, set-top boxes and streaming sticks.

The Bill will also increase protections by applying similar standards for TV to the streaming giants. It will ensure standards are upheld on video-on-demand services through a proportionate new video-on-demand code, to be drafted and enforced by Ofcom. This will increase protections for children and vulnerable audiences, and will provide greater access to subtitles, audio description, and signed interpretation for the millions of people living with hearing loss and visual impairments for content on-demand. Specifically for Channel 4's sustainability, the Bill will strengthen the broadcaster's governance arrangements and allow Channel 4 to make more of its own programmes. For S4C, the Welsh language broadcaster, the Bill will allow it to offer its content on new platforms in the UK and beyond.

The Media Bill will also deliver on measures to support the UK radio sector by ensuring UK radio is easily accessed through smart speakers.

Finally, the Bill will remove a threat to the freedom of the press by fulfilling the Government's manifesto commitment to repeal Section 40 of the Crime and Courts Act 2013, which, if commenced, could force publishers to pay the legal costs of the people who sue them, even if they win.

## Case Study - BBC Mid Term Review



Following the 2015-16 BBC Charter Review, new BBC governance and regulatory arrangements were established: the governance of the BBC would be conducted by a new unitary Board, and regulation would pass to Ofcom, the BBC's first independent, external regulator. Given the extent of these changes, the Charter provided for the government to conduct a Mid-Term Review (MTR) to examine the effectiveness of both the governance of the BBC, and the regulatory framework designed to ensure it delivers on its responsibilities.

The Mid-Term Review was published on 22 January 2024. Based on targeted stakeholder engagement, the Review made recommendations within seven themes:

governance; editorial standards and impartiality; complaints; competition and market impact; commercial governance and regulation; diversity; and transparency.

The MTR made 39 recommendations for the BBC and Ofcom including: strengthening the BBC Board's oversight of its complaints process to ensure audiences have trust that their complaints will be dealt with in a sufficiently independent way; and giving Ofcom new powers to regulate elements of the BBC's online public service content.

The majority of the recommendations are for the BBC and Ofcom to implement.



## DCMS Economic Estimates, Annual GVA of film, TV, video, radio and photography subsector

Creative Industries GVA grew faster than the UK economy both from 2021 to 2022 (6.8% vs 4.4%), and in the longer term from 2010 to 2022 (50.3% vs 21.5%). The 'film, TV, video, radio and photography' sub sector grew by 5.4% from 2021 to 2022.

Time Period	GVA (£m)
2022	20,800

- **Source:** DCMS Sectors Economic Estimates
- **Release schedule:** Annual
- <https://www.gov.uk/government/collections/dcms-sector-economic-estimates-gross-value-added>
- These GVA figures are in chained volume measures (i.e. are adjusted for inflation). We also publish GVA estimates in current prices (not adjusted for inflation).
- These figures will be revised on an annual basis, due to planned revisions to the national accounts and updating of the base year used to produce chained volume measure estimates.
- GVA figures for the latest year (currently 2022) are provisional and will be revised in the next release of DCMS Economic Estimates: Gross Value Added.
- Annual GVA for 2022 was published in February 2024.

## Public Service Broadcasters (PSB) spend on first-run UK originated content

Public Service Broadcaster (PSB) first-run UK-originated spend declined by 5.3% in 2023 to £2.7bn, with ITV the only channel (other than CBeebies) to increase its spend, by 4.4%. The reductions in both spend – largely driven by sports but with most genres following the trend – should be contextualised by noting that 2022's highs were in part inflated by lingering Covid-19 impacts.

Public Service Broadcaster	Spend in £000s by year	
	2022	2023
BBC	1,435	1,280
ITV	837	874
Channel 4	479	443
Channel 5	130	128

- **Source:** Ofcom Communications Market Report 2024
- **Release Schedule:** Annual
- <https://www.ofcom.org.uk/phones-and-broadband/service-quality/communications-market-report-2024-interactive-data/>

## Percentage of the population that tune into radio each week

Average radio reach for Q1 2024 (88.6%) is just above that a year earlier in Q1 2023 (88.2%), and pre-pandemic levels for Q4 2019 (87%), but below that a decade earlier in Q1 2014 (90%).

Time Period	Percentage (%)
January - March 2023	88.2
April - June 2023	87.8
July - September 2023	87.9
October - December 2023	87.8
January - March 2024	88.6

- **Source:** RAJAR (Radio Joint Audience Research)
- **Release schedule:** Quarterly
- RAJAR modified its national listening survey from the Autumn of 2021 following a period of disruption caused by the COVID pandemic.
- <https://www.rajar.co.uk/index.php>

## Gambling Harm in Adults

This is a new metric so cannot be compared to prior years, instead this is a baseline figure to start from. Any reduction in the rate suggests a reduction in the prevalence of severe gambling-related harm in the population of Great Britain. As a result of the package of measures in the Gambling Act Review, we hope to reduce or keep this rate stable, to allow for growth in the gambling sector without an increase in severe gambling-related harm.

### Gambling Harm in Adults, Percentage of respondents that scored 8+ on the Problem Gambling Severity Index (PGSI) (Great Britain)

Year	Percentage (%)
July 2023 - Feb 2024	2.5

### Gambling Harm in Adults, percentage of respondents that between 1 and 7 on the PGSI (Great Britain)

Year	Percentage (%)
July 2023 - Feb 2024	12.0

- **Source:** Gambling Survey of Great Britain
- **Release schedule:** Annual
- **Note:** This is a new metric, so we only have 1 available wave of official statistics data.
- <https://www.gamblingcommission.gov.uk/statistics-and-research/publication/statistics-on-gambling-participation-annual-report-year-1-2023-official#files>

## Gambling Harm in Young People, percentage of respondents that scored 4+ on the youth-adapted gambling screen (Great Britain, Annual)

In 2022, the rate of those scoring 4+ was 0.9%, suggesting that there has been a fall in the prevalence of severe gambling-related harm in the population of young people in Great Britain. However, this is not directly comparable as the 2022 figure only looks at 11-16 year-olds, whereas the 2023 rate includes 11-17 year-olds. Conversely, in 2022, the rate of those scoring between 2 and 3 was 2.4%, suggesting that there has been a fall in the proportion of young people in Great Britain who are at risk from gambling-related harm. However, this is not directly comparable as the 2022 figure only looks at 11-16 year-olds, whereas the 2023 rate includes 11-17 year-olds.

Score on the youth-adapted gambling screen	Percentage of respondents (%), 2023
Score of 4+	0.7
Score of between 2 and 3	1.5

- **Source:** Young People and Gambling in Great Britain 2023
- **Release schedule:** Annual
- **Note:** The 2023 release is the first time data from 17 year olds is also incorporated alongside 11-16 year olds. Comparisons to data prior to this release should be interpreted with caution.
- <https://www.gamblingcommission.gov.uk/statistics-and-research/young-people-and-gambling/series/young-people-and-gambling>

### Breakdown of Resource by Business Area

The tables below show how our resources are allocated across the department. Due to the cross-cutting nature of our outcomes, with directorates often contributing to multiple outcomes, it is not possible to allocate resources by outcome. This aligns to the presentation of resources in the 2021-22 Outcome Delivery Plan.

The tables below represent the group net expenditure, split between the different directorates within the group by budget type. These budget types are explained in the Financial Review on page 8. The non-voted AME is the total of resource and capital spend.

### Expenditure by Directorate 23-24\*

	Resource DEL Admin	Resource DEL Programme	Capital DEL	Voted Resource AME	Voted Capital AME	Non Voted AME	Total Net Expenditure
Directorate	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Media and Creative Industries	7,339	41,718	5,784	3,569,408	497,637	-	4,121,886
Civil Society and Youth	15,600	171,858	43,087	-2,150	-	752,522	980,917
Arts, Heritage and Tourism	89,555	1,126,758	345,032	41,817	-	639,746	2,242,908
Sport, Gambling & Ceremonials	30,446	164,885	150,902	-6,633	-571	184,332	523,361
Corporate (including Finance, HR and other support functions)	51,070	-6,915	-14,546	-	-	-	29,609
<b>Total</b>	<b>194,010</b>	<b>1,498,304</b>	<b>530,259</b>	<b>3,602,442</b>	<b>497,066</b>	<b>1,576,600</b>	<b>7,898,681</b>

\* in early 2024 a reorganisation of directorates was undertaken, the figures are presented on a pre reorganised basis as this was the basis for the majority of the year.

## Expenditure by Directorate 22-23

Directorate	Resource DEL Admin	Resource DEL Programme	Capital DEL	Voted Resource AME	Voted Capital AME	Non Voted AME	Total Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Media and Creative Industries	6,073	37,795	3,673	3,797,291	270,322	-	4,115,154
Civil Society and Youth**	20,879	109,734	8,598	- 5,378	-	653,710	787,543
Arts, Heritage and Tourism	94,077	1,060,784	354,633	48,254	-	778,072	2,335,820
Sport, Gambling & Ceremonials	30,679	554,256	100,044	12,827	- 8,25	216,176	905,725
Corporate (including Finance, HR and other support functions)*	42,242	4,912	2,609	- 3,823	-	-	45,940
<b>Total</b>	<b>193,950</b>	<b>1,767,481</b>	<b>469,557</b>	<b>3,849,171</b>	<b>262,065</b>	<b>1,647,958</b>	<b>8,190,182</b>

\* The AME credit in Corporate relates to provisions adjustments

\*\* The AME credit in CSY relates to loan adjustments

## Expenditure by Directorate 21-22

Directorate	Resource DEL Admin	Resource DEL Programme	Capital DEL	Voted Resource AME	Voted Capital AME	Non Voted AME	Total Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Media and Creative Industries	10,361	58,069	17,672	3,634,875	90,897	-	3,811,874
Civil Society and Youth	13,936	92,914	6,543	- 364	-	631,305	744,334
Arts, Heritage and Tourism	89,293	1,186,780	351,144	- 15,721	-	511,710	2,123,206
Sport, Gambling & Ceremonials	22,957	339,536	137,349	24,316	- 21,878	664,057	1,166,337
Corporate (including Finance, HR and other support functions)*	18,248	649	- 10,878	1,237	-	-	9,256
Digital	70,158	88,797	121,369	119	-	-	280,443
<b>Total</b>	<b>224,953</b>	<b>1,766,745</b>	<b>623,199</b>	<b>3,644,462</b>	<b>69,019</b>	<b>1,807,072</b>	<b>8,135,450</b>

\*CDEL credit relates mainly to the disposal of ROU leases

**Signed and approved**

**Susannah Storey**  
**Accounting Officer and Permanent Secretary**  
 12th November 2024



# ACCOUNTABILITY REPORT

## Corporate governance report

The Corporate Governance Report explains the composition and organisation of DCMS's governance structures and how they support the achievement of our objectives.



**Claudia Arney**  
Lead Non-Executive  
Board Member

### Director's report

My third full year as lead Non-Executive Board Member (NEBM) of DCMS has been another positive year. Following the MoG changes of February 2023, and the departure of digital policy areas to DSIT, the Non-Executive Team and I have supported the department as it has refocused and then extensively progressed its portfolio of culture, media and sport.

This financial year has seen significant change in DCMS's team of NEBMs. After three years of excellent service as Audit and Risk Assurance Committee (ARAC) chair, Hemant Patel stepped down in July 2023. I, and DCMS, would like to extend our gratitude to Hemant for his deep contribution to DCMS as NEBM and ARAC chair.

We welcomed four new Non-Executive Directors to DCMS in July 2023; Simon Ball took on the role of ARAC chair and has been proactive in taking the Committee's work forward and in particular adding additional rigour to our risk management framework. Dame Patricia Hodgson, Larissa Joy, and Ralph Rimmer complete a strong Non-Executive team that brings with it a wealth of experience and expertise. Since they joined, the team has worked with the department on a myriad of corporate and policy areas across the portfolio including extensive engagement on the creative industries strategy, developing thoughts on philanthropy, civil society, the media strategy, and sports strategy. We have also deepened our relationships with many of the Public Bodies that the department is responsible for.

On a more personal note, having worked closely with the department on the Fan Led Review of Football Governance and on the creation of the Football Regulator I was very pleased to see the good progress DCMS made in this area. I was also very pleased to extend my term as DCMS's lead NEBM by three further years to Spring 2027.

As lead Non-Executive Director at DCMS I have been proud to work alongside such a committed team of colleagues who, in the financial year, 2023-24 have provided an excellent level of external support, assurance and constructive challenge to DCMS officials and ministers, and who will continue to do so into 2024-25. It continues to be a privilege, and a source of pride, for me and for DCMS' Non-Executive Team, to work with a department whose work touches and enriches so many areas of our lives.

# Departmental Board

## Ministers



**The Rt Hon  
Lucy Frazer MP**  
Secretary of State for Culture,  
Media and Sport



**Julia Lopez MP**  
Minister of State for Media, Tourism  
and Creative Industries and Minister  
of State (also Minister for Data and  
Digital Infrastructure at DSIT)



**The Rt Hon Stuart Andrew MP**  
Parliamentary Under Secretary  
of State for Sport, Gambling  
and Civil Society [and  
Minister for Equalities and  
Parliamentary Under Secretary  
of State (Minister for Equalities),  
Government Equalities Office]



**Lord Parkinson of Whitley Bay**  
Parliamentary Under Secretary of  
State for Arts and Heritage and  
DCMS Lords Minister

This was the DCMS Ministerial team as at 31 March 2024.

### Changes to team

- Lord Parkinson of Whitley Bay was appointed as Minister for Arts and Heritage on 30 October 2022, and again on 7 February 2023. On 27 March 2024 his role changed to Minister for Arts, Heritage and Libraries.
- Sir John Whittingdale MP, was Minister of State for Media, Tourism and Creative Industries (Department for Culture, Media and Sport), and was also Minister for Data and Digital Infrastructure (Department for Science, Innovation and Technology), from 9 May 2023 - 20 December 2023 (covering Minister Lopez's maternity leave).

# Non-Executives



**Claudia Arney**  
Lead Non-Executive Board Member



**Simon Ball**  
Non-Executive Board Member and Audit and Risk Assurance Committee Chair



**Dame Patricia Hodgson**  
Non-Executive Board Member



**Larissa Joy**  
Non-Executive Board Member



**Ralph Rimmer**  
Non-Executive Board Member

The personnel listed here were the DCMS Non-Executive Board Members as at 31 March 2024.

## Changes to team

- Simon Ball commenced his role at DCMS on 17 July 2023.
- Dame Patricia Hodgson, Larissa Joy, and Ralph Rimmer commenced their roles on 6 July 2023.
- Hemant Patel MBE was a Non-Executive Board Member and Audit and Risk Committee Chair, from 19 March 2020 to 16 July 2023.
- Priya Lakhani OBE was a Non-Executive Board Member from 15 April 2021 to 24 April 2023.

# Executives



**Susannah Storey**  
Permanent Secretary



**Sam Lister**  
Director General,  
Strategy and Operations



**Ruth Hannant and  
Polly Payne**  
Directors General  
for the Policy Group  
(jobshare)



**Andrew Pattison**  
Chief Financial Officer



**Louise Smith and  
Laura Jackson**  
Corporate Strategy  
Directors (jobshare)



**Sarah Tebbutt**  
Director of People and  
Workplace



**Jose Riera**  
Interim Communications  
Director

The personnel listed here were the DCMS Executive Team as at 31 March 2024.

## Changes to team in 2023-24

- Susannah Storey joined DCMS as Permanent Secretary on 10 July 2023.
- Ruth Hannant and Polly Payne, Directors General for Policy (job share), became interim Permanent Secretaries of DCMS on 7 February 2023, and returned to their role as Directors General on 11 July 2023 when Susannah Storey arrived in post as Permanent Secretary.
- Emma Squire and Nicola Hewer became Interim Directors General for Culture, Sport and Civil Society (job share) in place of Ruth Hannant and Polly Payne on 7 February 2023; and returned to their roles as Directors of Arts, Heritage and Tourism on 11 July.
- The role of Finance Director was filled by Jacinda Humphry until 19 January 2024. Tara Jayaratne, Deputy Director for Finance, provided cover as the Finance Director until Andrew Pattison joined the department as the Chief Financial Officer on 19 February 2024.
- Patrick Curry, was Corporate Strategy Director from 6 June 2022 to 16 July 2023.
- Georgia Hutchinson was interim Corporate Strategy Director between 17 July 2023 and 6 November 2023.
- Laura Jackson and Louise Smith arrived in post as Directors of Corporate Strategy (job share) on 6 November 2023.
- Jose Riera took on the role of Interim Communications Director on 8 January 2024, replacing Craig Woodhouse, who departed DCMS on 5 January 2024, through the end of the financial year.



## Performance in other areas

### PEOPLE AND CORPORATE

#### Employee engagement

Employee engagement is measured through the annual Civil Service People Survey. For the 2023 Survey DCMS had a response rate of 89% across the department. Our 70% engagement score was the highest across the Civil Service's main departments. 78% of staff would recommend DCMS as a great place to work - 17% points above the average. Data from the survey is analysed and informs initiatives at both a departmental and local team level to make DCMS a great place to work, helping to maintain the department's position as one of the most engaged departments in government.

#### Our Values

The DCMS values reflect the kind of organisation DCMS is and aspires to be. In times of uncertainty, they guide our actions, decision-making and what staff across DCMS can expect from others. The values are:

- Strive for the best
- Work as one
- Act with kindness
- Learn and grow

#### Deliver diversity, equality and inclusion objectives

As a public sector employer, DCMS is bound by the Equality Act 2010.

DCMS supports the Civil Service ambition to have a truly diverse workforce, and a culture of openness and inclusion, as a means of delivering better outcomes to the citizens we serve. We remain committed to our ambition to be the most diverse and inclusive government department by 2025 with teams recruited from the widest possible range of backgrounds and locations which bring different views and perspectives to our work. We are the highest scoring main department for Inclusion and Fair Treatment in the annual Civil Service People Survey.

DCMS is in the final year of its Diversity and Inclusion Strategy which is aligned to the Civil Service inclusion strategy and the [Civil Service People Plan](#), published in January 2024. Evidence from staff data (including gender pay gap analysis) and the annual People Survey

underpins the strategy and is used to monitor progress. Our data shows that the department now reflects the ethnic diversity of the UK workforce - as of March 2024 15% of colleagues identify as from an ethnic minority background with at least 9.6% ethnic representation at Senior Civil Service. The department maintains a high representation of women (58.5%) and 14.5% of staff identified as lesbian, gay, bisexual, and other. As of March 2024, 9.8% of staff identified as disabled in DCMS. A key focus this year has been to increase the proportion of our workforce outside of London which now stands at 21%.

Analysis of recruitment data is undertaken to improve the attraction of diverse applicants and to support candidates through the recruitment process. Action taken this year resulted in DCMS receiving a Recruitment Industry Disability Initiative (RIDI) award for Creating Disability Confident Recruiters in December 2023.

#### Anti-bullying policy

DCMS has a zero-tolerance policy towards bullying, harassment and discrimination (ABHD). The department has an ongoing commitment to ensure that staff are treated with dignity and respect and any concerns raised by staff are listened to and dealt with appropriately. In the 2023 People Survey 91% of staff felt respected by the people they work with, 89% of staff reported that they were treated fairly at work whilst 83% thought that DCMS respects individual differences.

DCMS policies and guidance related to ABHD are published on the DCMS intranet which are accessible to all staff.

#### Anti-bribery and anti-corruption

In order to help departments continue the fight against fraud, bribery and corruption, the Cabinet Office published version 2.0 of the Government Functional Standard, 'GovS 013: Counter Fraud' in August 2021. The purpose of this government standard is to set the minimum expectations for the management of counter fraud, bribery and corruption activity in all government organisations. In 2023-24, DCMS has reviewed and updated its internal policy documents including the Counter Fraud Strategy, the Counter Fraud Policy and the Counter Fraud Response Plan, and has updated its procedures to ensure they align with the Functional Standard Continuous Improvement Assessment Framework. As a result we assess that DCMS is compliant with the standard.

During 2022-23 the department undertook an analysis of the compliance of the department's Public Bodies with critical elements of the functional standard and did not find any significant areas of non-compliance. DCMS is also conducting further assurance work against the functional standard in early 2024-25, focussed on our public bodies that are considered most at risk from fraud.

Civil servants are expected to demonstrate at all times the highest standards of personal integrity and honesty. Civil servants must not only set out the facts and relevant issues truthfully, but must also not lay themselves open to suspicion of dishonesty, perception of a conflict of interest, and/or of impropriety. All staff are bound by the department's policy on gifts and hospitality and must not accept gifts, hospitality or benefits of any kind from a third party that might be seen to compromise their integrity.

### **Health and safety**

The department's commitment to having a UK-wide presence has seen the DCMS Property Portfolio expand to include office accommodation in Manchester, Belfast, Cardiff, Darlington, Edinburgh, Bristol, Glasgow, Leeds, Liverpool, Nottingham and Sheffield in addition to occupancies held in Government Property Agency buildings at 100 Parliament Street, 1 Horse Guards Road and Old Admiralty Building. In all of these buildings, facility management services are provided by third party suppliers and managed by other government departments or private landlords. Some property management services are still delivered directly by DCMS including the management of Health and Safety. This includes planning the safe and effective use of space to enable the department's work.

During 2023-24 DCMS focused on statutory compliance activities to ensure that third party providers are maintaining safe, compliant office spaces and facilities. In the latter part of the year DCMS consolidated the department's space in 100 Parliament Street, ensuring that space is safe by design, that compliance documentation and risk assessments are up to date and supporting colleagues with workplace adjustment requirements and additional support.

### **Security**

The DCMS Security team covers all aspects of security provision for the department: personnel, physical, technical and cyber security, alongside investigations and business continuity. It works closely with the Government Security Group, National Technical Authorities and many other organisations to deliver DCMS' security arrangements.

Cyber security remains a top priority, and we continue to develop our technical capabilities. We are also focused on information security, and are building partnerships with our Data Protection and DDaT functions to best deliver education and awareness activities.

DCMS is also evolving our security function support for Arm's Length Bodies, starting with cyber resilience, under the **Defend-As-One strategy**. This includes sharing of best practice, assurance, and support during incidents. This was demonstrated during the recovery from the cyber attack on the British Library.

### **Locations**

DCMS has a target to relocate 35% of our workforce, including 35% of our senior civil servant roles by 2027, with a primary focus on Manchester, our second headquarters.

Additionally, we are committed to maintaining a presence in Edinburgh, Cardiff and Belfast to support the presence of Government administration in Scotland, Northern Ireland and Wales, as well as at the Darlington Economic Campus to effectively support Civil Service careers in the North East.

DCMS has already achieved 86% of its 2025 relocation target and 63% of its 2027 relocation target whilst our Public Bodies in scope have reached 62% of staff based outside London, including senior (C-suite) personnel.

## Gender pay gap - detailed analysis

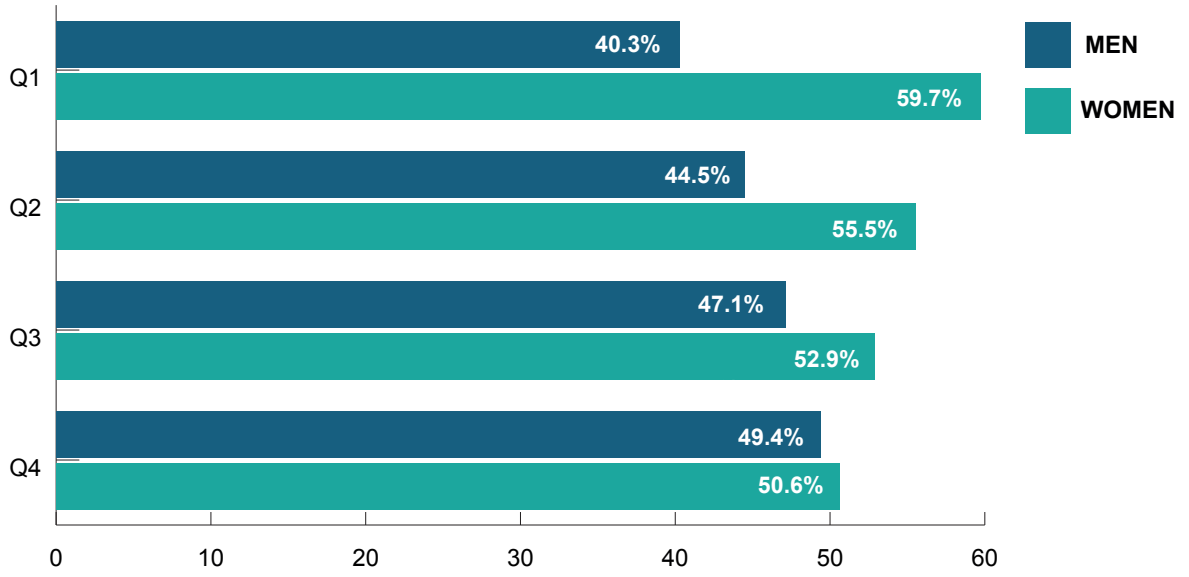
DCMS gender pay gap is published annually (link to [DCMS Gender Pay Gap Report 2023](#)). DCMS is committed to eliminating the gender pay gap as part of our ambition to be the most inclusive government department by 2025.

The latest available information details the position as at 31 March 2023 shows that our mean gender pay gap has fallen from 3.3% to 2.94%

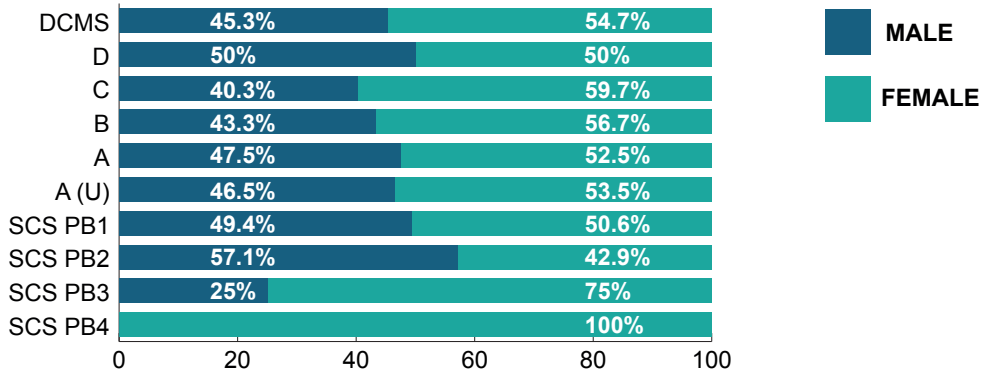
DCMS' median gender pay gap has decreased from 9.8% to 1.61%.

In 2023, the median female employee received a 5.00% higher bonus than the median male employee. The mean bonus for women (£1,121.15) was 6.28% higher than the mean for men (£1,054.88). The bonus pay gap is still skewed towards women, but the gap has reduced for a second consecutive year.

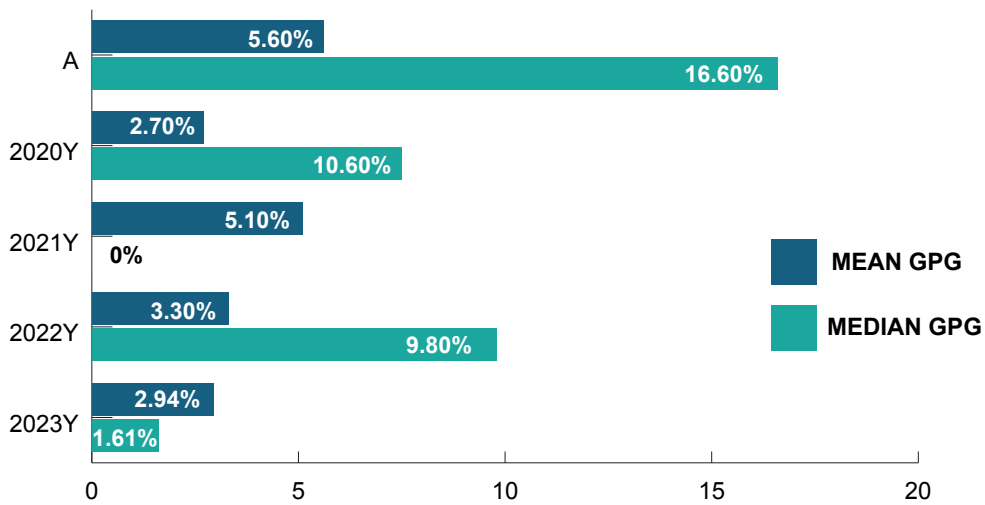
### Pay Quartiles



### Gender Balance at Each Grade



### DCMS gender pay gap trend





## Trade union facility time

DCMS regularly engages, negotiates and consults with national and staff trade union representatives for the Public and Commercial Services (PCS) and FDA unions, in areas of policy, in line with our partnership agreement and actively maintains good and effective industrial relations with them.

The DCMS facility time agreement currently states that representatives should spend at least 70% of their time delivering their Civil Service role and any requests for paid facility time must be agreed with the representative's line manager.

All Trade Union duties are recorded by the representatives and shared with the Pay, Reward and Employee Relations.

The department currently has two employed PCS union representatives, with an additional National PCS officer who is not on DCMS payroll. FDA has no DCMS paid representatives, with all representation carried out by an FDA National Officer. Therefore, the cost of Facility Time to DCMS is extremely low, as detailed in the tables below.

### Percentage of working hours spent on facility time duties by Trade Union representatives

Percentage of time	Number of employees
0%*	0
1 - 50%	2
51 - 99%	0
100%	0

### Percentage of pay bill spent on facility time duties

Total cost of facility time	£884.55
Total 23/24 DCMS paybill	£72,109,000 (subject to audit)
% of 23/24 Paybill	0.0012%

The percentage of paybill spent on paid trade union activities is 0%.

## Complaints to the Parliamentary Ombudsman for the core department

Complaints received	3
Complaints resolved by mediation	0
Decided following primary investigation	2
Resolved with agreement of the complainant at initial checks or Primary Investigation	0
Complaints accepted for detailed investigation	0

## Departmental correspondence

DCMS accords ministerial and public correspondence a high priority. These include departmental correspondence and Freedom of Information requests. Our target is to reply to ministerial and public correspondence within 20 working days.

In the financial year 2023-24, DCMS received 1,903 items of ministerial correspondence (letters answered by a minister), answering 70% on time. DCMS also received 1,995 items of treat official correspondence (where an official replies), answering 88% on time.

Compared to the previous year, the department saw a 1% decline in our response rate for official-level correspondence. However, the department saw a 9% improvement for our ministerial correspondence response rate.

The MoG change occurred in February 2023 but the DCMS correspondence team continued to process DSIT's 'Digital' correspondence until August 2023, when they stood up their own team. The correspondence DCMS processed for DSIT is included in the statistics above.

For Freedom of Information (FOI) requests, DCMS received 791 requests and answered 80% on time. As part of the MoG arrangements, DCMS dealt with DSIT's FOI requests received between February and September 2023. Those requests are included in the FOI statistics provided.

## Parliamentary activity

Fulfilling our accountability requirements and responding to parliamentary scrutiny in a constructive and timely manner are key priorities for DCMS. Between 1 April 2023 and 31 March 2024, 1,301 Written Parliamentary Questions were due for answer and 1,215 (93%) were answered on time. DCMS responded to Oral Questions in the House of Commons on six occasions, and there were 13 Oral Questions sessions in the House of Lords.

DCMS made 76 Written Statements and four Oral Statements across both Houses during the reporting period, and responded to 40 parliamentary debates (including Urgent Questions). Ministers also participated in legislative debates on the Media Bill.

The Secretary of State appeared before the Commons Culture, Media and Sport (CMS) Select Committee (6 June 2023) and Lords Communications and Digital Select Committee (13 September 2023) to answer questions on the work of the department, and DCMS Ministers gave oral evidence to Select Committees on seven occasions, as detailed below:

- Welsh Affairs Committee, Broadcasting in Wales, 28 June 2023
- CMS Committee, Draft Media Bill, 4 July 2023
- Women and Equalities Committee, Misogyny in music, 18 July 2023
- CMS Committee, Gambling regulation, 5 September 2023
- CMS Committee, British Museum, 18 October 2023
- CMS Committee, Women's sport, 9 January 2024
- CMS Committee, Promoting Britain abroad, 6 February 2024

## SUSTAINABLE DEVELOPMENT REPORT

### Sustainability at DCMS - An Overview

DCMS supports the government's net zero and wider environmental goals and is working to address environmental impacts through both our operations and policy making. Our vision is that DCMS will be a department where consideration for the environment is embedded into all of our relevant decision making. We are committed to reducing the impact of departmental operations on the environment and to ensuring that environmental sustainability is a core consideration in everything that we do.

DCMS is continuing to take steps to improve our internal capability with regards to sustainability and carbon literacy across all levels of the department. In particular, we are working to ensure that the new Environmental Principles, enshrined in the Environment Act 2021, are embedded into departmental policy making and that staff have the capability and tools they need to meet the duty to have due regard. Sustainability is a topic that staff are committed to and our Green Network has continued to encourage and enable DCMS staff to act in a more environmentally sustainable way, at work as well as at home.

Many DCMS ALBs continue to be active in this space, providing leadership to their sectors on sustainability. For example, the Arts Council England continues to work with Julie's Bicycle, a partnership which started in 2012, to reduce environmental impacts and drive action across the arts and culture sector.

### Sustainable Development Goals

DCMS's ambition is to continue to embed environmental sustainability at the heart of DCMS and for the Sustainable Development Goals (SDGs) to guide this. By improving the sustainability of our buildings and working practices, reducing waste and water consumption, working towards net zero targets, adopting more sustainable procurement practices and integrating sustainability information into reporting mechanisms, we will contribute to SDGs 11, 12 and 13.

### Greening Government Commitments 2021-25

In line with the Greening Government Commitments 2021-2025 (GGC), DCMS is committed to reducing the impact of departmental operations on the environment.

With the expansion of our office footprint beyond London, our property team selected our new Manchester HQ in part due to its refurbished status, and pledge to become net zero by 2030. All of our other workspaces and hubs have been sought via the Government Property Agency; these workspaces are designed and operate in a way that is productive and sustainable across its entire life cycle. The Government Property Agency is also committed to reducing the carbon footprint and has taken steps to reduce CO2 emissions. Furthermore, we are developing targeted actions and staff awareness campaigns to ensure that we are able to meet the range of environmental objectives set out in the GGCs, including emissions reduction of 33% against our 2017-18 baseline by the end of the current GGC period.

DCMS's internal IT Services are designed and contracted to reduce whole life carbon emissions and landfill. This is achieved through our services being run on cloud infrastructure provided by Google which is carbon neutral using 100% renewable energy sources. All vendor contracts used to support the IT services have a zero landfill sustainability clause, and the latest laptops and hardware have been procured to maximise the use of recycled materials.

### **Climate Change Adaptation and the 25 Year Environment Plan (25 YEP)**

To date climate change adaptation planning in DCMS has been undertaken within the cross-government National Adaptation Plan (NAP), published every five years. Our work on the NAP sets out how the risks of extreme weather events, such as floods, high winds and rising sea levels will be managed within our policy areas, such as cultural heritage. We continue to participate in the cross-Government Climate Resilience Steering Board, Adaptation Programme Board and Climate Change Integrated Review Implementation Group.

DCMS is also actively involved in the Department for Environment, Food and Rural Affairs (Defra) led 25 Year Environmental Plan (YEP) as a member of its Board. We have closely engaged with Defra as it has developed work on the 25 YEP and Environment Act, including the new Environmental Principles referred to above.

### **Sustainable Procurement**

DCMS supports procurement that is open and competitive. We evaluate bids from suppliers against criteria that are published. These standards work in conjunction with the

Government Greening Commitments which set out targets for government departments and agencies to improve greenhouse gas emissions, waste reduction and include transparent reporting on these targets.

Sustainability components are now considered in central government procurement, as outlined in Procurement Policy Note (PPN) 05/21, which includes objectives around ensuring all contracting authorities consider the national priority outcomes around tackling climate change and reducing waste alongside any additional local priorities in their procurement activities. The National Procurement Policy Statement is now provided for at section 13 of the Procurement Act 2023, which places statutory obligation on contracting authorities to have regard to its policy priorities (such as sustainability) and determine how procurements can contribute to the delivery of these wider policy objectives, which we will abide by.

Additionally, following PPN 01/24, we will now review where it may be appropriate to include optional standard carbon reduction contract schedules in Government contracts. We maintain the right to include T&Cs to set and deliver contract specific decarbonisation objectives and provide a framework to monitor and assess a Supplier's decarbonisation performance. These include contract specific GHG emissions reporting, setting supplier GHG emissions reduction targets and monitoring and reducing GHG emissions throughout the life of the contract through a supplier GHG emissions Reduction Plan.

Social value components are also considered in central government procurement, as outlined in PPN 06/20, which includes objectives specifically related to fighting climate change:

- Deliver additional environmental benefits in the performance of the contract including working towards net zero greenhouse gas emissions.
- Influence staff, suppliers, customers and communities through the delivery of the contract to support environmental protection and improvement.

This covers over £49bn per year of annual spend by the government and DCMS is striving to go further ensuring that the Social Value Model is integrated throughout our procurement activities.

### **Sport**

In August 2023, the department published a

new Government Sport Strategy, which sets out a vision for building a more resilient, inclusive, and sustainable sport sector. In the Strategy, government calls upon the sector to prioritise and enhance both its financial and environmental sustainability in order to mitigate against long-term threats, such as climate change, and protect future opportunities for people to take part in physical activity. Since the Strategy's publication, a Sport Sustainability Working Group has been convened - chaired by senior officials - bringing the sector together with government to advance environmental sustainability in line with national targets and commitments - such as the UK's commitment to reach net-zero by 2050.

The department - in partnership with Sport England - has also delivered the Swimming Pool Support Fund (SPSF). The fund has provided £60 million to help public swimming pools across England to transition towards low-carbon heating and increase their energy efficiency - thereby helping the sector become more environmentally sustainable, while protecting future opportunities for participation.

### **Adapting historic homes for energy efficiency: a review of the barriers (published 3 January 2024)**

The Department for Culture, Media and Sport, with the Department for Levelling Up, Housing and Communities and the Department for Energy Security and Net Zero published a review into barriers in installing energy efficiency measures in historic properties including listed buildings, entitled: Adapting historic homes for energy efficiency: a review of the barriers.

The report followed extensive engagement with stakeholders and independent research to understand the barriers a variety of homeowners face when installing energy efficiency and decarbonisation measures in historic properties. The report made a number of recommendations across planning, skills, funding, and guidance to mitigate these barriers. Historic properties account for approximately 20% of England's housing stock and are an important component of the wider net zero agenda.

### **Task Force on Climate-Related Financial Disclosures (TCFD) compliance statement**

DCMS has reported on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance, which interprets and adapts the framework for the UK public sector.

DCMS has complied with the TCFD recommendations and recommended disclosures around:

- Governance – see Governance section below.
- Metrics and targets – see Greening Government Commitments, page 240.

This is in line with HM Treasury's TCFD-aligned disclosure implementation timetable. DCMS plans to make disclosures for strategy, risk management, and metrics and targets disclosures (a) and (c) in future reporting periods in line with the HM Treasury implementation timetable.

### **Governance**

DCMS has a climate-related risk on its risk register - Environmental Sustainability. This is monitored as per the section Risks affecting delivery of this document. Should this risk need escalation it will be reviewed at the Executive Board or one of its sub-committees, as appropriate. Going forward, DCMS aims to review this risk at least once a year at its Executive Board, unless it is escalated sooner.

### **OTHER AREAS**

#### **Regulatory Policy Committee**

The Regulatory Policy Committee (RPC) provides an opinion on the quality of evidence in regulatory impact assessments (IAs). DCMS submitted 5 final-stage IAs to the RPC for review in the financial year 2023-24. A number of IAs received informal opinions from the RPC and a number of measures were assessed as falling below the de minimis threshold and were certified internally. All IAs are subject to an internal analytical review process and are signed off by the DCMS Chief Economist or delegated to another senior analyst where appropriate (such as for smaller measures).

#### **Machinery of government changes**

There were no additional MoG changes affecting DCMS in the financial year 2023-24, following the MoG change which was announced in February 2023, and was noted in the 2022-23 DCMS Annual Report and Accounts. Further residual detail on these changes can be found on page 58 of the 2022-23 DCMS Annual Report. Responsibility for exercising digital functions previously held by DCMS transferred to DSIT on 3 May 2023, when the Transfer of Functions Order came into force, and exclusively related to the MoG announced in the last reporting year.



## Prompt payment of suppliers

The department's policy is to comply with the Institute of Credit Management's Prompt Payment Code, of which DCMS is an approved signatory. Whilst the department's standard terms and conditions for the supply of goods or services specify payment within 30 days of receipt of a valid invoice, the department aims to pay all valid invoices within 5 working days of receipt.

In 2023-24, the annual average of undisputed invoices that were paid within 5 working days against the target set by the Cabinet Office of 90% was 76%. The average over the last 6 months was 82% with a 90% average achieved in the final two months of the year.

## Auditor's 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 121. The external audit cost of the departmental group was £0.6m comprising £0.6m notional and £nil cash. Further information is provided in note 4.3 to the accounts.

## Directorships and significant interests

Details of directorships and other significant interests held by ministers are set out in the Register of Lords' Interests and the Register of Members' Financial Interests. In accordance with Cabinet Office guidance, DCMS maintains a register of interests that records details of directorships and other significant interests held by senior managers in the department. Details of related party transactions, including those arising as a result of the interests of DCMS board members, are listed at note 25 'Related party transactions'.

In line with the current Declaration of Interests policy for special advisers, all special advisers have declared any relevant interests or confirmed they do not consider they have any relevant interests. Accounting Officer has considered these returns and there are no relevant interests to be published.

In line with the [declaration and management of outside interests in the Civil Service](#), a list of DCMS senior civil servants with paid or otherwise remunerated employment can be found on page

79.

## COVID-19 Inquiry

The Department continues to meet its obligations to the Covid-19 public inquiry, chaired by Baroness Heather Hallett.

## 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. The document details the resources acquired, held or disposed of, and the use of resources, during the year by the department (inclusive of executive agencies and its sponsored non-departmental and other arm's length public bodies designated by order made under the GRAA by Statutory Instrument 2023 No. 352, as amended by Statutory Instrument 2023 No.1360 together known as the 'departmental group', consisting of the department and sponsored bodies listed at note 28 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 income and expenditure, Statement of Financial Position 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 arm's 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; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

HM Treasury has appointed the permanent head of the department as the Accounting Officer of the Department for 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 arm's length public bodies as Accounting Officers of those bodies. The department's Accounting Officer 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.

This responsibility extends to ensuring that, for the purposes of consolidation within the resource accounts, such expenditure, and the other income and expenditure of the sponsored bodies, are properly accounted for. 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 arm's length] public body for which the Accounting Officer is responsible, are set out in Managing Public Money published by HM Treasury.

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

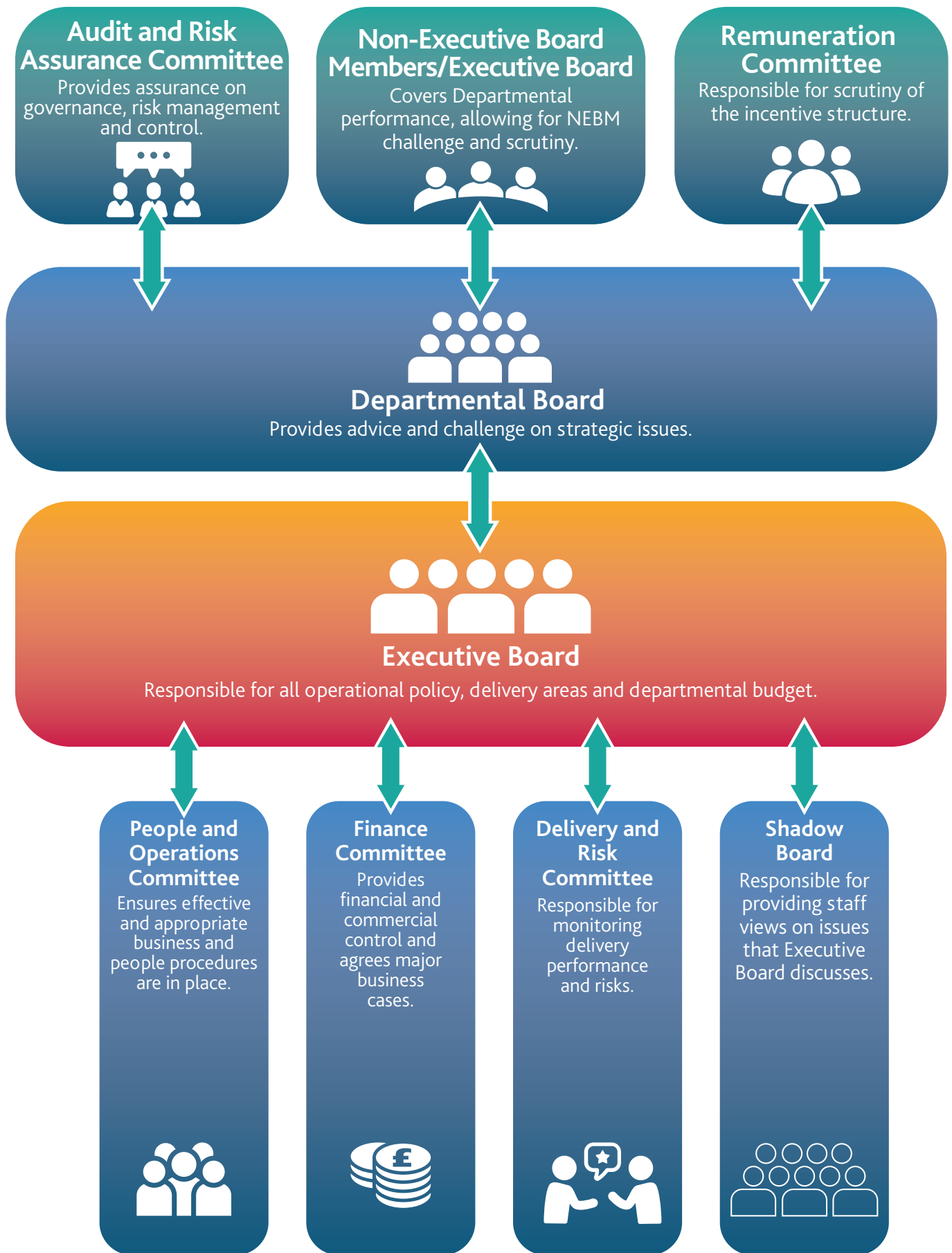
## Governance statement

This statement sets out the department's governance structure, risk management framework and internal control procedures. It also integrates information about the department's public bodies included in the department's consolidated accounts for 2023-24.

### Structure

The governance structure below has applied to the core department, also referred to as 'the department' in this statement and governance has followed this model since Spring 2023. Prior to the MoG of February 2023 DCMS' structure included the Performance, Assurance and Risk Committee, and the Major Programmes Committee. These two committees were discontinued by the end of the financial year 2022-23.

## DCMS senior boards and sub-committee structure



## **Departmental Board (DB) and Non-Executive Board Member/ Executive Board Committee (NEBM/ EB)**

The Departmental Board, along with the Non-Executive Board Member/ Executive Board Committee forms the collective strategic and operational leadership of the department, bringing together its ministerial and civil service leaders with senior non-executives from outside government, helping the department to operate in a business-like manner. The Board does not decide policy or exercise the powers of ministers. The department's policy is decided by ministers alone on advice from officials. The board advises on the operational implications and effectiveness of policy proposals. The Board is governed by the [Corporate Governance Code](#).

## **Audit and Risk Assurance Committee (ARAC)**

The Audit and Risk Assurance Committee (ARAC) is a sub-committee of the Departmental Board. ARAC has no delegated powers but acts on behalf of and reports to the Departmental Board and the Accounting Officer. ARAC does not have any executive responsibilities, and does not make or endorse any decisions, although it may draw attention to strengths and weaknesses in control and make suggestions for how such weaknesses might be dealt with. As set out in HM Treasury's Audit and Risk Assurance Committee Handbook, the Audit and Risk Assurance Committee supports the Accounting Officer and Departmental Board by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements in the Annual Report. Within this the Audit and Risk Assurance Committee has particular engagement with the work of Internal Audit, the work of the External Auditor and Financial Reporting issues. As at the end of March 2024 ARAC was chaired by Simon Ball (Non-Executive Board Member). Membership comprises the Lead Non-Executive Board Member and two Independent members. It is also attended by the Permanent Secretary, Directors General, Chief Financial Officer, National Audit Office (NAO) and the Government Internal Audit Agency (GIAA) officials.

## **Executive Board (EB) and Committee**

### **Executive Board (EB)**

The Executive Board supports the effective delivery of departmental business, with a view to the long-term health and success of the

department and its Arm's Length Bodies. EB has overall responsibility for executive governance in DCMS, supporting the DCMS Permanent Secretary in their duties as: Accounting Officer; Principal Policy Adviser to the Secretary of State; and Chief Executive. The Board covers all operational, policy, delivery areas and the departmental budget. It provides strategic clarity, makes decisions, scrutinises and challenges, and sets the overall risk tolerance of the department. It is chaired by the Permanent Secretary. Membership includes the Directors General and Directors of Corporate Strategy, People and Workplace, and Finance.

The Executive Board is supported by a **Shadow Board** composed of staff from a range of grades. Shadow Board meetings mirror the agenda of the Executive Board to provide representative staff views on a range of issues including operational, policy and delivery areas, strategy, risk management and the overall departmental budget.

As at 31 March 2024, the Executive Board was also supported in its role by three sub-committees:

### **Finance Committee (FC)**

The Finance Committee is responsible for spend approval for DCMS and ALB projects with a value of £15m and above; ALB projects from self-generated income above £30m; all voted loans, is responsible for agreeing ALB delegation limits, and other projects that are novel or contentious. It is chaired by the Director of Finance. Membership includes directors responsible for scrutinising each element of a business case. Cases between £5-15 million are approved by the Investment Sub Committee, which sits below Finance Committee.

### **People and Operations Committee (POpCo)**

The People and Operations Committee is responsible for monitoring performance, risk, efficiency and capability of the department's operations - providing second line, strategic oversight and assurance to people and operations projects. It helps ensure the department has strong policies, processes and systems for people, workplace, digital, security and knowledge management. It is chaired by the Policy DGs, and membership includes the Strategy and Operations DG and People and Workplace Director.



## Delivery and Risk Committee (DRC)

The DRC is responsible for monitoring external facing DCMS delivery performance and risk throughout the project lifecycle; providing second line, strategic oversight and assurance; and helping create the optimal operating environment for successful delivery. It is chaired by the Director General for Strategy and Operations. Membership includes the Directors General for Policy, the Chief Financial Officer, the Director of Commercial, and the Director of Project Delivery and Major Events. The Committee refocused functions of the former Major Programmes Committee and Performance, Assurance and Risk Committee, which were both discontinued following the MoG announcements of 7 February 2023 for the new, post-MoG DCMS.

## Transition Board

The Transition Board was a temporary board handling the immediate issues presented by the Machinery of Government changes to DCMS. It was chaired by the Director General for Strategy and Operations. It operated from 9 February 2023 to 27 November 2023.

## BOARD PERFORMANCE AND EFFECTIVENESS

The HM Treasury and Cabinet Office Corporate Governance in Central Government Departments: Code of Good Practice requires all departments to undertake an annual Board effectiveness evaluation. DCMS assessed the effectiveness and efficiency of its governance structures as part of the 2023 MoG changes, and consequently the Board structures were streamlined. In March 2023, the Departmental Board agreed it would meet quarterly, along with regular Non-Executive/ Executive Board meetings to ensure Non-Executives were able to regularly scrutinise and challenge delivery, policy and corporate change implementation.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The department fully complies with the HM Treasury and Cabinet Office Corporate Governance Code for central government departments, with the following variations:

- The Senior Remuneration Committee (Senior RemCo), previously known as the Senior Pay Committee (SPC), comprising the Permanent Secretary, Non-Executive Board Members and the Director of People and Workplace, fulfils the role of a Nominations and Governance Committee, primarily to scrutinise the proposals for annual SCS pay awards and the non-consolidated performance related awards structure.
- The Head of Internal Audit - the GIAA's Group Chief Internal Auditor for the DCMS - attends the Audit and Risk Assurance Committee (ARAC) rather than the Departmental Board (DB) and the ARAC chair reports risks, issues and an overview of the committee's work to the Departmental Board.

We believe the objectives of the corporate governance code are being met by these variations that are needed to reflect the structure of the department.

## ATTENDANCE FOR 2023-24

	Departmental Board	Audit and Risk Assurance Committee	Remuneration Committee	Executive Board
<b>Number of meetings held</b>	<b>4</b>	<b>4</b>	<b>1</b>	<b>24</b>
<b>Ministers</b>				
The Rt Hon Lucy Frazer MP	4/4	-	-	-
Julia Lopez MP	1/1	-	-	-
Rt Hon Sir John Whittingdale OBE MP	2/3	-	-	-
Rt Hon Stuart Andrew MP	3/4	-	-	-
Lord Parkinson	1/4	-	-	-
<b>Non-Executive Board Members and Independent Members</b>				
Claudia Arney	3/4	4/4	1/1	-
Hemant Patel MBE	1/1	1/1	-	-
Priya Lakhani OBE	-	-	-	-
William Priest *	-	4/4	-	-
Joanna Rowland *	-	3/4	-	-
Simon Ball	3/3	3/3	1/1	-
Ralph Rimmer	4/4	-	1/1	-
Larissa Joy	4/4	-	1/1	-
Dame Patricia Hodgson	4/4	-	1/1	-
<b>Executive Board</b>				
Susannah Storey	4/4	4/4	1/1	15/16
Ruth Hannant / Polly Payne (Perm Sec Role)	1/1	1/1	-	8/8
Sam Lister	4/4	4/4	-	22/24
Ruth Hannant / Polly Payne (DG Role)	3/3	3/3	-	15/16
Emma Squire / Nicola Hewer	1/1	1/1	-	8/8
Patrick Curry	0/1	-	-	8/8
Georgia Hutchinson	2/2	-	-	8/8
Laura Jackson / Louise Smith	2/2	-	-	8/8
Jacinda Humphry	3/3	3/3	-	14/19
Andrew Pattison	1/1	0/1	-	1/1
Tara Jayaratne	-	1/1	-	4/4
Sarah Tebbutt	4/4	-	-	21/24
Craig Woodhouse	2/2	-	-	7/7
Jose Riera	1/1	-	-	3/6

'-' denotes an individual who is not a member of this group or invited to attend. Various individuals were not in position for the full year, this is demonstrated by only showing the total number of meetings they were eligible to attend.

\* Independent Members of the Audit and Risk Assurance Committee

## NON-EXECUTIVE BOARD MEMBERS

Claudia Arney, Hemant Patel, Priya Lakhani, Simon Ball, Dame Patricia Hodgson, Larissa Joy and Ralph Rimmer have provided advice, guidance and challenge to DCMS officials and ministers in 2023-24 (see the 'Non-Executives' subsection in the 'Director's Report' section on page 54 for their terms in role). They have supported and challenged officials on the department's strategic direction and provide support in monitoring and reviewing progress.

## DECLARATION OF INTERESTS

Departmental Board, Audit and Risk Assurance Committee, and Executive Board Members, and Special Advisers have disclosed a range of interests. Further details can be found at the directorships and significant interests paragraph on page 78. Further details of Declarations of Interest can be requested via [enquiries@dcms.gov.uk](mailto:enquiries@dcms.gov.uk).

## INFORMATION MANAGEMENT

All Boards and committees are provided with a range of management information in order to review the department's performance and capability.

The department's Delivery Unit provides consistent data, insight and assessment of departmental priorities. This enables the department to obtain a greater view on delivery, anticipate success, identify emerging problems and allow for data driven decision making.

During 2023/24 DCMS successfully implemented a new risk management software tool, which has supported DCMS' risk maturity through improved risk management reporting processes, improved risk performance reporting and adherence to appetite, as well as presenting risk information in concise summaries through improved graphics and visualisation (see the 'Approach to risk management' section on page 70).

## PERSONAL DATA INCIDENTS

In 2023-24, there were a total of 15 personal data related cases reported, with one 'High Risk' case reported to the Information Commissioner's Office (ICO).

High Risk: the high-risk case related to an unauthorised breach of staff data. The ICO briefed DCMS on additional remediation controls, and no further action was taken by the ICO.

Medium Risk: Two medium risk cases occurred,

the first related to an IT technical issue, the other related to a minor release of data. Neither of these two cases were reported to the ICO, and both were remediated and closed.

Low Risk. There were twelve cases which ranged from incorrect email recipients to documents left on desks. Remediation was carried out, such as through raising staff awareness of the importance of ensuring that emails are sent to the right recipients.

## EXTERNAL REPORTING

The department provides information to HMT through its Online System for Central Accounting and Reporting (OSCAR) system. Returns to HMT input into wider government reporting on spending which are made available for public scrutiny.

The department also publishes transparency information on all transactions over £25k and details of all spending over £500 using an electronic purchasing card solution (ePCS). These are made available to view on gov.uk on a monthly basis.

DCMS regularly assesses the quality of the data provided into these returns and ensures it is consistent with data provided to the Board.

## APPROACH TO RISK MANAGEMENT

The department's approach to risk management follows the HM Government's Orange Book Principles. The department complies with each principle as outlined below:

### An essential part of governance and leadership

Risk management is the responsibility of the Executive Board (EB) supported by its sub-committees; the Audit and Risk Assurance Committee (ARAC) and an established risk management team. The risk culture is supported by overarching departmental values and defined Risk Policy, Process Guide and Risk Appetite. These documents are currently being reviewed and revised as part of our continuous improvement programme.

Throughout 2023-24, the most significant ("principal") risks to the department were monitored through the EB risk register. The EB risks are discussed at the EB, and its subcommittees, the People and Operations Committee (POpCo) and Delivery and Risk Committee, each month as part of an existing agenda item or a specific risk challenge session.

The risk management team is responsible for implementation of the risk management framework agreed by EB. All team members either have the Institute of Risk Management Certificate qualification or are currently sitting it. The risk management team facilitates monthly risk discussions with policy, operations and key projects/programmes; increasing the forums we attend monthly is part of the risk improvement plan.

### **An integral part of all organisational activities**

Risk management is integral and embedded into DCMS activities including: outcome delivery planning, business planning, policy development and delivery, business case approvals, project and programme approvals and implementation management, security, public body delivery, financial management, cyber security, counter fraud, and assurance activities.

Risk (and mitigations) discussions are embedded into everyday conversations, from tea point discussions to governance committee meetings. As risks are escalated through the management framework the risk management Team will flag risks for deep dives at appropriate forums.

The risk management team conducts a biannual exercise to review and revise the department's principal risks. This is a workshop session held with the Executive Board and Directors. The risk management team provides the Executive Board with background information covering Civil Service Board risk reporting themes, PESTLE analysis, National Risk Register and the existing principal risk register. The purpose of this session is to allow the Executive Board and Directors to identify threats to DCMS in the short, medium and long term.

Our continuous improvement plan includes improving our readiness for national crisis responses as set out in the National Risk Register published in August 2023.

### **Collaborative and informed**

The risk management team works collaboratively across the department, including working closely with colleagues in public bodies sponsor teams, governance, performance delivery, project delivery, finance and assurance to ensure risk knowledge is consistently shared and adopted across the department. Functional standards are monitored routinely via assurance reviews.

The department collaborates with other Departmental Heads of Risk and Government

Heads of Function to inform mitigation and reporting to the Civil Service Board in relation to common cross-departmental risks.

Many departmental objectives are delivered through strategic partners such as our public bodies, private grant intermediates, cultural and sporting organisations and charities. Where necessary we will hold shared risk registers with these bodies. The Public Bodies risk network is managed and chaired by the risk management team. The network includes risk specialists from DCMS's public bodies. The aim of the network is to share best practices and build capability in risk management. The network meets every six weeks to discuss specific areas of risk. A DCMS Sponsorship Directors' Quarterly Risk Forum has been introduced to monitor and discuss Public Body Risks impacting DCMS. These risks are collated and reviewed each quarter by the public body sponsors and reported to the DCMS Delivery and Risk Committee to identify common themes and emerging risks that the department may need to support the management of.

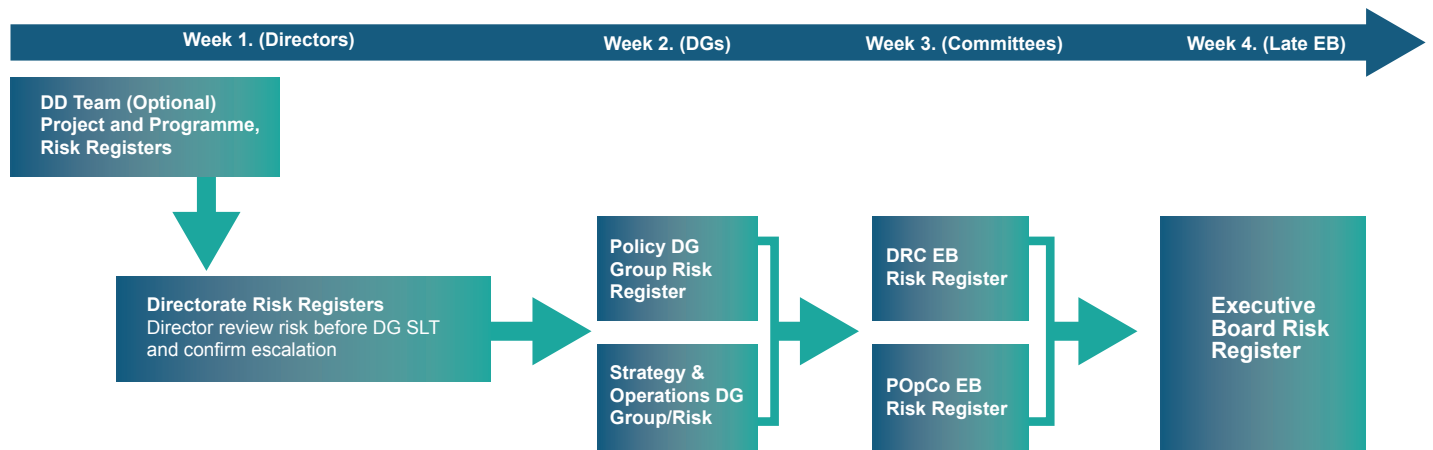
### **Structured to include identification, treatment, monitoring, reporting**

During 2023-24 we implemented a new risk management software tool. All directorates have adopted the risk tool with risk registers maintained at multiple levels across the department. Key risks are escalated into Director General or EB level registers when further support and/or decisions are required to manage the risk. A comprehensive suite of policy and guidance documents and training videos are accessible on the intranet to ensure those responsible for recording risks are scoring them in a consistent manner.

The risk management team has dedicated Risk Coordinators for each Director General group, who have responsibility for liaising with Directors to ensure risks are accurately recorded and escalated to relevant governance bodies as necessary. Information is analysed and reported to senior committees (DRC, POpCo and EB). Risk challenge sessions take place where risks require further attention from a committee. These sessions focus on the effectiveness of controls and mitigations, and risk tolerance levels, as well as ensuring the risks accurately describe the threat being faced.



## DCMS CORE RISK ESCALATION PROCESS



**Monthly DG SLT Meetings:** GRAFT Risk Coordinators to attend to gather feedback from DG SLT on key risk updates and will meet EB risk contacts in week 1.

### Continually improved

DCMS are always striving to improve risk management culture and processes. The risk management team works with the HMT Risk Centre of Excellence and Heads of Risk across government to share best practice and identify priority areas for improvement. Outlined below are the changes made during the year and those planned for next year.

### CHANGES TO RISK MANAGEMENT

DCMS continues to invest in improving risk management.

During 2023-24 DCMS's risk management priorities were:

- The implementation of the new software tool (with corresponding risk management training) to improve our analysis of risk information and increase the efficiency of the processes, this has been implemented with great success. The tool has supported DCMS' risk maturity through improved risk management reporting processes, improved risk performance reporting and adherence to appetite, as well as presenting risk information in concise summaries through improved graphics and visualisation. It has improved the risk management Team's ability to analyse risks by themes and improve the efficiency of risk reporting.
- Review and update policy and process guides.
- Review and revision of DCMS's risk appetite statement.

Other activities completed to further develop risk management practices, include:

- The risk management team offers business partner support to each directorate SLT.
- Establishing a MoG change departments Risk Network, bringing together the Heads of Risk across all departments impacted by the February 2023 MoG changes to share best practice and discuss common risks.
- Improving our readiness for national crisis responses as set out in the National Risk Register published in August 2023.

For 2024-25 our risk improvement plan includes:

- Approval and implementation of the new department risk appetite statement.
- Improving risk analysis and insights provided to senior committees.
- Promoting and encouraging the uptake of emerging civil service wide risk management training.

## ASSURANCE EXERCISES

DCMS has an assurance framework which is broken into sections based upon how DCMS delivers its objectives, either through its public

bodies; a project/programme, or through corporate services/functions supporting delivery. The following diagram shows the different levels of assurance for each of these delivery types, using the three lines model.

Delivery Type	1st Line of assurance undertaken by	2nd Line of assurance undertaken by	3rd Line of assurance undertaken by	External undertaken by
DCMS Corporate Services	Directors Functional Leads (re functional work) Line Managers Director Generals	Functional Teams Subject Matter Experts Governing Bodies of DCMS	GIAA	NAO Public Accounts Committee Select Committees Other Government Departments including Cabinet Office and HM Treasury Customers / suppliers / employees of DCMS invoices/payslips
Public Bodies	Sponsorship Teams (inc Sponsorship Directors)	Functional Teams (inc Public Bodies Team) Governing Bodies of DCMS	GIAA Independent Public Body Review Reviewers	NAO Public Accounts Committee Select Committees Other Government Departments including Cabinet Office and HM Treasury
Projects and Programmes	Senior Responsible Owners (SROs) Accounting Officer	Functional Teams (inc PD CoE) Subject Matter Experts Governing Bodies of DCMS	GIAA IPA	NAO Public Accounts Committee Select Committees Other Government Departments including Cabinet Office and HM Treasury

## First line of assurance roles

First line management roles are those responsible for delivering specific objectives or operational front-line customer delivery, corporate services and audit delivery teams. Front line management and systems provide assurance that performance and quality is monitored, risks identified and addressed, and objectives are being achieved. These sources of assurance lack independence and objectivity, but they come from those familiar with the business, culture and day-to-day challenges.

## Second line of assurance roles

Second line management roles provide complementary expertise, support, monitoring, and challenge related to the management of risks. These roles are separate from those responsible for delivery, but not independent of the organisation's management chain.

## Third line of assurance roles

Third line roles communicate independent and objective assurance and advice to management and the governing body on the adequacy and effectiveness of governance and risk management (including internal control), to support the achievement of organisational objectives and to enable continuous improvement. The annual internal audit strategy and programme of audits is agreed by the ARAC. Progress reports are provided within a year to each ARAC. An annual audit opinion is drafted at the conclusion of the annual programme of audits.

## External

In addition to these three lines, various other sources of assurance come from roles outside of DCMS, including the NAO and Parliament's Public Accounts Committee (PAC), both of whom provide independent assurance on government activities to Parliament.

During 2023-24 we have produced first iterations of assurance maps for most of our functions as we look to integrate the risk and control framework outlined within the Orange Book. We have gathered together the most significant of these sources of assurance to form an annual assurance review. These sources have included:

### *Directors Assurance Questionnaire*

DCMS Directors were surveyed to seek assurance against existing risk management

practices and controls, whilst also inviting proposals for improvement. The key message from this year's review is to acknowledge that progress continues to be made, with the majority of areas having seen an improvement. In particular, Directors provided higher levels of assurance in relation to risk management, and procurement, contract management, commercial, performance management of staff, and managing workplace adjustments. As results provided by Directors continue to improve it becomes harder to determine from this source of assurance alone, where DCMS should prioritise improvements for 2024-25.

### *Functional Standard Self Assessments*

The team collated self-assessments from DCMS core functional leads on their progress in implementing functional standards throughout the year. DCMS is now fully compliant with the mandatory requirements of six standards with development plans in place to achieve compliance with all functional standards in a way that meets DCMS business needs.

The team has also commenced a programme of engaging with public bodies to seek assurance on their compliance with these standards. We have taken a proportionate approach focusing on the most important standards and assessing the level of compliance in a sample of public bodies. When this phase is complete, we will evaluate it and absorb lessons learned to determine next steps, as we intend to extend this approach to more public bodies in 2024-25.

### *Challenge sessions*

The DCMS Assurance Team hosts challenge sessions to triangulate these first line sources of assurance with the other significant sources of assurance collated to identify priority areas for control improvements with all functional leads. Panel sessions were held with each Director General (DG) and their Director teams and then a final panel session was held with the Permanent Secretary and both DGs, and was chaired by the independent Chair of the Department's Audit and Risk Assurance Committee (ARAC) to provide additional challenge and insight.

No significant areas of weakness were identified through this session, however, post the session the assurance team will work with senior management to determine areas to prioritise for continuous improvements in 2024-25.

## GOVERNANCE OF PUBLIC BODIES

Over the financial year 2023-24, DCMS worked with 43 Public Bodies in total with a wide span of policy and operational responsibilities across DCMS sectors, 36 of whose accounts were consolidated into DCMS accounts (see note 1.3 and section 2.1.4).

The department's Public Bodies are governed by their own independent boards, each with their own separate governance and internal assurance structures, details of which can be found in their individual Annual Reports and Accounts. The 36 bodies consolidated into the department's accounts are all individually reviewed by DCMS as part of the process of preparing the group accounts.

In 2023-24 the department received assurance from our Public Bodies through a number of mechanisms, including:

- via a sponsorship model, with dedicated sponsors holding quarterly meetings to review delivery, risk and performance (Partnership Meetings);
- Annual Chair Appraisals and Board Effectiveness Reviews which are carried out every three years;
- Public Bodies' governance statement and confirmation letters from Public Bodies' assurance and risk chairs on the effectiveness of internal controls and compliance;
- advice and challenge from the Audit and Risk Committee on assurance processes;
- a Public Bodies Performance and Risk Board, which scrutinises Public Bodies' risks on a quarterly basis, ensuring that the right controls and mitigations are in place, and escalating to the Executive Board, via the Delivery & Risk Committee, the most significant risks; and
- the continuation of a Framework Document refresh with our Public Bodies, working in partnership with HMT Spending Team and Treasury Officers of Accounts and ensuring adherence to Managing Public Money.

In December 2023, DCMS introduced a new quarterly forum for Sponsor Directors to further improve its approach to sponsorship, strengthen oversight and deliver greater consistency. The forum affords Senior Sponsors the opportunity to discuss any live issues pertaining to Public Bodies, with a view to agreeing a collective approach, or share learning. Topics for discussion may include, but are not limited to,

risk management, chair appraisals, partnership meetings, delivery performance, and governance and compliance issues.

## PUBLIC BODIES REVIEWS

The Cabinet Office launched a new Public Bodies Review Programme in early 2022, replacing the Tailored Review Programme which ended in 2020. The new programme is one of the workstreams of the wider Cabinet Office/HMT Public Bodies Programme and a key part of the government's reform agenda.

The review of the British Tourist Authority was completed and presented to Ministers in late 2023, with a government response to its recommendations due in the first quarter of 2024-25. DCMS prioritised conducting reviews of Arts Council England, Sport England and the National Citizen Service for 2023-24. All these reviews are underway and at differing stages of the process but are all expected to conclude in 2024-25. Notably, Dame Mary Archer was announced as the independent lead reviewer for the Arts Council England Review on 15th March 2024. DCMS also started the self-assessment phase of a review of Ofcom, but this was transferred to DSIT as a result of MoG changes.

## APPOINTMENT TO PUBLIC BODY BOARDS

DCMS ministers appoint, or make recommendations to the Prime Minister or the Sovereign to appoint, the chairs and trustees of the majority of DCMS public bodies. Appointments to the department's public body Boards are regulated by the Commissioner for Public Appointments.

Between 1 April 2023 and 31 March 2024, the department made 95 regulated public appointments. Of these, 43 were new appointments and 52 were reappointments. 44% of new appointments and 43% of reappointments were to women. 19% of new appointments and 21% of reappointments were made to people from a minority ethnic background. 9% of new appointments and 4% of reappointments were made to candidates declaring disabilities. 37% of the new appointments and reappointments were made from outside London and the South East region.

## MANAGING RISKS IN PUBLIC BODIES

While responsibility for managing their own risks remains with Public Bodies, the department is sighted on all of these and regularly reviews in



detail those which may impact DCMS should they materialise. These are scrutinised and monitored by relevant DCMS Boards and Committees.

The level of departmental engagement with individual Public Bodies to formally scrutinise their performance, risks, finances and delivery is undertaken through quarterly Partnership Meetings.

In 2023-24, the department's Public Body risk management system was refreshed, achieving strengthened oversight and greater consistency by placing stronger emphasis on risk indicators and evidence.

DRC oversees the management of both DCMS core departmental and Public Body risk. A sub-committee of DRC, the Public Bodies Performance and Risk Board, monitors all Public Body risks through the identification of risk categories, themes and trends - supporting effective and aligned risk mitigation. The findings by this Board are escalated to the newly created Sponsorship Directors Forum and then to DRC for further scrutiny via a quarterly risk dashboard and governance report.

The Public Bodies risk dashboard for DRC, and subsequently the Executive Board, shows the top Public Body risks affecting DCMS broken down into impact categories following the Orange Book's principles. These risks are identified from information and insights obtained from the sponsor/functional teams reporting to the Public Bodies Performance and Risk Board and scrutinised by DRC.

In line with the scope of Accounting Officer responsibility, the department has Framework Documents or other agreements with all directly funded Public Bodies. These set out the department's expectations in return for the public funds applied and associated financial arrangements or accountability lines. These are currently being refreshed in line with the latest HMT guidance.

Accounting Officers of all Public Bodies are made aware of the 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), all Public Body Accounting Officers are required to notify the department of significant internal control weaknesses or issues

arising. 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. In addition, the Public Bodies have their own audit committees, and the department's Chief Financial Officer writes to the Chairs of these forums requesting disclosure or any matters warranting inclusion in this report. The Audit and Risk Assurance Committee (ARAC) Chair also convenes a twice-yearly Forum meeting for the Public Bodies ARAC chairs to cascade pertinent information.

## **GOVERNANCE ARRANGEMENTS OF ALBS SIGNIFICANT TO DCMS ACCOUNTS**

For those areas significant to the group's accounts an overview of the governance arrangements is set out below.

### **National Lottery**

The department is responsible for the policy and legislative framework underpinning the National Lottery and works closely with the Gambling Commission (GC), the independent regulator of the National Lottery licence. Amongst other things, the GC monitors and reports on the performance of the operator and enforces the terms of its licence. The department maintains oversight of the GC's activities through appropriate controls, including a management statement covering regularity and propriety issues, and through an established series of regular meetings and ad hoc interactions. The current (4th) licence commenced on 01 February 2024, when Allwyn Entertainment Ltd took over stewardship of the National Lottery. As steward of the National Lottery Distribution Fund (NLDF) (see below) the department is concerned to ensure a smooth transition from the 3rd to the 4th licence and to minimise the risk of disruption to those who play the National Lottery and the good causes they support.

The amounts raised through the National Lottery for good causes are paid into the NLDF which is managed and run by staff employed by the department. Lottery monies are independent of the government and are distributed at arm's length by independent lottery distributing bodies. The department implements appropriate controls over lottery distributors, including financial directions, to ensure propriety, regularity and accountability in their handling of lottery monies drawn down. DCMS seeks annual confirmation from all lottery distributors of key systems of

internal control in relation to their handling of lottery monies. The distribution of National Lottery funding has not been impacted by the move from the 3rd to the 4th licence.

### **The BBC**

The BBC is established by Royal Charter. Her Majesty the Queen Elizabeth II granted the current Charter at the end of 2016 and it will last until 31 December 2027. The BBC Board has up to 14 members, with the government appointing the chair and four non-executive members for each of the nations. The BBC appoints five non-executive members to the Board. 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 and its Board.

The BBC licence fee settlement period covers 1 April 2022 to 31 March 2028. The licence fee was frozen for the first two years of the settlement, before rising in line with inflation for the following four years. The cost of the licence fee was fixed at £159 until April 2024, when it rose to £169.50. The BBC has responsibility for the collection of the licence fee, and the BBC Board must ensure that arrangements for the collection of the licence fee are efficient, appropriate and proportionate (as set out in the Charter).

On 7 December 2023, the government launched the BBC Funding Model Review and published its Terms of Reference. The membership of an expert panel set up to provide advice to the review was published on 21 March 2024.

As set out above, on 22 January 2024, the BBC Mid-Term Review was published which looked at the effectiveness of both the governance of the BBC and the regulatory framework designed to ensure it delivers on its responsibilities. The BBC Board has responsibility for the content of the 2023-24 BBC Annual Report and Statement of Accounts.

### **Other**

The department also sponsors a number of advisory bodies and committees, public corporations and public broadcasting bodies (which have greater levels of independence) and other organisations that receive DCMS grant funding.

## **DCMS GROUP ACCOUNTS - POINTS OF INTEREST**

### **Accounts timetable**

The timetable for laying the 2023-24 DCMS Group Accounts is post recess. This is primarily due to delays experienced on the audit assurances for the Local Government Pension Scheme (LGPS) persisting into 2023-24 and the number of 2022-23 ALB accounts (and 2022-23 DCMS accounts) being delivered post-recess last year, which has meant that it was not possible to return to a pre-recess timeline for 2023-24. We are exploring what options we have for delivery of pre-recess accounts for 2025-26 DCMS accounts.

### **NON-COMPLIANCE**

DCMS core was issued with an £80k fine by HMT. This fine was due to a second non-compliance with pay spend controls in two financial years across the Tate and another entity. We have agreed to split this fine with the Tate. The department has and will continue to engage with public bodies to reiterate the importance of spend controls as well as ask them to provide assurance on how they operate within their own organisation.

### **FRAUD AND ERROR**

The department's risk appetite for fraud is minimal and it focuses its counter fraud response on higher risk and value funding, ensuring through investment appraisal processes that post event assurance and second line sampling is conducted on its most significant grant schemes.

DCMS has a Senior Officer Accountable for Counter Fraud at Executive Board level who is responsible for ensuring that the department's overall arrangements for managing the risk of fraud and error are appropriate. All suspected frauds against the department or its public bodies, or affecting Exchequer funding, are recorded and reported to Audit and Risk Committees, and relevant authorities, including law enforcement agencies, as appropriate. All staff in the department are required to undertake annual online fraud awareness training.

The department is committed to meeting the requirements of the Counter Fraud Functional Standard and the departmental responsibilities as set out in the Public Sector Fraud Authority (PSFA) mandate and has engaged with the PSFA in several areas, including data analytics,

intelligence, investigation and enforcement. The department continues to be a member of the cross government Internal Fraud Hub, requiring it to provide details of any civil servants dismissed for committing internal fraud, to strengthen pre-employment checks across government. No referrals to the hub were made in 2023-24.

The department's Counter Fraud Strategy and Policy sets out in detail the department's approach to tackling fraud and error, whilst the Economic Crime Response Plan sets out the arrangements for reporting and responding to fraud. The Policy and Plan have been reviewed in line with PSFA requirements.

The department has increased its Economic Crime Team capacity and this team is responsible for monitoring compliance with the Counter Fraud Functional Standard, advising on the management of fraud risk, raising capability across the department and assuring public bodies' approach to tackling economic crime. In 2023-24, the Economic Crime Team focussed on improving reporting of fraud and error, expert support to higher risk areas and capability building with public bodies, as well as advising on appropriate investigation routes for suspected frauds.

Data on prevented, detected and recovered fraud and error is reported on a quarterly basis by the department and its public bodies to the PSFA, where it is quality assured and published in the cross government Annual Fraud Landscape Report. DCMS has not recorded any material frauds within its core expenditure in 2023-24. Public bodies are responsible for reporting any significant frauds in their own annual report and accounts.

## **WHISTLEBLOWING**

DCMS's Raising a Concern Policy and Procedure (also known as Whistleblowing) is published on the department's intranet. DCMS has 2 independent nominated officers whom staff can approach anonymously to report any concerns they may have about perceived wrongdoings or something that goes against the Civil Service Code (i.e integrity, honesty, objectivity, impartiality). The department also participates in the annual Civil Service 'Speak Up' campaign each year through central communications available on our intranet. In the 2023 People Survey DCMS obtained a score of 85% for inclusion and fair treatment. In addition 93% of staff reported that they understand the Civil Service Code and what it means for their

conduct, 67% knew how to raise a concern under the code, and 79% confirmed they were confident that a raised concern under the Civil Service Code would be properly investigated.

No whistleblowing cases were reported in 2023-24.

## **GROUP WRITE-OFFS**

A summary of losses can be found in the Parliamentary accountability disclosures on page 117. During 2023-24, no individual losses exceeded £300,000.

## **TAX POLICY FOR OFF-PAYROLL APPOINTEES**

Tax assurance evidence is sought annually to ensure compliance and where this is not the case, the expectation is that contracts will be terminated. DCMS public bodies 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 sent to HM Revenue and Customs for further investigation. A summary of the DCMS tax assurance data is available at: [www.gov.uk/government/publications/dcms-tax-reporting-data-for-off-payroll-workers-april-2023-to-march-2024](http://www.gov.uk/government/publications/dcms-tax-reporting-data-for-off-payroll-workers-april-2023-to-march-2024).

## **MINISTERIAL DIRECTIONS**

A ministerial direction is defined as the occasion where the department's Accounting Officer has presented a formal objection (based on grounds of regularity, propriety, value for money or feasibility) to the proposed action of a minister, and the minister overrules that advice. If a direction is given, the Accounting Officer will no longer be challenged by the Public Accounts Committee as to why they took forward the policy. During 2023-24 there were no instances of a ministerial direction.

## **CONFLICTS OF INTEREST POLICY AND PROCEDURE**

All members of the Departmental Board, Audit and Risk Assurance Committee, and Executive Board are required to declare any personal or business interest which may, or may be reasonably perceived (by a member of the public), to influence their judgement in performing their functions and obligations. Where a board member declares a potential conflict at meetings, it is recorded in the minutes and the board member takes no part in the meeting for the duration of that item of discussion.



The Department maintains a register of interests to ensure that conflicts of interest can be identified. Executive and non-executive board members are required to declare their interests on appointment to the board and on an annual basis. The Department publishes the register available at: [www.gov.uk/government/publications/dcms-register-of-board-member-interests-april-2023-to-march-2024](https://www.gov.uk/government/publications/dcms-register-of-board-member-interests-april-2023-to-march-2024) annually alongside its ARA.

## ACCOUNTING OFFICER SYSTEM STATEMENT

The department's Accounting Officer System Statement (AOSS) is available at <https://www.gov.uk/government/publications/dcms-accounting-officer-system-statement>

This statement sets out all of the accountability relationships and processes within the departmental group, including relationships with DCMS public bodies and other delivery partners.

## INTERNAL AUDIT ANNUAL REPORT

Every year, Internal Audit works with the department's senior managers to plan an annual programme of assurance work, supporting the effective identification and management of key risks across the organisation. Internal audit activity and engagement across the year then informs the Group Chief Internal Auditor's (GCIA) independent annual opinion. The annual opinion provides the Accounting Officer with independent assurance regarding the adequacy and effectiveness of risk management, control and governance at DCMS during the last financial year.

In this year's Annual Report and Opinion, the GCIA again provided an overall Moderate assurance on the overall adequacy and effectiveness of the DCMS framework of governance, risk management, and internal control. Her opinion is based on internal audit activity conducted during the period, which included a mix of risk-based audits, real-time assurance and advisory work. Some of their work on projects was undertaken in conjunction with other assurance providers. The increased amount of advisory work undertaken in the past two years is a result of the level of MoG-related advice and guidance provided. The GCIA considers this balance of activity appropriate to provide a robust opinion.

Her opinion considered Governance, Risk and Control as separate themes noting the following:

- Governance: DCMS remodelled its governance framework during the year

as part of its post-MoG restructure. GIAA observations showed a good level of maturity at a strategic level and a focus on continually improving governance within the department.

- Risk Management: The dynamic nature of DCMS's risks is evident at a strategic level and marks the department out from many others in government. The importance of significant risks within the public bodies being appropriately escalated was highlighted through arising incidents.
- Control: At a corporate level DCMS continues to develop its approach to the assurance of its control environment. Assurance maps are being developed, conformance with functional standards is monitored and the annual management assurance process continues to evolve. Work is underway to integrate the Risk Control Framework laid down in the Orange Book into DCMS's assurance activities. However, as the recent audit of Key Financial Controls demonstrated, first line assurance activities and compliance with corporate policies needs further action. The annual assurance review in which GIAA participates also highlighted this as an area for improvement.

Other areas for improvement have been highlighted through individual reviews, including areas such as; first line assurance activities and compliance with corporate policies, capacity and capability, commercial, cyber security and data management, and documentation and guidance.

## NATIONAL AUDIT OFFICE REPORTS

The department's work was the subject of the following NAO reports in 2023-24, summarised below:

### Funding of Coventry City of Culture Trust

This factual briefing sets out the funding provided by DCMS and its arm's-length bodies to the Trust and Coventry City Council for Coventry's year as UK City of Culture and looks at how those bodies oversaw the Trust's use of those funds.

The NAO published the briefing in response to correspondence they received about the financial circumstances which led to the Trust going into administration.

They set out how DCMS and its arm's-length bodies oversaw the Trust's use of the funds they awarded.



## **The BBC's implementation of Across the UK (ATUK)**

This NAO report assessed the BBC's March 2021 blueprint setting out its ambitions to strengthen its delivery for the whole of the UK, particularly in areas where perception of the BBC's relevance is relatively low, and to ensure that every household gets value from the BBC.

The NAO report found that the BBC's October 2021 business case was underdeveloped, with no options appraisal for meeting objectives and no assessment of the local labour market. The NAO also found the lack of initial planning created delivery risks, with unrealistic timelines for moving roles.

The report recommends that the BBC reviews changes since March 2021 to ensure it will achieve its objectives, reassess its capacity to support 1,000 apprentices and develop how it will measure benefits. It should also set out a revised communications and engagement strategy to secure greater buy-in from its staff and external stakeholders.

### **NAO Recommendation Tracker**

The NAO recommendations tracker is published twice a year. The tracker brings together NAO recommendations published in their reports since 1 April 2019. The aim of the tracker is to increase transparency on the outcomes of their recommendations and promote scrutiny and parliamentary accountability for government spending. They are publishing it within their role as the UK's independent public spending watchdog.

Responsibility for delivering the Online Safety Bill moved from DCMS to the Department for Science, Innovation and Technology (DSIT), after the MoG changes. Therefore, the Preparedness for online safety regulation report is not summarised here.

The NAO also prepared the Mobile Connectivity Report in February 2024. However, as the responsibility for mobile connectivity moved from DCMS to DSIT we have also not summarised this report.

## **ACCOUNTING OFFICER'S CONCLUSION**

I have considered the evidence provided regarding the production of the annual governance statement - including from the department's governance structures, reviews of our public bodies and the independent advice provided by the Audit and Risk Assurance Committee. I conclude that the department has satisfactory governance and risk management systems in place with effective plans to ensure continuous improvement.

# Remuneration report

## Core department only

This annual remuneration report is prepared with reference to guidance contained in the annual Employer Pension Notice (EPN 706) issued by Civil Service Pensions (MyCSP) on 8 March 2024. 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 and, where relevant, promote 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: <https://www.gov.uk/government/organisations/review-body-on-senior-salaries/about>

### Service contracts

The Constitutional Reform and Governance Act 2010 requires 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, 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: <https://civilservicecommission.independent.gov.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 of the department.

### Remuneration (salary, benefits in kind and pensions – subject to audit)

#### Single total figure of remuneration

Ministers	Salary (£)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1000) <sup>2</sup>		Total (to nearest £1000) <sup>3</sup>	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
The Rt Hon Lucy Frazer, MP, Secretary of State for Culture, Media and Sport from 7 February 2023 to Present <sup>4</sup>	67,505	8,014 <sup>5</sup>	-	-	18,000	3,000	86,000	11,000
The Rt Hon Stuart Andrew, MP, Parliamentary Under Secretary of State at the Government Equalities Office from 20 September 2022 to Present <sup>6</sup>	22,375	11,866 <sup>7</sup>	-	-	6,000	3,000	28,000	15,000
Julia Lopez MP, Minister of State at the Department for Culture, Media and Sport from 7 February 2023 to Present <sup>8 9</sup>	31,680 <sup>10</sup>	34,343 <sup>11 12</sup>	-	-	8,000	7,000	40,000	41,000
Lord Parkinson, Parliamentary Under Secretary of State and Lords Minister from 30 September 2021 to 20 September 2022 and from 30 October 2022 to Present <sup>13</sup>	70,775 <sup>14</sup>	30,097 <sup>15</sup>	-	-	6,000	7,000	77,000	37,000
The Rt Hon Sir John Whittingdale OBE MP, Minister of State at the Department for Culture, Media and Sport from 9 May 2023 to 20 December 2023 <sup>16</sup>	23,791 <sup>17 18</sup>	-	-	-	19,000	-	43,000	-
Paul Scully, MP, Parliamentary Under Secretary of State (Minister for Tech and the Digital Economy) from 27 October 2022 to 7 February 2023 <sup>19</sup>	-	9,323	-	-	-	2,000	-	12,000

- 2 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.
- 3 The total remuneration has been calculated by adding the actual remuneration and expressing this figure to the nearest £1,000. Due to rounding the total may not exactly reflect the declared values in the components of the remuneration, such as salary and pension benefits.
- 4 The Rt Hon Lucy Frazer, MP, moved to the Department for Culture, Media and Sport from the Department for Levelling Up, Housing and Communities on 7 February 2023. She was remunerated by DCMS from 1 March 2023.
- 5 The full-year equivalent salary is £67,505.
- 6 The Rt Hon Stuart Andrew was appointed as Parliamentary Under Secretary of State (Minister for Sport, Tourism and Civil Society, and Minister for Equalities) between 20 September 2022 and 27 October 2022 and was appointed as Parliamentary Under Secretary of State for Sport, Gambling and Civil Society, and Minister for Equalities from 27 October 2022.
- 7 The full-year equivalent salary is £22,375.
- 8 Previously Minister of State at the Department for Digital, Culture, Media and Sport from 7 September 2022 to 7 February 2023 and Minister of State for Media, Data, and Digital Infrastructure from 16 September 2021 to 6 July 2022.
- 9 This role was held jointly with her role as Minister of State for the Department for Science, Innovation and Technology from 7 March 2023 to Present.
- 10 Julia Lopez was classed as Minister on Leave from the 9 May 2023 to 20 December 2023, during this period she still received full remuneration from the Department for Culture, Media and Sport.
- 11 The full-year equivalent salary is £31,680.
- 12 Julia Lopez received a severance payment of £7,920.
- 13 Lord Parkinson was appointed as Minister for Arts from 30 September 2021 to 20 September 2022 and was appointed as Minister for Arts and Heritage and Lord Minister for the Department for Digital, Culture, Media and Sport between 30 October 2022 and 7 February 2023. He was appointed as Minister for Arts and Heritage and Lord Minister for the Department for Culture, Media and Sport on 7 February 2023. From the 27 March 2024 his role changed to Minister for Arts, Heritage and Libraries.
- 14 The full-year equivalent salary is £70,969.
- 15 The full-year equivalent salary is £71,551.
- 16 This role was held jointly with his role as Minister of State for the Department for Science, Innovation and Technology from 9 May 2023 to 20 December 2023.
- 17 The full-year equivalent salary is £31,680.
- 18 Rt Hon Sir John Whittingdale OBE received a severance payment of £7,920.
- 19 The full-year equivalent salary is £22,375. Between April 2023 and April 2024, Paul Scully received a net overpayment from the Department of Culture, Media and Sport of £10,808.03. Paul Scully has agreed to repay the full amount in instalments with the total balance being settled in February 2025.

The following tables disclose the remuneration of the departmental executives.

## Single total figure of remuneration

Executives	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1000) <sup>20</sup>		Total (£'000) <sup>21</sup>	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Susannah Storey, Director General for Digital and Media to 7 February 2023, Permanent Secretary from 12 July 2023 to Present	110-115 <sup>22</sup>	125-130 <sup>23</sup>	10-15	5-10	-	-	53,000	49,000	175-180	180-185
Ruth Hannant, Interim Permanent Secretary from 7 February 2023 to 10 July 2023, Director General for Culture, Sport and Civil Society from 11 July 2023 to Present <sup>24</sup>	100-105 <sup>25</sup>	95-100 <sup>26</sup>	0-5	5-10	-	-	39,000	5,000	145-150	105-110
Polly Payne, Interim Permanent Secretary from 7 February 2023 to 10 July 2023, Director General for Culture, Sport and Civil Society from 11 July 2023 to Present <sup>27</sup>	100-105 <sup>28</sup>	95-100 <sup>29</sup>	0-5	-	-	-	40,000	10,000	145-150	105-110
Sam Lister, Director General for Strategy and Operations	145-150	135-140	-	5-10	-	-	58,000	55,000	205-210	200-205
Andrew Pattison, Chief Financial Officer from 19 February 2024 to Present	15-20 <sup>30</sup>	-	0-5	-	-	-	(4,000) <sup>43</sup>	-	10-15	-
Louise Smith, Director Corporate Strategy from 6 November 2023 to Present	25-30 <sup>31</sup>	-	-	-	-	-	11,000	-	40-45	-
Laura Jackson, Director Corporate Strategy from 6 November 2023 to Present	25-30 <sup>32</sup>	-	-	-	-	-	10,000	-	35-40	-
Sarah Tebbutt, Director, People and Workplace	130-135	120-125	-	-	-	-	-	-	130-135	120-125
Emma Squire, Interim Director General for Culture, Sport and Civil Society from 7 February 2023 to 11 July 2023	20-25 <sup>33</sup>	10-15 <sup>34</sup>	-	-	-	-	93,000	- <sup>35</sup>	120-125	10-15
Nicola Hewer, Interim Director General for Culture, Sport and Civil Society from 7 February 2023 to 11 July 2023	25-30 <sup>36</sup>	10-15 <sup>37</sup>	-	-	-	-	32,000	13,000	60-65	25-30
Georgia Hutchinson, Interim Director of Corporate Strategy from 17 July 2023 to 6 November 2023	30-35 <sup>38</sup>	-	-	-	-	-	8,000	-	40-45	-
Patrick Curry, Director Corporate Strategy from 6 June 2022 to 16 July 2023	25-30 <sup>39</sup>	75-80 <sup>40</sup>	-	-	-	-	45,000	34,000	70-75	110-115
Tara Jayaratne, Interim Director of Finance from 19 January 2024 to 19 February 2024	15-20 <sup>41</sup>	-	0-5	-	-	-	16,000	-	30-35	-

20 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.

21 The total remuneration has been calculated by adding the actual remuneration and expressing this figure to the nearest £1,000. Due to rounding the total may not exactly reflect the declared values in the components of the remuneration, such as salary and pension benefits.

22 Susannah Storey worked part-time (0.9 FTE) until the 9 July 2023, since the 10 July 2023 she has worked full-time. The full-year equivalent salary is £150-155k.

23 Susannah Storey worked part-time (0.9 FTE). The full-year equivalent salary is £140-145k.

24 Ruth Hannant was Director General for Culture, Sport and Civil Society to 7 February 2023.

25 Ruth Hannant works in a job share part time (0.7 FTE). The full-time equivalent salary is £145-150k.

26 Ruth Hannant works in a job share part time (0.7 FTE). The full-time equivalent salary is £135-140k.

27 Polly Payne was Director General for Culture, Sport and Civil Society to 7 February 2023.

28 Polly Payne works in a job share part time (0.7 FTE). The full-time equivalent salary is £140-145k.

29 Polly Payne works in a job share part time (0.7 FTE). The full-time equivalent salary is £135-140k.

30 The full-year equivalent salary is £125-130k.

31 Louise Smith works part-time (0.7 FTE). The full-year equivalent salary is £95-100k.

32 Laura Jackson works part-time (0.7 FTE). The full-year equivalent salary is £95-100k.

33 Emma Squire works part-time (0.7 FTE). The full-year equivalent salary is £125-130k.

34 FTE is equal to £125-130k (restated)

35 The single total figure of remuneration for both schemes for this individual is zero to the nearest thousand and therefore appear as -.

36 Nicola Hewer works part-time (0.7 FTE). The full-year equivalent salary is £125-130k.

37 FTE is equal to £125-130k (restated).

38 The full-year equivalent salary is £80-85k.

39 The full-year equivalent salary is £95-100k.

40 The full-year equivalent salary is £95-100k.

41 The full-year equivalent salary is £80-85k.



Executives	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1000) <sup>20</sup>		Total (£'000) <sup>21</sup>	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Jacinda Humphry, Finance Director to 19 January 2024	90-95 <sup>42</sup>	110-115		5-10		-	29,000	(2,000) <sup>43</sup>	120-125	115-120
Jose Riera, Director of Communications from 8 January 2024 to 31 March 2024	20-25 <sup>44</sup>	-	0-5	-		-	18,000	-	40-45	-
Craig Woodhouse, Director of Communications from 1 September 2023 to 5 January 2024	45-50 <sup>45</sup>	-		-		-	18,000	-	65-70	-

## 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 (£86,584 from 1 April 2023) 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 (Bonuses)

The performance management and reward policy for all members of the Senior Civil Service (SCS), including board members, is managed within a central framework set by the Cabinet Office.

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 2023-24 figures in the above table relate to awards made in respect of the 2022-23 performance year but paid in the financial year 2023-24. Similarly, the comparable bonuses reported for 2022-23 relate to performance in 2021-22.

## Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the department and treated by HMRC as a taxable emolument. No minister has received living accommodation provided at public expense and chargeable to tax under s163 of the Income and Corporation Taxes Act 1988.

## Pay multiples (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration (and salary component of remuneration) of the highest-paid director in their organisation and the following of the remuneration of the organisation's workforce: lower quartile, median and upper quartile.

The banded remuneration of the highest-paid director in DCMS in the financial year 2023-24 was £160,000-£165,000 (2022-23: £150,000-£155,000). This was 3.0 times (2022-23: 2.9) the median remuneration of the workforce, which was £53,300 (2022-23: £53,079).

In 2023-24, nil (2022-23: nil) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £24,779 to £165,000 (2022-23: £21,216 to £155,000).

<sup>42</sup> The full-year equivalent salary is £115-120k.

<sup>43</sup> Final salary member (classic/classic plus/premium) who has transitioned to alpha. The final salary pension of a person in employment is calculated by reference to their pay and length of service. The pension will increase from one year to the next by virtue of any pay rise during the year. Where there is no or a small pay rise, the increase in pension due to extra service may not be sufficient to offset the inflation increase – that is, in real terms, the pension value can reduce, hence the negative values.

<sup>44</sup> The full-year equivalent salary is £85-90k.

<sup>45</sup> The full-year equivalent salary is £140-145k.

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

Percentile pay ratio	2023-24	2022-23 restated
Band of highest paid directors total remuneration (£'000)	160-165	150-155
25th percentile pay ratio	4.3	4.2
50th percentile pay ratio (Median)	3.0	2.9
75th percentile pay ratio	2.6	2.6

2023-24 amounts (£'000)	25th percentile	50th percentile	75th percentile
Total pay and benefits	£38,235	£53,300	£61,662
Salary and allowance component of total pay and benefits	£38,235	£53,300	£60,262

DCMS believes the median pay ratio for the relevant financial year is consistent with the pay, reward and progression policies for the entity's employees taken as a whole. Comparative figures have been re-stated to reflect the Machinery of Government Changes (See note 1.34 Machinery of Government Changes).

### Annual remuneration percentage change (subject to audit)

The table below shows the percentage change from previous year in total salary and allowances and performance pay and bonuses for the highest paid director and for staff average (excluding the highest paid director).

	2023-24	2022-23 restated
<b>Highest paid director</b>		
Salary and allowances	+1.3%	-10.4%
Performance pay and bonuses payable	100% <sup>46</sup>	-100%
<b>Staff average</b>		
Salary and allowances	+5.0%	+8.5%
Performance pay and bonuses payable	+29.2%	-33.0%

Salary and allowances cost in 2023-24 have increased by 5.0% due to pay uplifts and grade mix changes. Comparative figures have been re-stated to reflect the Machinery of Government Changes (See note 1.34 Machinery of Government Changes).

### Non-Executive board members

Non-Executive board member	Remuneration and full year equivalent (£'000)	
	2023-24	2022-23
Claudia Arney, Lead Non-Executive Board Member from 15 April 2021	20-25	20-25
Simon Ball, Non-Executive Board Member and Audit and Risk Committee Chair from 17 July 2023	10-15 <sup>47</sup>	-
Dame Patricia Hodgson, Non-Executive Board Member from 6 July 2023	10-15 <sup>48</sup>	-
Larissa Joy, Non-Executive Board Member from 6 July 2023	10-15 <sup>49</sup>	-
Ralph Rimmer, Non-Executive Board Member from 6 July 2023	10-15 <sup>50</sup>	-
Hemant Patel MBE, Non-Executive Board Member and Audit and Risk Committee Chair to 16 July 2023	5-10 <sup>51</sup>	20-25
Priya Lakhani OBE, Non-Executive Board Member to 24 April 2023	0-5 <sup>52</sup>	10-15

46 In the prior year the highest paid director did not receive a bonus. This years highest paid director received a bonus of £10-15k.

47 The full-year equivalent is £20-25k.

48 The full-year equivalent is £10-15k.

49 The full-year equivalent is £10-15k.

50 The full-year equivalent is £10-15k.

51 The full-year equivalent is £20-25k.

52 The full-year equivalent is £10-15k.

## Pension benefits – ministers (subject to audit)

Ministers	Accrued pension at pension age and related lump sum as at 31 March 2024 (£'000)	Real increase in pension and related lump sum as at pension age (£'000)	CETV at 31 March 2024 (£'000)	CETV at 31 March 2023 (£'000)	Real increase in CETV (£'000)
The Rt Hon Lucy Frazer, MP, Secretary of State for Culture, Media and Sport from 7 February 2023 to Present	5	1	78	54	12
The Rt Hon Stuart Andrew, MP, Parliamentary Under Secretary of State from 20 September 2022 to Present	3	-	51	41	4
Julia Lopez, MP, Minister of State at the Department for Culture, Media and Sport from 7 February 2023 to Present	2	1	28	19	4
Lord Parkinson, Parliamentary Under Secretary of State and Lords Minister from 30 September 2021 to 20 September 2022 and from 30 October 2022 to Present <sup>53</sup>	7	-	156	139	6
The Rt Hon Sir John Whittingdale, OBE, MP, Minister of State at the Department for Culture, Media and Sport from 9 May 2023 to 20 December 2023 <sup>54</sup>	6	1	75	54	9

### Ministerial pensions

Pension benefits for ministers are provided by the Parliamentary Contributory Pension Fund (PCPF). The scheme is made under statute and the rules are set out in the Ministers' etc. Pension Scheme 2015, available at:

<http://qna.files.parliament.uk/ws-attachments/170890/original/PCPF%20MINISTERIAL%20SCHEME%20FINAL%20RULES.doc>.

Those ministers who are Members of Parliament may also accrue a MP's pension under the PCPF (details of which are not included in this report). A new MP's pension scheme was introduced from May 2015, although members who were aged 55 or older on 1 April 2013 have transitional protection to remain in the previous final salary pension scheme.

Benefits for ministers are payable from State Pension age under the 2015 scheme. Pensions are re-valued annually in line with Pensions Increase legislation both before and after retirement. The contribution rate from May 2015 is 11.1% and the accrual rate is 1.775% of pensionable earnings.

The figure shown for pension value includes the total pension payable to the member under both the pre and post 2015 Ministerial pension schemes.

### 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.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2024.

HM Treasury published updated guidance on 24 April 2024 this guidance has been used in the calculation of 2023-24 CETV figures.

<sup>53</sup> Lord Parkinson undertakes his role as an unpaid Minister.

<sup>54</sup> This role was held jointly with his role as Minister of State for the Department for Science, Innovation and Technology from 9 May 2023 to 20 December 2023.

## 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 (subject to audit)

Executives	Accrued pension at pension age as at 31 March 2024 and related lump sum (£'000)	Real increase in pension and related lump sum as at pension age (£'000)	CETV at 31 March 2024 (£'000)	CETV at 31 March 2023 (£'000)	Real increase in CETV (£'000)
Susannah Storey, Director General for Digital and Media to 7 February 2023, Permanent Secretary from 12 July 2023 to Present	40-45	2.5-5	695	640	35
Ruth Hannant, Interim Permanent Secretary from 7 February 2023 to 10 July 2023, Director General for Culture, Sport and Civil Society from 11 July 2023 to Present <sup>55</sup>	45-50 plus a lump sum of 85-90	0-2.5 plus a lump sum of 0	891	786	25
Polly Payne, Interim Permanent Secretary from 7 February 2023 to 10 July 2023, Director General for Culture, Sport and Civil Society from 11 July 2023 to Present <sup>56</sup>	40-45 plus a lump sum of 65-70	0-2.5 plus a lump sum of 0	822	717	28
Sam Lister, Director General for Strategy and Operations	40-45	2.5-5	631	524	36
Andrew Pattison, Chief Financial Officer from 19 February 2024 to Present	60-65	0	903	901	-3
Louise Smith, Director Corporate Strategy from 6 November 2023 to Present	20-25	0-2.5	300	293	5
Laura Jackson, Director Corporate Strategy from 6 November 2023 to Present	10-15	0-2.5	162	150	5
Sarah Tebbutt, Director, People and Workplace	- <sup>57</sup>	-	-	-	-
Emma Squire, Interim Director General for Culture, Sport and Civil Society from 7 February 2023 to 11 July 2023	35-40	2.5-5	665	573	73
Nicola Hewer, Interim Director General for Culture, Sport and Civil Society from 7 February 2023 to 11 July 2023	25-30 plus a lump sum of 75-80	0-2.5 plus a lump sum of 2.5-5	597	559	28
Georgia Hutchinson, Interim Director of Corporate Strategy from 17 July 2023 to 6 November 2023	20-25 plus a lump sum of 60-65	0-2.5 plus a lump sum of 0	450	417	4
Patrick Curry, Director Corporate Strategy from 6 June 2022 to 16 July 2023	25-30	0-2.5	324	270	25
Tara Jayaratne, Interim Director of Finance from 19 January 2024 to 19 February 2024	25-30 plus a lump sum of 75-80	0-2.5 plus a lump sum of 0-2.5	648	626	16
Jacinda Humphry, Finance and Commercial Director to 19 January 2024	45-50 plus a lump sum of 120-125	0-2.5 plus a lump sum of 0	1083	1003	17
Jose Riera, Director of Communications from 8 January 2024 to 31 March 2024	25-30	0-2.5	517	487	13
Craig Woodhouse, Director of Communications from 1 September 2023 to 5 January 2024	15-20	0-2.5	188	176	9

<sup>55</sup> Ruth Hannant was Director General for Culture, Sport and Civil Society to 7 February 2023.

<sup>56</sup> Polly Payne was Director General for Culture, Sport and Civil Society to 7 February 2023.

<sup>57</sup> Sarah Tebbutt opted out of the pension scheme on 31 August 2021, information has therefore not been provided.



## Civil Service pensions<sup>58</sup>

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015, a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

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**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below).

All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha**, the figure quoted is the combined value of their benefits in the two schemes. 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 4.6% and 8.05% for members of **classic**, **premium**, **classic plus**, **nuvos** and **alpha**. 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. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. 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 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the appointed provider - Legal & General. 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 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

<sup>58</sup> Any members affected by the Public Service Pensions Remedy were reported in the 2015 scheme for the period between 1 April 2015 and 31 March 2022 in 2022-23, but are reported in the legacy scheme for the same period in 2023-24.

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**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. The pension figures quoted for officials show pensions earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and **alpha**, the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk).

### **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 (subject to audit)**

No board members or executives left under agreed terms or were paid compensation for loss of office in 2023-24 (2022-23: none).

### **Ministers (subject to audit)**

1 Minister left in 2023-24.

The Rt Hon Sir John Whittingdale left under severance terms on 16 September 2023 and received a compensation payment of £7,920.

### **Special advisers**

No special advisers left in 2023-24.

Special advisers are temporary civil servants. In order to improve efficiency, the administration of staff costs for all special advisers across government was moved to the Cabinet Office in July 2019, with the corresponding budget cover transfers. Special advisers remain employed by the respective departments of their appointing Minister.

## Staff report

The staff report provides required disclosures on staff activity, staff numbers and expenditure.

In February 2023, the 'Digital' Delivery Group in the Department for Digital, Culture, Media and Sport moved over to the newly formed Department for Science, Innovation and Technology. The 31 March 2023 figures in the staff report are restated for the refocused Department for Culture, Media and Sport.

### The number of core department senior civil servants by £5,000 paybands:

Payband	Number of staff (SCS) Headcount 31 March 2024	Number of staff (SCS) Headcount 31 March 2023 (Restated)
£70,000-£74,999	0	14
£75,000-£79,999	9	24
£80,000-£84,999	32	7
£85,000-£89,999	2	1
£90,000-£94,999	1	4
£95,000-£99,999	11	8
£100,000-£104,999	4	3
£105,000-£109,999	2	0
£110,000-£114,999	1	2
£115,000-£119,999	1	0
£120,000-£124,999	0	1
£125,000-£129,999	0	3
£130,000-£134,999	2	2
£135,000-£139,999	1	1
£140,000-£144,999	1	1
£145,000-£149,999	2	0
£150,000-£154,999	1	2
£155,000-£159,999	0	0
£160,000-£164,999	0	0
£165,000-£169,999	0	0
<b>Total</b>	<b>70</b>	<b>73</b>

### Number of core department Civil Service staff (or equivalent but excluding contract and agency staff) by band

The grading structure of the department based on full time equivalent (FTE) staff in post:

Grade	FTE payroll staff at 31 March 2024	FTE payroll staff at 31 March 2023 (Restated)
Permanent Secretary	1.0	1.4
Senior Civil Service pay band 3	2.4	2.4
Senior Civil Service pay band 2	13.2	14.4
Senior Civil Service pay band 1	49.3	48.8
Grade 6 (Band A (Upper))	114.9	108.2
Grade 7 (Band A)	313.6	306.0
SEO (Band B)	106.3	0
HEO (Band B)	239.8	340.6 <sup>59</sup>
EO (Band C)	98.6	104.0
AO/AA (Band D)	4.0	4.0
<b>Total</b>	<b>943.1</b>	<b>929.8</b>

<sup>59</sup> DCMS moved to the standard Civil Service grade structure in March 2024 (previous equivalent grades listed in brackets). The previous grade structure had a combined HEO/SEO grade, all reported against HEO for 2023 figures.

## Staff loans

The department utilised a total of 115 staff from other government departments during the year.

### Number of loans

The grading structure of all loans:

Grade	Loan In		Loan Out	
	Six months or Less	Over six months	Six months or Less	Over six months
Senior Civil Service Pay Band 3	0	0	0	0
Senior Civil Service Pay Band 2	0	0	0	0
Senior Civil Service Pay Band 1	1	4	0	3
Grade A (Upper) (Grade 6)	3	13	0	6
Grade A (Grade 7)	5	35	0	13
Grade B (HEO/SEO)	9	42	0	18
Grade C (EO)	1	2	0	1
<b>Total</b>	<b>19</b>	<b>96</b>	<b>0</b>	<b>41</b>

88 staff were loaned in for a greater than six months duration at a cost to DCMS of £782k. 27 staff were loaned in (19 at six months or less duration, 9 over six months duration) and were paid by their home department.

### DCMS group staff numbers and related costs (subject to audit)

Staff costs comprise:	2023-24					2022-23 (Restated)
	Permanently employed staff	Others	Contract and agency staff	Ministers	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Wages & salaries	1,540,026	6,024	27,925	203	1,574,178	1,460,517
Social security costs	178,550	872	-	25	179,447	174,687
Pension costs	302,172	210	-	-	302,382	362,001
<b>Total costs</b>	<b>2,020,748</b>	<b>7,106</b>	<b>27,925</b>	<b>228</b>	<b>2,056,007</b>	<b>1,997,205</b>
Less: Recoveries in respect of outward secondments	(4,102)	-	-	-	(4,102)	(433)
<b>Total net costs</b>	<b>2,016,646</b>	<b>7,106</b>	<b>27,925</b>	<b>228</b>	<b>2,051,905</b>	<b>1,996,772</b>
<b>Of which:</b>						
Core department	68,098	344	3,439	228	72,109	71,288
Arm's length bodies	1,948,548	6,762	24,486	-	1,979,796	1,925,484
<b>Total net costs</b>	<b>2,016,646</b>	<b>7,106</b>	<b>27,925</b>	<b>228</b>	<b>2,051,905</b>	<b>1,996,772</b>

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, £23,077k (2022-23: £10,449k) 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) and the Civil Servant and Other Pension Scheme (CSOPS) – known as "Alpha" – are unfunded multi-employer defined benefit schemes but the department is unable to identify its share of the underlying assets and liabilities.

The scheme actuary valued the PCSPS as at 31 March 2020. You can find details in the resource accounts of the [Cabinet Office: Civil Superannuation](#).

For 2023-24, employers' contributions of £13,325k for the core department were payable to the PCSPS (Restated 2022-23: £13,413k) at one of four rates in the range 26.6% to 30.3% (2022-23: 26.6% to



30.3%) of pensionable earnings, based on salary bands. Group employers' contributions of £83,024k (Restated 2022-23: £79,364k) were payable to the PCSPS at rates in the range of 26.6% to 30.3% (2022-23: 26.6% to 30.3%). The scheme actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions by the core department were £83k (Restated 2022-23: £76k) and by the group were £4,194k (Restated 2022-23: £2,368k). These contributions were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.8% for the core department and 8% to 14.8% for the group. Employers also match employee contributions up to 5% of pensionable earnings.

In addition, employer contributions of £3k (Restated 2022-23: £3k) for the core department, £185k (2022-23: £154k) for the group representing 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £14k (Restated 2022-23: £12k) for the core department. Contributions prepaid at that date were £nil (2022-23: £nil) for the core department.

For the core department, nil (2022-23: nil) individuals retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £nil (2022-23: £nil) for the core department. For the group nil (2022-23: nil) individuals retired early on ill-health grounds.

### Other pension schemes

Employer contributions to other pension schemes by the group in the year amounted to £179,207k (Restated 2022-23: £246,665k) (note 22). A list of these bodies is provided in note 28.

### Average number of persons employed (subject to audit)

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

						2023-24	2022-23 (Restated)
	Permanently employed staff	Others	Contract and agency staff	Ministers	Special advisers	Total	Total
Staff employed	31,159	52	788	4	2	32,005	32,310
Staff engaged on capital projects	510	-	12	-	-	522	198
<b>Total</b>	<b>31,669</b>	<b>52</b>	<b>800</b>	<b>4</b>	<b>2</b>	<b>32,527</b>	<b>32,508</b>
<b>Of which:</b>							
Core department	932	2	44	4	2	984	1,018
Arm's length bodies*	30,737	50	756	-	-	31,543	31,490
<b>Total</b>	<b>31,669</b>	<b>52</b>	<b>800</b>	<b>4</b>	<b>2</b>	<b>32,527</b>	<b>32,508</b>

\*The total number of staff employed at the BBC PSB Group is 17,611 (2022-23: 17,688).

The BBC PSB Group is included above within ALBs.

### Staff receivables

As at 31 March 2024, 1,529 employees (Restated 31 March 2023: 1,663 employees) of the group were in receipt of advances of travel, housing or other loans which are repayable to the employer of £2,167k (Restated 31 March 2023: £2,056k).

## Sickness absence data

Average working days lost = 3.5

The average working days lost for sickness absence increased from 3.1 in 2022-23 (Restated). This remains below the latest available Civil Service average of 8.1 (as at 31 March 2023<sup>60</sup>).

## Expenditure on consultancy

For expenditure on consultancy, refer to note 4.3 on page 167.

## Staff composition

The number of civil service staff (excluding agency and contractors) expressed as both headcount and full time equivalent of the core department, split between male and female as at 31 March 2024:

Grade	Headcount			FTE		
	Female	Male	Total	Female	Male	Total
Exec Team	6	3	9	4.8	3.0	7.8
Other SCS	33	28	61	30.7	27.4	58.1
Grade 6	66	55	121	60.0	54.9	114.9
Grade 7	187	136	323	179.1	135.4	314.5
SEO	65	44	109	62.3	44	106.3
HEO	149	97	246	142.4	96.4	238.8
EO	59	42	101	57.2	41.5	98.7
AO/AA	2	2	4	2.0	2.0	4.0
<b>Total</b>	<b>567</b>	<b>407</b>	<b>974</b>	<b>538.5</b>	<b>404.6</b>	<b>943.1</b>
<b>Percentage of staff</b>				<b>57%</b>	<b>43%</b>	<b>100%</b>

## Staff turnover percentage<sup>61</sup> (per Cabinet Office guidance)

The average turnover for 2023-24 was 12.1% (Restated: 23.6% in 2022-23).

The average departmental turnover for 2023-24 was 20.2% (Restated: 26.6% in 2022-23).

## Reporting of Civil Service and other compensation schemes – exit packages (subject to audit)

Exit package cost band	2023-24					
	Core department			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
Less than £10,000	-	1	1	17	67	84
£10,000 - £25,000	-	1	1	24	132	156
£25,000 - £50,000	-	-	-	12	154	166
£50,000 - £100,000	-	-	-	5	252	257
£100,000 - £150,000	-	-	-	1	208	209
£150,000 - £200,000	-	-	-	2	1	3
More than £200,000	-	-	-	-	1	1
<b>Total number of exit packages</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>61</b>	<b>815</b>	<b>876</b>
<b>Total cost (£'000)</b>	<b>-</b>	<b>22</b>	<b>22</b>	<b>1,415</b>	<b>53,523</b>	<b>54,938</b>
<b>Total exit costs paid in year - cash basis</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,767</b>

\*including special severance payments and Ministers exit packages.

Included above are 690 other departures with a cost of £50,050k relating to the BBC PSB Group.

<sup>60</sup> Latest available figures from Cabinet Office at time of writing.

<sup>61</sup> Average turnover percentage figure relates to staff leaving the Civil Service upon departure from DCMS. Average departmental turnover includes data for all staff leaving DCMS.

	2022-23 (Restated)					
	Core Department			Departmental Group		
Exit package 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	-	4	4	18	91	109
£10,000 - £25,000	-	3	3	9	75	84
£25,000 - £50,000	-	-	-	5	74	79
£50,000 - £100,000	-	-	-	3	92	95
£100,000 - £150,000	-	-	-	-	102	102
£150,000 - £200,000	-	-	-	-	-	-
<b>Total number of exit packages</b>	-	<b>7</b>	<b>7</b>	<b>35</b>	<b>434</b>	<b>469</b>
<b>Total cost (£'000)</b>	-	<b>78</b>	<b>78</b>	<b>605</b>	<b>24,430</b>	<b>25,035</b>
<b>Total exit costs paid in year - cash basis</b>	-	-	-	-	-	<b>24,216</b>

Included above are 336 other departures with a cost of £22,179k relating to the BBC PSB Group.

### All Exits and Special Severance Payments Annually (subject to audit)

The number of Special Severance Payments made by DCMS in 2023-24 is 1 (2022-23: 1). The total amount paid out is £14,441.00 (2022-23: £16,507.04).

### 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.

### Off-payroll arrangements

Information about off-payroll arrangements in DCMS can be found on page 78.

### Application of Business Appointments Rules (BARs)

Ministers and civil servants leaving office are subject to rules regarding appointment in other sectors. These rules, known as the Business Appointment Rules, exist to prevent former civil servants and ministers being able to profit from their knowledge of and contacts within Whitehall, and to prevent any perception of wrongdoing. The rules are administered by the Advisory Committee on Business Appointments (ACoBA).

The leavers process for all line managers includes compliance with the BARs, and where applicable leavers need to fill in the Business Appointments Application Form. Information on this process is available on the intranet. No breaches of the process have been identified within the year.

The following section provides details on the BARs applications within the year 2023-24:

### Number of exits from the Civil Service (SCS)

Grade	Number of exits from the Civil Service (SCS)
Senior Civil Service pay band 2	5
Senior Civil Service pay band 1	7

### Number of BARs applications assessed by the department over the year (by grade)

Grade	Number of BARs applications assessed by the department
Senior Civil Service pay band 2	3
Senior Civil Service pay band 1	5
Grade 6	-
Grade 7	1
HEO/SEO	2
EO	-
<b>Total</b>	<b>11</b>

### Number of BARs applications where conditions were set (by grade)

Of the 11 assessed, 9 had conditions set:

Grade	Number of BARs applications assessed by the department
Senior Civil Service pay band 2	3
Senior Civil Service pay band 1	4
Grade 6	-
Grade 7	1
HEO/SEO	1
EO	-
<b>Total</b>	<b>9</b>

Of the 11 assessed, none were found to be unsuitable for the applicant to take up the external post.

There were no breaches of the Rules in the preceding year.



# Parliamentary accountability and audit report

The Parliamentary accountability and audit report brings together the key Parliamentary accountability documents within the annual report and accounts.

## Statement of Outturn against Parliamentary Supply (SOPS)

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

The SOPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

The SOPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated Fund), that Parliament gives statutory authority for entities to utilise. The Estimate details supply and is voted on by Parliament at the start of the financial year.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SOPS mirrors the Supply Estimates, published on [www.gov.uk](http://www.gov.uk), to enable comparability between what Parliament approves and the final outturn.

The SOPS contains a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly tie to cash spent) and administration.

The supporting notes detail the following:

- Outturn by Estimate line, providing a more detailed breakdown (SOPS 1);
- a reconciliation of outturn to net operating expenditure in the SoCNE, to tie the SOPS to the financial statements (SOPS 2);
- a reconciliation of outturn to net cash requirement (SOPS 3); and
- an analysis of income payable to the Consolidated Fund (SOPS 4).

The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. An understanding of the budgeting framework and an explanation of the key terms is provided in the Financial Review section of the Accountability Report. Further information on the Public Spending Framework and the reasons why the budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on [www.gov.uk](http://www.gov.uk).

The SOPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The Statement of Outturn against Parliamentary Supply commentary provides a summarised discussion of outturn against estimate.

## **Administration and Programme Expenditure and Income**

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. Under the HM Treasury Simplifying and Streamlining Accounts project, this split is no longer required in the primary statements.

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

### **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 5.2), but treated as net capital expenditure in the SOPS.

### **Lottery Income**

With HM Treasury agreement and in line with the Supplementary Estimate, the SOPS do not include lottery income. The government's hypothecated income from the National Lottery is reported separately in the National Lottery Distribution Fund and is not included in budgets. Consequently, non-voted lottery expenditure is stated gross of lottery income in the SOPS.

### **Alignment of Income and Expenditure**

Timing differences between income and expenditure (and the associated receivable and payable) in the accounts of DCMS ALBs (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.

## Statement of Outturn against Parliamentary Supply Summary of Resource and Capital Outturn 2023-24

Type of spend	SOPS Note	2023-24			2023-24			2023-24			2022-23		
		Outturn			Estimate			Outturn vs Estimate, saving/ (excess)			Outturn		
		Voted	Non-voted	Total	Voted	Non-voted	Total	Voted	Total	Total	Total	Total	Total
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Departmental Expenditure Limit (DEL)</b>													
Resource	SOPS 1.1	1,692,314	-	1,692,314	1,775,629	-	1,775,629	83,315	83,315	83,315	1,961,430		
Capital	SOPS 1.2	530,259	-	530,259	603,687	-	603,687	73,428	73,428	73,428	469,557		
<b>Total DEL Budget</b>		<b>2,222,573</b>	<b>-</b>	<b>2,222,573</b>	<b>2,379,316</b>	<b>-</b>	<b>2,379,316</b>	<b>156,743</b>	<b>156,743</b>	<b>156,743</b>	<b>2,430,987</b>		
<b>Annually Managed Expenditure (AME)</b>													
Resource	SOPS 1.1	3,602,442	1,191,849	4,794,291	4,374,044	1,253,997	5,628,041	771,602	833,750	833,750	5,275,776		
Capital	SOPS 1.2	497,066	384,751	881,817	889,731	361,835	1,251,566	369,749	369,749	369,749	483,418		
<b>Total AME Budget</b>		<b>4,099,508</b>	<b>1,576,600</b>	<b>5,676,108</b>	<b>5,263,775</b>	<b>1,615,832</b>	<b>6,879,607</b>	<b>1,164,267</b>	<b>1,203,499</b>	<b>1,203,499</b>	<b>5,759,194</b>		
<b>Total Budget</b>													
Resource	SOPS 1.1	5,294,756	1,191,849	6,486,605	6,149,673	1,253,997	7,403,670	854,917	917,065	917,065	7,237,206		
Capital	SOPS 1.2	1,027,325	384,751	1,412,076	1,493,418	361,835	1,855,253	466,093	443,177	443,177	952,975		
<b>Total Budget Expenditure</b>		<b>6,322,081</b>	<b>1,576,600</b>	<b>7,898,681</b>	<b>7,643,091</b>	<b>1,615,832</b>	<b>9,258,923</b>	<b>1,321,010</b>	<b>1,360,242</b>	<b>1,360,242</b>	<b>8,190,181</b>		
<b>Total Budget and Non-Budget</b>		<b>6,322,081</b>	<b>1,576,600</b>	<b>7,898,681</b>	<b>7,643,091</b>	<b>1,615,832</b>	<b>9,258,923</b>	<b>1,321,010</b>	<b>1,360,242</b>	<b>1,360,242</b>	<b>8,190,181</b>		
Total Resource	SOPS 1.1	5,294,756	1,191,849	6,486,605	6,149,673	1,253,997	7,403,670	854,917	917,065	917,065	7,237,206		
Total Capital	SOPS 1.2	1,027,325	384,751	1,412,076	1,493,418	361,835	1,855,253	466,093	443,177	443,177	952,975		
<b>Total</b>		<b>6,322,081</b>	<b>1,576,600</b>	<b>7,898,681</b>	<b>7,643,091</b>	<b>1,615,832</b>	<b>9,258,923</b>	<b>1,321,010</b>	<b>1,360,242</b>	<b>1,360,242</b>	<b>8,190,181</b>		

Figures in the areas outlined in thick line cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual, available on [www.gov.uk](http://www.gov.uk), for detail on the control limits voted by Parliament.

## Net Cash Requirement 2023-24

Item	SOPS Note	2023-24 Outturn £'000	2023-24 Estimate £'000	2023-24 Outturn vs Estimate, saving/(excess) £'000	2022-23 Outturn £'000
Net Cash Requirement	SOPS 3	5,721,369	6,152,764	431,395	6,303,252

## Administration Costs 2023-24

Type of spend	SOPS Note	2023-24 Outturn £'000	2023-24 Estimate £'000	2023-24 Outturn vs Estimate, saving/(excess) £'000	2022-23 Outturn £'000
Administration costs	SOPS 1.1	194,010	212,332	18,322	193,950

Although not a separate voted limit, any breach of the administration budget will also result in an excess vote.

An analysis of variances between the Estimate and the Outturn is given in SOPS 1 and explanations are provided in the SOPS commentary on pages 107 to 111.



## SOPS 1. Net Outturn

### SOPS 1.1 Analysis of net resource outturn by Estimate line

Type of spend (Resource)	2023-24										2023-24 Outturn vs Estimate, saving/ (excess)	Restated 2022-23 Outturn		
	Resource outturn													
	Administration			Programme			Estimate							
Gross	Income	Net	Gross	Income	Net	Total	Virements	Total inc. virements	£'000	£'000	£'000	£'000		
<b>Spending in Departmental Expenditure Limit (DEL)</b>														
<b>Voted expenditure</b>														
A Support for the Museums and Galleries sector	-	-	-	32,349	-	32,349						32,942	593	21,407
B Museums and Galleries sponsored ALBs (net)	-	-	-	419,384	-	419,384						470,021	50,637	420,273
C Libraries sponsored ALBs (net)	7,260	-	7,260	120,305	-	120,305			1,101			127,565	-	123,656
D Support for the Arts sector	3	(3,125)	(3,122)	(1,059)	(96,675)	(97,734)			-			(99,582)	1,274	(66,522)
E Arts and culture ALBs (net)	20,135	-	20,135	464,865	-	464,865			1,965			485,197	197	481,986
F Support for the Sports sector	-	-	-	5,378	(13,907)	(8,529)						(1,791)	6,738	24,517
G Sport sponsored ALBs (net)	15,172	-	15,172	174,194	-	174,194						193,182	3,816	167,963
H Ceremonial and support for the Heritage sector	675	(35)	640	143,068	(46,720)	96,348			14,900			101,545	4,557	106,557
I Heritage sponsored ALBs (net)	17,733	-	17,733	69,989	-	69,989			-			89,710	1,988	79,767
J Support for the Tourism sector	-	-	-	-	-	-			-			-	-	-
K Tourism sponsored ALBs (net)	29,335	-	29,335	21,252	-	21,252			-			50,744	157	52,283
L Support for the Digital, Broadcasting and Media sectors	2	-	2	15,007	(1,025)	13,982			16,041			13,984	-	33,160
M Broadcasting and Media sponsored ALBs (net)	-	-	-	28,627	-	28,627			-			34,533	5,906	7,875
N Administration and Research	111,741	(9,554)	102,187	1,281	(9,087)	(7,806)			(19,407)			97,983	3,602	89,509

## SOPS 1.1 Analysis of net resource outturn by Estimate line (continued)

Type of spend (Resource)	2023-24										2023-24		Restated 2022-23
	Administration					Programme					Estimate		Outturn
	Gross	Income	Net	Gross	Income	Net	Total	Virements	Total inc. virements	£'000	£'000	Outturn vs Estimate, saving/ (excess)	£'000
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
O Support for Horseracing and the Gambling sector	-	-	-	-	(14,440)	(14,440)	(14,440)	4,046	(14,440)	-	(21,817)	-	(21,817)
Olympics - legacy programmes	-	-	-	(10)	-	(10)	(10)	-	-	10	-	10	-
P Gambling Commission(net)	-	-	-	13,670	-	13,670	13,670	(4,046)	13,764	94	14,867	94	14,867
Q Civil Society and Youth	-	-	-	130,064	(542)	129,522	129,522	(2,200)	130,449	927	47,973	927	47,973
R National Citizen Service (net)	4,668	-	4,668	42,336	-	42,336	47,004	-	49,823	2,819	73,587	2,819	73,587
Birmingham 2022 and Festival 2022 (net)	-	-	-	-	-	-	-	-	-	-	304,389	-	304,389
<b>Total voted DEL</b>	<b>206,724</b>	<b>(12,714)</b>	<b>194,010</b>	<b>1,680,700</b>	<b>(182,396)</b>	<b>1,498,304</b>	<b>1,692,314</b>	<b>-</b>	<b>1,775,629</b>	<b>-</b>	<b>1,961,430</b>	<b>83,315</b>	<b>1,961,430</b>
<b>Total spending in DEL</b>	<b>206,724</b>	<b>(12,714)</b>	<b>194,010</b>	<b>1,680,700</b>	<b>(182,396)</b>	<b>1,498,304</b>	<b>1,692,314</b>	<b>-</b>	<b>1,775,629</b>	<b>-</b>	<b>1,961,430</b>	<b>83,315</b>	<b>1,961,430</b>
<b>Spending in Annually Managed Expenditure (AME)</b>													
<b>Voted expenditure</b>													
S British Broadcasting Corporation(net)	-	-	-	3,471,162	-	3,471,162	3,471,162	(89,119)	4,160,270	689,108	3,700,329	689,108	3,700,329
T Channel Four Television	-	-	-	-	-	-	-	-	-	-	-	-	-
U Provisions, Impairments and other AME spend	-	-	-	(2,150)	-	(2,150)	(2,150)	-	54,216	56,366	(9,201)	56,366	(9,201)
V S4C (net)	-	-	-	94,580	-	94,580	94,580	89,119	94,583	3	88,726	3	88,726
W Provisions, Impairments and other AME spend (ALB) (net)	-	-	-	51,711	-	51,711	51,711	-	64,975	13,264	68,815	13,264	68,815
Levy bodies	-	-	-	(12,861)	-	(12,861)	(12,861)	-	-	12,861	502	12,861	502
<b>Total voted AME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,602,442</b>	<b>-</b>	<b>3,602,442</b>	<b>3,602,442</b>	<b>-</b>	<b>4,374,044</b>	<b>771,602</b>	<b>3,849,171</b>	<b>771,602</b>	<b>3,849,171</b>
<b>Non-voted expenditure</b>													
X Lottery grants	-	-	-	1,191,849	-	1,191,849	1,191,849	(22,916)	1,231,081	39,232	1,426,605	39,232	1,426,605
<b>Total spending in AME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,794,291</b>	<b>-</b>	<b>4,794,291</b>	<b>4,794,291</b>	<b>(22,916)</b>	<b>5,605,125</b>	<b>810,834</b>	<b>5,275,776</b>	<b>810,834</b>	<b>5,275,776</b>
<b>Total resource</b>	<b>206,724</b>	<b>(12,714)</b>	<b>194,010</b>	<b>6,474,991</b>	<b>(182,396)</b>	<b>6,292,595</b>	<b>6,486,605</b>	<b>(22,916)</b>	<b>7,380,754</b>	<b>894,149</b>	<b>7,237,206</b>	<b>894,149</b>	<b>7,237,206</b>

Explanations of the variances between the Outturn and Estimate are included in the SOPS commentary on pages 107 to 111.

## SOPS 1.2 Analysis of net capital outturn by Estimate line

Type of spend (Capital)		2023-24			2023-24			2023-24	Restated 2022-23
		Outturn			Estimate				Outturn
		Gross	Income	Net	Total	Virements	Total inc. virements	Outturn vs Estimate, saving/ (excess)	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Spending in Departmental Expenditure Limit (DEL)</b>									
<b>Voted expenditure</b>									
A	Support for the Museums and Galleries sector	2,217	-	2,217	3,900	-	3,900	1,683	304
B	Museums and Galleries sponsored ALBs (net)	181,121	-	181,121	198,887	-	198,887	17,766	211,370
C	Libraries sponsored ALBs (net)	28,248	-	28,248	31,383	-	31,383	3,135	12,485
D	Support for the Arts sector	(2,412)	(3,475)	(5,887)	448	(5,400)	(4,952)	935	(1,344)
E	Arts and culture ALBs (net)	65,948	-	65,948	64,541	1,407	65,948	-	60,586
F	Support for the Sports sector	5,180	-	5,180	2,926	4,900	7,826	2,646	9,167
G	Sport sponsored ALBs (net)	144,861	-	144,861	148,345	-	148,345	3,484	92,620
H	Ceremonial and support for the Heritage sector	1,061	-	1,061	(21,989)	23,200	1,211	150	10,484
I	Heritage sponsored ALBs (net)	69,855	-	69,855	94,622	-	94,622	24,767	58,504
J	Support for the Tourism sector	-	-	-	600	-	600	600	-
K	Tourism sponsored ALBs (net)	2,469	-	2,469	2,504	-	2,504	35	2,244
L	Support for the Digital, Broadcasting and Media sectors	3,552	-	3,552	240	3,400	3,640	88	1,618
M	Broadcasting and Media sponsored ALBs (net)	2,232	-	2,232	1,898	334	2,232	-	2,055
N	Administration and Research	1,807	(16,353)	(14,546)	16,448	(28,213)	(11,765)	2,781	2,609
O	Support for Horseracing and the Gambling sector	-	-	-	(40)	40	-	-	-
	Olympics - legacy programmes	332	-	332	-	332	332	-	-
P	Gambling Commission (net)	529	-	529	578	-	578	49	317
Q	Civil Society and Youth	43,087	-	43,087	58,396	-	58,396	15,309	8,558
R	National Citizen Service (net)	-	-	-	-	-	-	-	40
	Birmingham 2022 and Festival 2022 (net)	-	-	-	-	-	-	-	(2,060)
<b>Total spending in DEL</b>		<b>550,087</b>	<b>(19,828)</b>	<b>530,259</b>	<b>603,687</b>	<b>-</b>	<b>603,687</b>	<b>73,428</b>	<b>469,557</b>
<b>Spending in Annually Managed Expenditure (AME)</b>									
<b>Voted expenditure</b>									
S	British Broadcasting Corporation (net)	458,486	-	458,486	689,731	(22)	689,709	231,223	271,074
T	Channel Four Television	39,129	-	39,129	200,000	-	200,000	160,871	(864)
V	S4C (net)	22	-	22	-	22	22	-	112
	Levy bodies	(571)	-	(571)	-	-	-	571	(8,257)
	<b>Total voted AME</b>	<b>497,066</b>	<b>-</b>	<b>497,066</b>	<b>889,731</b>	<b>-</b>	<b>889,731</b>	<b>392,665</b>	<b>262,065</b>
<b>Non-voted expenditure</b>									
X	Lottery grants	384,751	-	384,751	361,835	22,916	384,751	-	221,353
<b>Total spending in AME</b>		<b>881,817</b>	<b>-</b>	<b>881,817</b>	<b>1,251,566</b>	<b>22,916</b>	<b>1,274,482</b>	<b>392,665</b>	<b>483,418</b>
<b>Total capital</b>		<b>1,431,904</b>	<b>(19,828)</b>	<b>1,412,076</b>	<b>1,855,253</b>	<b>22,916</b>	<b>1,878,169</b>	<b>466,093</b>	<b>952,975</b>

Explanations of the variances between the Outturn and Estimate are included in the SOPS Commentary on pages 107 to 111.

The total Estimate columns include virements. Virements are the reallocation of provision in the Estimates that do not require Parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements is provided in the Supply Estimates Manual, available on [gov.uk](https://www.gov.uk).

The Outturn vs Estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can tie the estimate back to the Supply Estimates laid before Parliament.

## SOPS 2. Reconciliation of Outturn to Net Expenditure

Item	Reference	2023-24 Outturn Total	Restated 2022-23 Outturn Total
		£'000	£'000
<b>Total resource outturn</b>	<b>SOPS 1.1</b>	<b>6,486,605</b>	<b>7,237,206</b>
<b>Add:</b>			
Capital grants expenditure	4.2	699,500	419,751
Live events reinsurance scheme (capital)	4.6	-	(17)
Research & development (capital)		50,107	40,760
<b>Total:</b>		<b>749,607</b>	<b>460,494</b>
<b>Less:</b>			
Income from National Lottery Distribution Fund (NLDF)	5.2	(1,692,316)	(1,688,593)
Charity income (asset donations or cash donations for asset additions)		(290,827)	(67,929)
Capital grants income	5.2	(46,423)	(20,655)
Research & development income (capital)		(14,782)	(10,721)
Property sales - East Village (capital)	5.2	-	11
BBC broadband income	SOPS 4.1	-	
<b>Total:</b>		<b>(2,044,348)</b>	<b>(1,787,887)</b>
<b>Other:</b>			
Impact of intra-group transactions crossing budget categories		4,226	6,132
<b>Net expenditure in Consolidated Statement of Comprehensive Net Expenditure</b>	<b>SoCNE</b>	<b>5,196,090</b>	<b>5,915,945</b>

As noted in the introduction to the SOPS above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this reconciliation bridges the resource outturn to net operating expenditure, linking the SOPS to the financial statements.



### SOPS 3. Reconciliation of Net Resource Outturn to Net Cash Requirement

Item	Reference	Outturn Total	Estimate	Outturn vs Estimate, saving/ (excess)
		£'000	£'000	£'000
<b>Resource outturn</b>	<b>SOPS 1.1</b>	<b>6,486,605</b>	<b>7,403,670</b>	<b>917,065</b>
<b>Capital outturn</b>	<b>SOPS 1.2</b>	<b>1,412,076</b>	<b>1,855,253</b>	<b>443,177</b>
<i>Adjustments for ALBs:</i>				
Remove voted resource and capital		(6,045,846)	(7,067,836)	(1,021,990)
Cash grant-in-aid	4.1.1	5,298,013	5,768,805	470,792
Less: Agency funding (BDUK)	4.1.1	-	-	-
<i>Adjustments to remove non-cash items:</i>				
Depreciation, amortisation and expected credit loss adjustments		22,678	(8,064)	(30,742)
New provisions and adjustments to previous provisions	4.5	-	(42,742)	(42,742)
Prior period adjustments	SOPS 1.1	73,335		(73,335)
Other non-cash items		18,416	(147,144)	(165,560)
Museum loans		(430)		430
<i>Adjustments to reflect movements in working balances:</i>				
Increase/(decrease) in receivables		97,836	-	(97,836)
(Increase)/decrease in payables		(79,452)	6,654	86,106
(Increase)/decrease in lease liabilities		14,738	-	(14,738)
Utilisation of provisions	19	-	-	-
<b>Total:</b>		<b>(600,712)</b>	<b>(1,490,327)</b>	<b>(889,615)</b>
<b>Removal of non-voted budget items:</b>				
Other adjustments - lottery grants		(1,576,600)	(1,615,832)	(39,232)
<b>Total:</b>		<b>(1,576,600)</b>	<b>(1,615,832)</b>	<b>(39,232)</b>
<b>Net cash requirement</b>		<b>5,721,369</b>	<b>6,152,764</b>	<b>431,395</b>

As noted in the introduction to the SOPS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement.

## SOPS 4. Income payable to the Consolidated Fund

### SOPS 4.1 Analysis of income payable to the Consolidated Fund

The department acted as principal for funds payable to the Consolidated Fund, for return of funds associated with Birmingham 2022 and the Commonwealth Games. During 23-24, £1,095k was received in relation to contingent assets realised from the liquidation of Birmingham Organising Committee. (In 22-23, £43,133k was received from unspent Grant-in-Aid and underspent grants).

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

Item	Outturn 2023-24		Outturn 2022-23	
	Accruals	Cash basis	Accruals	Cash basis
	£'000	£'000	£'000	£'000
Amounts to be collected on behalf of the Consolidated Fund				
- 2022-23 income	-	-	43,133	43,133
- 2023-24 income	1,095	1,095		
<b>Total amount payable to the Consolidated Fund</b>	<b>1,095</b>	<b>1,095</b>	<b>43,133</b>	<b>43,133</b>

### SOPS 4.2 Consolidated Fund Income

Consolidated Fund income shown in note SOPS 4.1 above does not include any amounts collected by the department where it was acting as agent for the Consolidated Fund rather than as principal. The amounts collected as agent for the Consolidated Fund (which are otherwise excluded from these group financial statements) were:

	2023-24	2022-23
	£'000	£'000
<b>Taxes and licence fees</b>		
Sports Grounds Safety Authority licences	9	9
Sub-total: Taxes and licence fees	9	9
Fines and penalties		
Gambling Commission penalties issued	6,931	20,669
<b>Sub-total: Fines and penalties</b>	<b>6,931</b>	<b>20,669</b>
<b>Less:</b>		
Impairment of debts - Gambling Commission penalties	(2,309)	
<b>Other</b>		
S4C - HM Treasury loan	4,562	
Gambling Commission - Economic Crime Levy	2,404	1,594
<b>Amount payable to the Consolidated Fund</b>	<b>11,597</b>	<b>22,272</b>
Balance held at start of year	14,559	34,530
Payments into the Consolidated Fund	(19,379)	(42,243)
<b>Balance held on trust at end of year</b>	<b>6,777</b>	<b>14,559</b>

The main income streams collected as agent are:

### **Licence Fees**

- **Sports Grounds Safety Authority (SGSA)** - annual licence fees for the certification of football grounds.

### **Penalties**

- **Gambling Commission penalties issued under the Gambling Act** – these fines have been imposed on online gambling businesses for failing to put in place effective safeguards to prevent money-laundering and keep consumers safe from gambling-related harm.

### **Other**

- **Gambling Commission – Economic Crime Levy** – from 1 April 2023, the Gambling Commission is one of three public bodies (the others being the Financial Conduct Authority and HMRC) who will collect the Economic Crime Levy (ECL) from licenced Casino Operators. This is an annual charge on entities who are supervised under Money Laundering Regulations (MLR) and whose UK revenue exceeds £10.2m per year. Income has been recognised at the time the enforcement notice is raised and derecognised if the Levy is appealed successfully. The amounts will be payable by 30 September following the end of each financial year.

**S4C – Loan from HM Treasury** – this loan was for S4C's relocation project and was granted by HM Treasury in January 2017. Repayments had been made by reductions in Grant-in-Aid from DCMS. S4C is now funded by BBC licence fee income and since then there has not been a repayment mechanism in place. S4C are due to transfer the relevant outstanding payments in 24/25.

The balance held on trust of £6.8m at the end of 31 March 2024 relates to the loan receivable from S4C and fines, penalties and levies from the Gambling Commission.

## Statement of Outturn against Parliamentary Supply Commentary 2023-24

DCMS sponsors a large and diverse group of arm's length bodies, working under a variety of different accounting frameworks and with a wide range of budgetary complexities. A large proportion of the department's funding is ring-fenced or influenced by external factors e.g. philanthropy, which makes financial risk management particularly challenging.

The commentary that follows relates to the key features of the outturn position as reported in the SOPS and the supporting analysis within SOPS notes 1.1 and 1.2 and describes the position before virements (allowed budgetary transfers) are applied.

### Resource DEL

The voted resource DEL outturn position as reported in these Accounts is £1,692.3m which is £83.3m, or 4.9% lower than provided in the Estimate.

Museums and Galleries sponsored ALBs (net) (Line B) shows an underspend of £50.6m. Underspends within this heading are partly driven by additional non-cash budget cover provided through the Supplementary Estimates for Museums and Galleries to spend historical cash reserves under the 'Freedoms' arrangements agreed with HM Treasury. Underspends under this heading include:

- £19.3m due to higher income than anticipated driven by improved visitor numbers towards the end of the year above forecasts;
- £11.8m due to business rates rebates for the British Museum, Tate and Victoria & Albert Museum;
- £11.5m due to budget type reclassifications from resource to capital which were not included in the 2023-24 Supplementary Estimate;
- £10.8m due to lower net resource expenditure by the British Museum due to external factors such as supply chain and labour market pressures, as well as impacts of the Independent Review into items of the collection which were found to be stolen, lost or damaged. The Independent Review led to delays across many of the British Museums' programmes;
- £5.8m due to restricted funds received by the British Museum and Royal Museums Greenwich subsequent to the 2023-24 Supplementary Estimate which will be spent in future years;
- £1.9m due to an adjustment to museums reserves cover requirements after the 2023-24 Supplementary Estimate;
- £1.4m due to an IFRS 16 lease-related adjustment for the Victoria & Albert Museum; and
- £8.4m relates to small entities that are not consolidated in full in the group accounts due to immateriality.

This is offset by overspends including:

- £10.9m due to increases in depreciation, amortisation, and impairments relative to forecast;
- £7.4m due to a change of percentage ownership of Victoria & Albert Museum associates; and
- £5.8m relates to an overspend by the Tate due to budget type reclassifications from capital to resource which were not included in the 2023-24 Supplementary Estimate.

Support for the Sports Sector (line F) shows an underspend of £19.1m. Outturn under this subhead is lower due to a reclassification from Line F to Line N (Research and Administration) of £12.4m in 2023-24. The underlying underspend of £6.7m is driven by £5.2m relating to Sports Survival Package and Rugby Football League Covid loans adjustments and a further £1.1m underspend relating to the Independent Football Regulator and PFI credits.

Sport sponsored ALBs (net) (Line G) shows an underspend of £3.8m. This is mostly driven by a £3.4m underspend on depreciation by Sport England and UK Sport, with the remainder relating to general operating underspends.



Ceremonials and support for the Heritage Sector (Line H) shows an overspend of £10.3m. Outturn under this subhead is higher due to a reclassification from Research and Administration (Line N) to Line H of £14.9m in 2023-24, of which £14.0m relates to income from the Department for Environment, Food & Rural Affairs and the Welsh Government to the National Heritage Memorial Fund which was reclassified to Line N. The underlying underspend of £4.6m is driven by ringfenced underspends relating to delivery of HM The King's Coronation (£2.8m) and the Listed Places of Worship programme (£0.8m) and a further £0.8m non ringfenced underspend mostly attributable to Ceremonials.

Support for the Broadcasting and Media sector (Line L) shows an overspend of £16.0m. Outturn under this subhead is higher due to a reclassification from Research and Administration (Line N) to Line L of £15.6m in 2023-24.

Broadcasting and Media sponsored ALBs (net) (Line M) shows an underspend of £5.9m for the British Film Institute of which:

- £4.3m relates to additional restricted fund income that is declared in year of receipt due to accounting standards but will be spent in future years and less restricted reserves drawn down than planned at Supplementary Estimate; and
- £1.8m of improved performance of self-generated income due to higher industry donations, cinema income and interest income.

Administration and Research (line N) shows an underspend of £23.0m. Outturn under this subhead is £19.4m lower due to reclassifications to and from other subheads during 2023-24. The underlying net underspend of £3.6m is mainly driven by:

- £2.7m relating to general operating underspends;
- £0.9m admin ringfenced underspends mostly attributable to the Voluntary, Community and Social Enterprises (VCSE) Support Package, the Youth Investment Fund and Commonwealth Games Legacy Fund;
- £0.9m Core Department depreciation underspend; and
- £0.5m of Departmental contingency not being utilised.

Support for Horseracing and the Gambling sector (Line O) shows an overspend of £4.0m. This is due to income to fund the 4th National Lottery Licence Programme being lower than budgeted (refer to Line P commentary).

Gambling Commission (net) (Line P) shows an underspend of £4.0m. This is due to lower than budgeted spend by the National Lottery Commission relating to the 4th National Lottery Programme.

Civil Society and Youth (Line Q) shows an underspend of £3.1m. Outturn under this subhead is lower due to a reclassification from Line Q to Administration and Research (Line N) of £2.2m in 2023-24. The underlying underspend of £0.9m is driven by a £2.6m underspend on the Youth Investment Fund and Voluntary, Community and Social Enterprises (VCSE) Support Package and Civil Society Impact Funding Team which is partially offset by £1.9m of non-ringfenced overspends driven by the Futurebuilders loan book.

## Administration expenditure

The voted administration expenditure outturn as reported in these accounts is £194.0m. There was a total underspend of £18.3m, 8.6% lower than provided in the Estimate. The main reasons for the variance are:

Heritage sponsored ALBs (net) (Line I) shows an underspend of £4.1m which includes:

- £2.7m due to reductions in depreciation relative to forecast for Historic England;
- £1.1m mostly driven by higher net dividends and investment income received by the National Heritage Memorial Fund, offset by grant de-commitments; and
- £0.3m due to IFRS 16 lease related underspends by Historic England.

Administration and Research (Line N) shows an underspend of £8.1m which is driven by:

- £4.0 of Admin central contingency being reallocated to fund Programme pressures after completion of the 2023-24 Supplementary Estimates;
- £1.9m of general operating underspends;
- £0.9m admin depreciation underspend;
- £0.8m ringfenced underspends mostly attributable to the Voluntary, Community and Social Enterprises (VCSE) Support Package and Youth Investment Fund; and
- £0.4m of reallocations of administration funding from Line N to other subheads after completion of the 2023-24 Supplementary Estimate.

## Capital DEL

The voted capital DEL outturn as reported in these Accounts is £530.0m which is £73.4m, or 12.2% lower than provided in the Estimate.

Museums and Galleries sponsored ALBs (net) (Line B) shows an underspend of £17.8m. Underspends within this heading are partly driven by additional non-cash budget cover provided through the Supplementary Estimates for Museums and Galleries to spend historical cash reserves under the 'Freedoms' arrangements agreed with HM Treasury.

Underspends under this heading include:

- £8.8m relating to higher capital income above forecast for the Science Museum Group, Tate and the National Portrait Gallery;
- £19.0m relating to disposals of assets which were unbudgeted at Supplementary Estimate, for the British Museum, Science Museum Group and National Portrait Gallery;
- £12.3m is due to restricted funds received by the British Museum and Royal Museums Greenwich subsequent to the 2023-24 Supplementary Estimate which will be spent in future years. This is primarily due to additional donations and grants received as well as resulting from changes in the accounting treatment of restricted income.
- £9.5m relates to slippages to the Science Museum Group's major capital projects such as York Masterplan due to programme delays;
- £8.8m relating to net underspends of IFRS 16 lease capitalisation costs by the Imperial War Museum and the Natural History Museum;
- £6.5m relating to delays to the Victoria & Albert Museum V&A East project and other capital projects;
- £2.2m relating to delayed capital works by the National Gallery (NG200); and

This is partially offset by overspends including:

- £25.2m relating to the British Museum higher than forecast net investment additions;
- £15.0m relating to additional capital spend, budgeted for as resource by the Natural History Museum, Tate and National Museums Liverpool;
- £1.5m relating to net movements on donated assets (NML, NPG, SMG, Tate);
- £1.0m relating to an overspend by the Natural History Museum on the NHM Unlocked project.

Libraries sponsored ALBs (net) (Line C) shows an underspend of £3.1m. This is mostly driven by a £2.0m underspend on the British Library Boston Spa renewed project due to construction delays and delays to the refurbishment of an existing building due to replanning. A further £1.0m relates to LibraryOn grant payments which were forecast as resource grants but ultimately scored as capital grants in the British Library's outturn.

Support for the Arts sector (Line D) shows an underspend of £6.3m. Outturn under this subhead is lower due to a reclassification from Line D to Research and Administration (Line N) of £5.4m in 2023-24. The underlying underspend of £0.9m is due to higher than forecast credits relating to Cultural Recovery Fund loans adjustments.

Support for the Sports Sector (line F) shows an overspend of £2.3m. Outturn under this subhead is higher due to a reclassification from Research and Administration (Line N) to Line F of £4.9m in 2023-24. The underlying underspend of £2.6m is driven by £1.6m higher than forecast credits relating to Sports Survival Package and Rugby Football League Covid loans and £0.8m non ringfenced underspends.

Sport sponsored ALBs (net) (Line G) shows an underspend of £3.5m. A £4.9m underspend relates to unutilised IFRS 16 capital budget for UK Sport. This is partially offset by a £1.6m overspend by UK Anti-Doping due to technical accounting adjustments.

Ceremonials and support for the Heritage sector (Line H) shows an overspend of £23m.

Outturn under this subhead is higher due to a reclassification from Research and Administration (Line N) to Line H of £23.2m in 2023-24, of which £20.7m relates to income from the Department for Environment, Food & Rural Affairs and the Welsh Government to the National Heritage Memorial Fund being reclassified to Line N. The underlying underspend of £0.2m relates to underspend on delivery of HM The King's Coronation.

Heritage sponsored ALBs (net) (Line I) shows an underspend of £24.8m which is mostly driven by lower than expected IFRS 16 lease capitalisation costs for Historic England (finalisation of technical lease treatment post Supplementary Estimate).

Support for the Broadcasting and Media sector (Line L) shows an overspend of £3.3m. Outturn under this subhead is higher due to a reclassification from Research and Administration (Line N) to Line L of £3.4m in 2023-24.

Administration and Research (Line N) shows an underspend of £31.0m. Outturn under this subhead is £27.2m lower due to reclassifications from other subheads during 2023-24. The underlying underspend of £3.8m is driven by a £3.2m underspend on Core Department Estates costs (£0.6m relating to IFRS 16 lease capitalisation costs) and £0.7m relating to an underspend on IT costs.

Civil Society and Youth (line Q) shows an underspend of £15.3m of which £16.7m is attributed to the Youth Investment Fund due to a re-scoping and reprofiling of spend in line with the emerging pipeline of capital works to achieve the programme's objectives. This is partially offset by £1.5m overspend relating to Futurebuilders loans.

## Resource AME (Voted)

The voted Resource AME outturn as reported in these Accounts is £3,602.4m, which is £771.6m or 17.6% lower than provided in the Estimate.

British Broadcasting Corporation (net) (Line S) shows a non-cash related underspend of £778.2m, of which £87.8m is due to intra-group transactions between the BBC and S4C (Line V) relating to Charter payments. The underlying underspend excluding this intra-group accounting adjustment was £690.4m (2022-23: £425.4m underspend). £212.3m of the underspend relates to an unexpected tax refund in 2023-24. The remaining variance is driven by net additions/disposal movements coupled with movements in the valuation of financial instruments as well as reduced expenditure plans and higher than expected income.

Provisions, Impairments and other AME spend (Line U) shows an underspend of £56.4m which is primarily due to excess provision cover to manage the IFRS 16 lease impairment risk.

S4C (net) (Line V) shows a non-cash overspend versus budget variance of £89.1m which is mostly attributable to intra-group transactions between S4C and the BBC (Line T) relating to Charter payments (as set out above).

Provisions, Impairments and other AME spend (ALB) (net) (Line W) shows a non-cash underspend of £13.3m due to unutilised budget cover allocated to ALBs for technical accounting driven adjustments.

Levy bodies (Line Y) shows a non-cash underspend of £12.9m due to an unbudgeted surplus of levy income relative to expenditure in 2023-24 for the Horserace Betting Levy Board.

The nature of AME spend is volatile and difficult to predict. Adequate budget cover was provided at the Supplementary Estimate based on best estimates.

## Capital AME (Voted)

The voted capital AME outturn as reported in these Accounts is £497.1m, which is £392.7m, or 44.1% lower than provided in the Estimate.

British Broadcasting Corporation (net) (Line S) shows a non-cash related underspend of £231.2m. £235.7m of this underspend relates to unused headroom on commercial borrowing limits. The budget cover request was based on the prudent estimate using the full headroom available.

Channel Four Television (Line T) shows a non-cash related underspend of £160.9m. This is mainly due to unutilised cover for external borrowing. The budget cover request was based on the prudent estimate of Channel Four using the full headroom available.

## Non-voted resource and capital expenditure (AME)

This relates to the Lottery Distributing Bodies only. The non-voted resource AME expenditure and the non-voted capital AME expenditure as reported in these Accounts is £1,191.8m and £384.8m respectively.

Non-voted resource outturn on Lottery grants was £62.1m lower (2022-23: £41.1m lower) than estimated; and capital outturn was £22.9m higher (2022-23: £51.2m lower) than estimated.

The nature of Lottery grant-making is variable, demand led and makes forecasting challenging, which is recognised by its classification within the AME budget.



## Financial Review

### Trends in Total Expenditure over the last six years

The table below shows the department's outturn by budget type for current and prior years:

Type of spend	2018-19 outturn £m	2019-20 outturn £m	2020-21 outturn £m	2021-22 outturn £m	2022-23 outturn £m	2023-24 outturn £m*
<b>Voted DEL</b>						
Resource DEL Admin	206	215	220	225	283	194
Resource DEL Programme	1,453	1,475	2,892 <sup>62</sup>	1,769 <sup>62</sup>	1,859	1,498
Capital DEL	366	551	936 <sup>62</sup>	654 <sup>62</sup>	596	530
<b>Total Voted DEL</b>	<b>2,025</b>	<b>2,241</b>	<b>4,048</b>	<b>2,648</b>	<b>2,738</b>	<b>2,222</b>
Non-Voted Resource DEL Admin	-	-	-	-	-	-
<b>Total Voted and Non-Voted DEL</b>	<b>2,025</b>	<b>2,241</b>	<b>4,048</b>	<b>2,648</b>	<b>2,738</b>	<b>2,222</b>
<b>Voted AME</b>						
Resource AME	3,666 <sup>63</sup>	4,184 <sup>64</sup>	3,655	3,643	3,837	3,603
Capital AME	94	1,017 <sup>64</sup>	57	69	262	497
<b>Total Voted AME</b>	<b>3,760</b>	<b>5,201</b>	<b>3,712</b>	<b>3,712</b>	<b>4,099</b>	<b>4,100</b>
<b>Non-Voted AME</b>						
Resource AME	1,072	1,111	1,098	1,618 <sup>65</sup>	1,427	1,192
Capital AME	359	309	220	189	221	385
<b>Total Non-Voted AME</b>	<b>1,431</b>	<b>1,420</b>	<b>1,318</b>	<b>1,807</b>	<b>1,648</b>	<b>1,577</b>
<b>Total Voted and Non-Voted AME</b>	<b>5,191</b>	<b>6,621</b>	<b>5,030</b>	<b>5,519</b>	<b>5,747</b>	<b>5,677</b>
<b>Total Expenditure<sup>66</sup></b>	<b>7,216</b>	<b>8,862</b>	<b>9,078</b>	<b>8,167</b>	<b>8,485</b>	<b>7,899</b>

\* Figures rounded to nearest £m so may not round to SOPS table exactly.

The data for prior years has not been restated and hence does not reflect the changes to the data boundaries introduced in 2023-24.

<sup>62</sup> The increase in Resource and Capital DEL in 2020-21 is largely attributable to the COVID-19 support packages issued (loans and grants). These payments reduced in 2021-22.

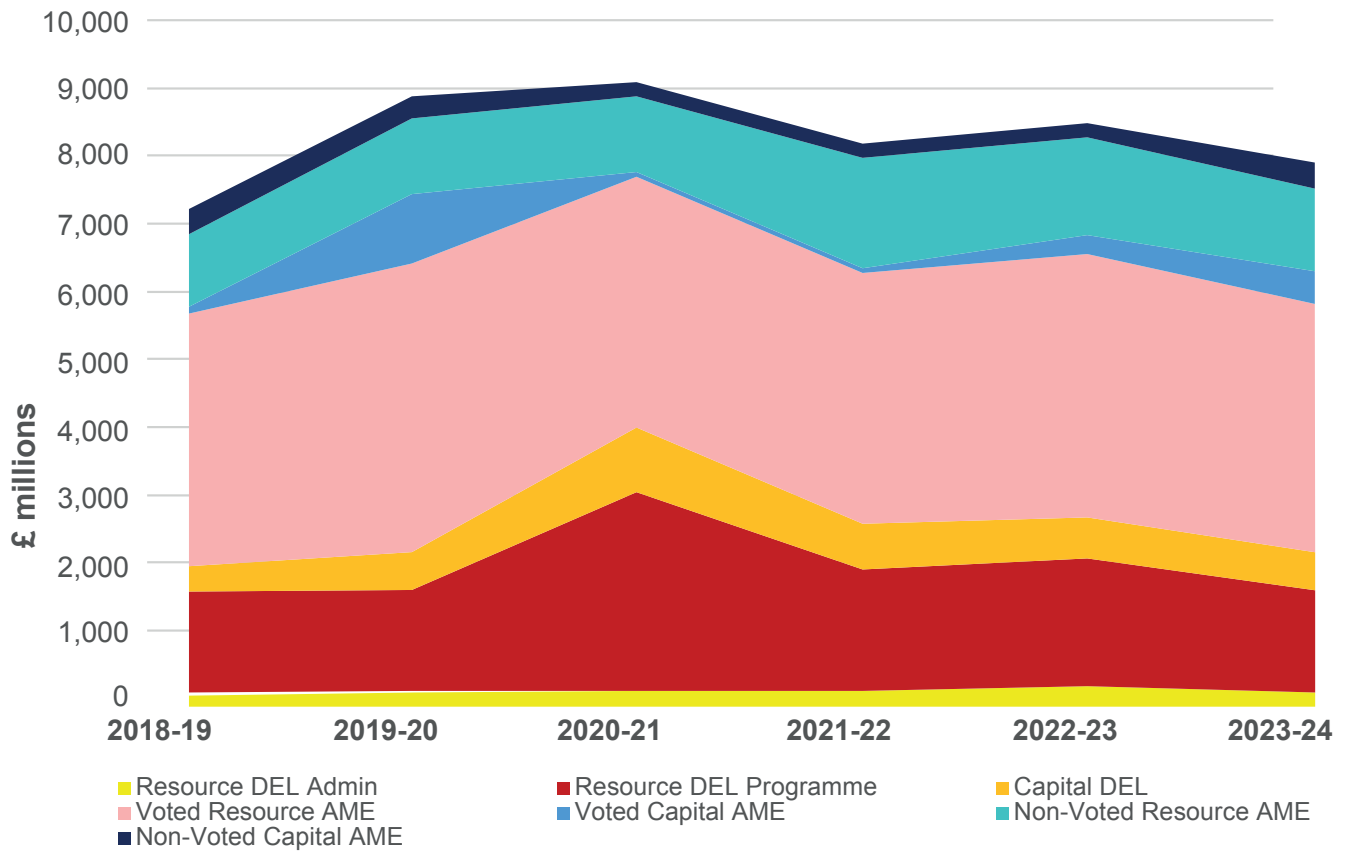
<sup>63</sup> This increase in Resource AME is largely attributable to the BBC (£320m), mainly due to the decrease in income received from DWP for over 75 TV licences, and increased expenditure relating to sports (FIFA World Cup, Commonwealth Games) and music (The Biggest Weekend, BBC Sounds).

<sup>64</sup> The increase in Resource and Capital AME is largely attributable to the implementation of IFRS 16 (BBC being a major component).

<sup>65</sup> The nature of Lottery grant making is demand led resulting in fluctuations in Resource AME.

<sup>66</sup> All figures are presented as reported in the Statement of Outturn against Parliamentary Supply in those years' accounts. They have not been adjusted for any restatements arising from non-budgetary prior period adjustments, Machinery of Government changes or errors. See Annex A Core Tables for more information on trends including the 24-25 Plans year.

**Total Voted and Non-Voted Expenditure by budget type:**



## STATEMENT OF FINANCIAL POSITION COMMENTARY

### DCMS Group Statement of Financial Position: Assets

The table below shows material asset classes included in the Statement of Financial Position. Prior years have been restated in accordance with note 29.

Statement of Financial Position	31 March 2022 £'000	31 March 2023 £'000	31 March 2024 £'000	2020-22 % of assets	2021-23 % of assets	2022-24 % of assets
<b>Assets</b>						
Property, plant and equipment*	6,497,294	6,736,453	7,129,960	38%	39%	37%
Right of use assets	1,073,345	1,230,813	1,222,982	6%	7%	6%
Heritage assets	1,631,795	1,621,263	1,851,679	9%	9%	9%
Non-current and current receivables	1,299,675	1,210,717	1,415,532	8%	7%	7%
Intangible Assets	74,045	71,569	69,558	0%	0%	0%
Inventories	265,585	245,062	224,313	2%	1%	1%
Cash and cash equivalents	3,080,755	2,838,266	2,914,718	18%	16%	15%
Other assets*	3,369,609	3,752,621	4,764,621	19%	21%	25%
<b>Total assets</b>	<b>17,292,103</b>	<b>17,706,764</b>	<b>19,593,363</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*percentages have been rounded so totals cast

#### 1. Property, plant and equipment (PPE) – Note 6

The net book value of PPE has increased by £394m since the prior year. Buildings account for 56% (31 March 2023: restated 55%) of the Departments PPE asset base and has increased by £275m in the year, primarily due to the effect of revaluations totalling £305m. This is offset by disposals and impairments.

Of the total PPE, the museums and galleries hold £5,271m (31 March 2023: £4,995m), whilst the British Library's holding is £1,016m (31 March 2023: £941m) and the BBC's holding is £485m (31 March 2023: £480m).

#### 2. Right of use assets (ROU assets) – Note 7

The net book value of this balance has decreased by £8m during the year. This was mainly due to net end of lease ('disposals') of buildings of £13m (DCMS core £8m, Imperial War Museum £3m) and a downward revaluation of buildings by £40m (BBC £40m, Royal Armouries £6m, offset by £6m upward revaluation at the National Museums Liverpool).

Of the total ROU assets, the BBC's holding is £881m (31 March 2023: £928m) whilst the museums and galleries hold £255m (31 March 2023: £210m).

### 3. Heritage assets – Note 8

The net book value of heritage assets has increased by £230m over the previous year, arising mainly from additions of £65m (of which, National Gallery £21m) and donations of £157m, (of which, £126m British Museum).

The majority of heritage assets are not depreciated as the length of their expected useful economic life is considered close to infinite. As a result, the expectation is that the value of DCMS' holding of heritage assets will continue to increase year on year. None of the objects announced as missing, damaged or stolen in 2023 from the British Museum were acquired after 2001 and therefore are not reflected in the financial statements.

In addition to the museums and galleries holding of £1,690m (31 March 2023: £1,463m), heritage assets are also held by DCMS core department, Arts Council England, the British Library and Historic England

### 4. Non-current and current receivables – Note 16

Total receivables have increased by £205m over the previous year. This is primarily due to BBC prepayments and various other movements across the ALBs. £989m (31 March 2023: £900m) of the total trade and other receivables balance also relates to the BBC.

### 5. Intangible assets – Note 9

The intangible asset balance decreased by £2m over the previous year. 71% of the intangible asset base relates to the BBC.

### 6. Inventories – Note 15

The BBC holds 89% of the group's inventories, valued at £199m (31 March 2023: £225m). This relates to programmes that either are in production or have not been aired yet.

### 7. Cash and cash equivalents – Note 17

£1,907m of the group's cash balance (31 March 2023: £1,799m) was held by Lottery Distributing Bodies (in the National Lottery Distribution Fund) and as such only available to fund lottery grants (see payables below).

Of the remaining balance, £436m relates to the BBC, £194m to the museum and galleries and £91m relates to the DCMS core department.

### 8. Other assets - Note 13

The BBC holds the majority of the Group's other assets. This primarily relates to the BBC's investments in subsidiaries of £2,702m which increased by £764m during the year, due to revaluations. The BBC's derivative balance of £344m (31 March 2023: £380m) primarily relates to the refinancing of London Broadcasting House. There are also other loans held by the BBC to its subsidiaries; the loans outstanding vary based on the borrowing requirements of public corporations.

The BBC had loans outstanding to its trading subsidiaries as at 31 March 2024 of £686.6m (31 March 2023: £343.5m).

Also included in this balance are the loan book of the Cultural Recovery Fund, Sport Survival Package and Rugby Football League emergency loans arising from COVID-19 support, held in DCMS core department. The outstanding loan amount as at 31 March 2024 was £348m (31 March 2023: £302m).



## DCMS Group Statement of Financial Position: Liabilities

The table below shows material liability classes included in the Statement of Financial Position. Prior years have been restated in accordance with note 29.

Statement of Financial Position	31 March 2022 £'000	31 March 2023 £'000	31 March 2024 £'000	2020-22 % of liabilities	2021-23 % of liabilities	2022-24 % of liabilities
<b>Liabilities</b>						
Non-current and current payables*	4,176,475	4,219,895	4,664,818	72%	69%	65%
Provisions	140,816	256,937	173,442	2%	4%	2%
Lease Liabilities	1,918,130	1,889,040	1,828,450	33%	31%	25%
Pensions	(1,017,121)	(710,345)	93,541	(17%)	(12%)	1%
Other liabilities	605,313	494,632	492,168	10%	8%	7%
<b>Total liabilities</b>	<b>5,823,613</b>	<b>6,150,159</b>	<b>7,252,419</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\* percentage has been rounded up so totals cast

### 9. Non-current and current payables – Note 18

Total trade and other payables increased by £445m, of which £350m is an increase in bank and other borrowing at the BBC from £170m to £520m.

The Lottery Distributing Bodies' grants payable are used to fund projects that may take several years to complete. Of the total current grant payables, £1,226m (31 March 2023: £1,261m) relates to the Lottery Distributing Bodies (LDBs), whilst these same bodies' share of non-current grant payables is £1,272m (31 March 2023: £1,251m). Current payables of LDBs are covered by their cash holdings (see point 7 above).

### 10. Provisions – Note 19

The provisions balance is primarily made up of the BBC provisions. At 31 March 2024, the BBC held provisions of £149m (31 March 2023: £182m).

### 11. Lease liabilities – Note 20

The main components of this balance are the BBC (£1,565m; 31 March 2023 £1,607m), Victoria and Albert Museum (£118m; 31 March 2023 £119m) and the DCMS core department (£44m; 31 March 2023 £59m restated). The £61m decrease is due to the expiry of existing leases, rental payments on existing leases and fewer new leases taken out in the year.

### 12. Pensions – Note 22

The net pension liability has moved by £804m from an asset of £710m at 31 March 2023 to a liability of £94m at 31 March 2024. The most significant component of this balance is the BBC funded pension scheme which at 31 March 2024 has an accounting deficit of £115m (31 March 2023: accounting surplus of £702m).

### 13. Other liabilities (including contract liabilities) – Note 21

The balance (£484m) relates almost entirely to the BBC's derivatives portfolio, arising from the refinancing of London Broadcasting House.

## PARLIAMENTARY ACCOUNTABILITY DISCLOSURES

Regularity of expenditure (this section is subject to audit).

### Losses

	Core department		Departmental group	
	Cases	Amount	Cases	Amount
	No.	£'000	No.	£'000
2023-24	-	-	372	1,932
2022-23 restated	24	82	152	1,051

There were no individual losses incurred in excess of £300,000 in 2023-24 (2022-23: none).

In August 2023, the British Museum announced the launch of an independent review after around 2,000 items from the collection were found to be missing, stolen or damaged. A member of staff was dismissed, and the Metropolitan Police confirmed that they were investigating the matter and working closely with the Museum.

As well as interrogating what happened, the Museum launched a Recovery Programme aimed at returning as many items as possible. This programme team has worked with an international panel of experts, and their work has already led to more than 600 items being returned.

Comparative figures have been re-stated to reflect the Machinery of Government Changes (See note 1.34 Machinery of Government Changes).

### Special Payments

	Core department		Departmental group	
	Cases	Amount	Cases	Amount
	No.	£'000	No.	£'000
2023-24	-	-	31	972
2022-23	-	-	22	283

There were no individual special payments in excess of £300,000 for 2023-24 (2022-23: none).

### Gifts

There were no gifts made by the group that were in excess of £300,000 for 2023-24 or 2022-23.

The Government Art Collection (GAC) received a pledge of a gift in 2018-19 of £500,000 from Sybil Robson Orr and Matthew Orr, which will be paid over a number of years. This is to be used to fund the 10Ten Project which is a collaboration between the GAC and Outset Contemporary Art Fund through which a British artist will be commissioned to create a unique image to become a limited edition print of 30, 15 of which will be accessioned to the GAC. From the remaining 15 prints, 11 will be available for purchase via Outset Contemporary Art Fund to support GAC acquisitions. 2023-24 marked the sixth year of this partnership project.

The British Film Institute received donated goods and services of £2.1m for the London Film Festival 2023, including £740,000 of Media Partnership value from 'Ocean Outdoor' who provide the cylindrical wrap advertisements for the BFI IMAX, and a further £347,000 of Media Partnership value from Attitude Magazine for the BFI Flare: London LGBTIQ+ Film Festival.

## Remote contingent liabilities

### Remote contingent liabilities arising through financial guarantees, indemnities and letters of comfort – Quantifiable

Details of contingent liabilities as defined by IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* are included in the financial accounts (see note 24).

In addition, the department has entered into the following quantifiable guarantees or indemnities. None of these are contingent liabilities 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, details of these costs are reproduced in the table below.

	1 April 2023	Increase/ (Decrease) in year	Liabilities crystallised in year	Obligation expired in year	31 March 2024	Amount reported to Parliament by Departmental Minute
	£m	£m	£m	£m	£m	£m
<b>Guarantees</b>						
Borrowing facility for Historic Royal Palaces	4.0	-	-	-	4.0	4.0
<b>Indemnities</b>						
Government Indemnity Scheme	10,392.2	(3,384.1)	-	-	7,008.1	7,008.1
Artworks on loan from the Royal Collection	253.8	165.1	-	-	418.9	418.9
Artworks on loan to the Government Art Collection	2.0	(0.3)	-	-	1.7	-
<b>Totals</b>	<b>10,652.0</b>	<b>(3,219.3)</b>	<b>-</b>	<b>-</b>	<b>7,432.7</b>	<b>7,431.0</b>

#### *Guarantees*

The £4m guarantee for Historic Royal Palaces (HRP) in the table above is available until 19 January 2027 and HRP will only enter into borrowing facilities at such times and within such monetary limits that the department shall agree.

#### *Indemnities*

The Government Indemnity Scheme (GIS) indemnifies lenders to museums, galleries and other institutions in the UK when mounting exhibitions or taking long-term loans for either study or display. It is a statutory liability totalling £7.0bn (2023: £10.4bn).

The change in contingent liabilities arising from these indemnity schemes is driven by the number and value of the works of art on loan and those on long term loan, which changes from year to year.

The GIS indemnities reported here exclude loans to Scottish and Welsh museums, the indemnities for which are issued in the name of the Scottish and Welsh Ministers respectively.

There are also non-statutory liabilities for indemnities granted in respect of works of art on loan from the Royal Collection totalling £418.9m (31 March 2023: £253.8m). The main increase relates to a high value Michelangelo exhibition at the British Museum.

The Royal Undertakings reported here are to English and Northern Ireland (NI) national and non-national museums. There are no Royal loans to Scottish and Welsh non-national Museums. It excludes Royal loans to Scottish and Welsh national Museums.

There is also an indemnity scheme amounting to £1.7m for items on loan to the Government Art Collection (31 March 2023: £2.0m).

#### *British Library*

The Library has a maximum remote contingent liability of £2.5m to cover items on loan from other organisations for inclusion in exhibitions. £2.5m is the full value of all the items so the worst case if there was damage to all items.

### *Gambling Commission*

There are remote contingent liabilities of £0.2m as at 31 March 2024 (31 March 2023: £0.3m) which relate to legal costs.

### **Unquantifiable remote contingent liabilities**

The group has entered into the following unquantifiable contingent liabilities by offering guarantees, indemnities or by giving letters of comfort. None of these are 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 Delivery Authority (ODA)*

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 30 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 and there is no certainty repossession will happen.
- 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. Lee Valley Regional Park Authority (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.

#### *Jubilee Gardens*

The department has given an indemnity to Arts Council England and the Southbank Centre Limited with respect to certain liabilities owed by Shirayama Shokusan Company Limited (SSCL), the owners of County Hall. This indemnity covers any costs to be incurred by SSCL in replacing Jubilee Gardens should SSCL make use of their sub-soil lease beneath the Garden to build an underground car park. SSCL 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.

#### *Hague Convention and Cultural Property (Armed Conflicts) Act 2017*

The government has ratified the 1954 Hague Convention for the Protection of Cultural Property in the Event of Armed Conflict and accede to its two Protocols. The Cultural Property (Armed Conflicts) Act 2017 created a number of new criminal offences in domestic law to enable the UK to ratify the Convention and accede to the Protocols. The offences include a serious breach of the Second Protocol, unauthorised use of the Cultural Emblem and the offence of dealing in unlawfully exported cultural property. The department has an unquantifiable contingent liability for the additional costs related to imprisonment and legal costs incurred by the Ministry of Justice for prosecutions brought solely under this new legislation. The department also has an unquantifiable contingent liability for any costs it may be



required to cover relating to compensation which may be payable to buyers of 'good faith' that forfeit any cultural property.

### *The Royal Parks historic liabilities*

On 15 March 2017, an agreement to manage the Royal Parks was signed between The Royal Parks Limited and the Secretary of State setting out the elements transferred from The Royal Parks Agency (TRPA) and additional obligations and arrangements. Under the terms of the agreement, the core Department retains responsibility for the cost of historic liabilities of TRPA for 10 years.

### **Fees and Charges**

In 2023-24 the department was due no fees and charges. In 2022-23 the department collected £2.9m of fee income from applications to the Production Restart Scheme. Registration for the Scheme closed on 1 May 2022, and registered productions had until 30 September 2022 to submit claims for eligible losses incurred up to 30 June 2022. In 2022-23 the department collected £2.1m of fee income from the Live Events Reinsurance Scheme. Both of these schemes have closed and no further fees will be received. The core department did not provide any other services for which it charges fees to the general public.

### **Signed and approved**

**Susannah Storey**  
**Accounting Officer and Permanent Secretary**  
12th November 2024

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

## Opinion on financial statements

I certify that I have audited the financial statements of the Department for Culture, Media and Sport (the Department) and of its Departmental Group for the year ended 31 March 2024 under the Government Resources and Accounts Act 2000. The Departmental Group consists of the Department and the bodies designated for inclusion under the Government Resources and Accounts Act 2000 (Estimates and Accounts) (Amendment) Order 2023.

The financial statements comprise the Department's and the Departmental Group's:

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statements of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Department and the Departmental Group's affairs as at 31 March 2024 and their net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2024 and shows that those totals have not been exceeded; and
- the income and expenditure 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.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the Department and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

The framework of authorities described in the table below has been considered in the context of my opinion on regularity.

<b>Framework of authorities</b>	
Authorising legislation	Government Resources and Accounts Act 2000
Parliamentary authorities	Supply and Appropriations Act
HM Treasury and related authorities	Managing Public Money

## **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the Department and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Department or its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Department and its Group is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## **Overview of my audit approach**

### **Key audit matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

This is not a complete list of all risks identified through the course of my audit but only those areas that had the greatest effect on my overall audit strategy, allocation of resources and direction of effort. I have not, for example, included information relating to the work I have performed around management override of controls and fraud in revenue recognition, two areas where my work has not identified any matters to report.

The key audit matters were discussed with the Audit and Risk Assurance Committee.

## Key audit matter - Consolidation process [Departmental Group]

### Description of risk

The Departmental Group financial statements consist of financial information from the core Department and, in 2023-24 after the machinery of government changes, 37 additional components. Approximately half of the ALBs in the Departmental Group do not prepare their own accounts on the same basis as the Department, using HM Treasury's Government Financial Reporting Manual. Some ALBs prepare their accounts under UK adopted international accounting standards, without adaptation by the Government Financial Reporting Manual (such as the BBC), and the Museums and Galleries prepare their own accounts using the Charities Statement of Recommended Practice (Charities SORP).

There is significant risk of material misstatement in aligning the Departmental Group's financial statements with the Government Financial Reporting Manual. The process for alignment and consolidation requires substantial manual input by the ALBs and the Department, and many areas where management judgement is required or where there is estimation uncertainty. The consolidation is a multi-stage process with a high volume and value of intra-group transactions between ALBs and with the Department, adding to the risk of material misstatement.

### How the scope of my audit responded to the risk

I obtained assurances from component auditors regarding the completeness and accuracy of each significant and material ALBs' consolidation packs (which contain alignment adjustments) used to prepare the Departmental Group financial statements. I assessed the design and implementation of the process and controls in respect of the department's consolidation process and I reperformed the consolidation, using a bespoke application, to ensure it was complete and accurate based on the underlying consolidation packs. My group audit team both tested, and directed component auditors to provide assurances over, the intragroup eliminations, alignment adjustments and other group level journals to ensure they were appropriate, complete and accurate.

I also ensured the disclosures in the Departmental Group financial statements are complete, accurate and understandable.

### Key observations

In the course of completing this work, I did not identify any material misstatements from the consolidation of component financial information into the Departmental Group financial statements.

## Key audit matter - Valuation of Property [Departmental Group]

### Description of risk

The valuation of the Departmental Group's owned and leasehold land and buildings as at 31 March 2024 is £6,637 million (£6,424 million (restated) 31 March 2023) - refer to notes 6 and 7.

Under the HM Treasury's Government Financial Reporting Manual, the Departmental Group financial statements should include owned and leasehold property at its current value. As such, property used as part of the Departmental Group's operations should be valued at current value in existing use at each reporting date. The Departmental Group's accounting policy is to complete full valuations on a quinquennial basis, supplemented by indexation or other forms of desktop valuation in intervening years.

The Departmental Group has several ALBs such as the Tate Gallery, British Museum and Historic England with a large range of buildings used, for example, as museums, galleries, libraries, storing and managing access to heritage assets, as well as sports centres. The majority of buildings are specialised for which there is no readily ascertainable market value for their existing use. For specialised assets, under the Government Financial Reporting Manual, current value in existing use is interpreted as the

cost of replacing that asset with its modern equivalent less some deductions (including for physical deterioration).

Additionally, the BBC group accounts at 31 March 2024 have £1,462 million leasehold land and buildings, as well as £123m of owned property, held at historic cost. Adjustments are required to include these BBC properties at current value in the Departmental Group financial statements. The BBC's property is valued for group purposes using either a market value (comparable/capitalised rental) approach or depreciated replacement cost for specialised property.

Market value and depreciated replacement cost measurements are judgmental and require the Department and its ALBs to source specialist valuation expertise. The large range and value of owned and leased land and buildings within the Departmental Group financial statements increases the risk of material misstatement due to:

- potentially inappropriate assumptions and methodology used in management's property valuations, for example the estimated future rental potential;
- potentially inaccurate data used in the calculation of property valuations, for example internal floor areas;
- potential errors in the model used to calculate the value of property; and
- the disclosure of estimation uncertainty within property valuations not being sufficient or accurate.

#### **How the scope of my audit responded to the risk**

I assessed the Department's review of the basis for property valuations across the Departmental Group.

I instructed, reviewed and challenged component auditors of ALB's with significant property and right of use asset balances to:

- review ALBs' use of experts to prepare property valuations, including the competence and reliability of the valuer;
- confirm the validity and appropriateness of the ALBs experts' assumptions and the data inputs used, for example internal floor areas where relevant to the valuation; and
- use auditor experts, where relevant, to test and confirm the ALBs' valuations.

I have also engaged an auditor's expert to review and challenge the valuation of BBC property for inclusion in the Departmental Group accounts.

I have reviewed the ALB consolidation packs to confirm that the ALB property valuations have been completely and accurately included in the Departmental Group accounts. This included a review of the workings for significant alignment adjustments including for the BBC properties.

#### **Key observations**

In the course of completing this work, I did not identify any material misstatements in the valuation of property.



# Key audit matter - Valuation of lease liabilities [Departmental Group]

## Description of risk

The valuation of the Departmental Group's lease liabilities as at 31 March 2024 is £1,828 million (£1,889 million restated 31 March 2023) - refer to note 20.

I identified risks around the method, model, data and assumptions used in calculating the value of the lease liabilities in respect of more complex leases in the Departmental Group, in particular those held by the BBC. The BBC's property portfolio includes several complex leasing arrangements which requires judgements over purchase options, lease terms and discount rates in the calculation of lease liabilities. Inappropriate assumptions or judgements could lead to material misstatement in the values of lease liabilities as well as assets.

International accounting standards require the remeasurement of the value of lease liabilities where lease contracts are subject to certain modifications, such as changes to the underlying assets within the scope of a lease, the lease term or payments. In addition, the Department and its ALBs need to reassess the valuation of lease liabilities where there has been a change to material judgements underpinning the valuation. For example, whether a purchase option will be exercised by the entity or when there are changes in the value of lease payments based on clauses included in the original contract. There is a risk that not all ALBs, particularly those who do not use international accounting standards as a basis for their own accounts, revalue their lease liabilities where relevant.

## How the scope of my audit responded to the risk

I have instructed relevant component auditors, who have significant leases, to provide assurances over the lease valuations, including that balances have been accurately included in the Departmental consolidation.

Specifically, we have instructed that component auditors have:

- where leasing arrangements are material to the Departmental Group, assessed the design and implementation of controls over lease accounting, reviewed management's assessment of significant judgements and underlying assumptions underpinning the valuation of lease liabilities and corroborated them to key contractual information and other evidence to confirm whether these were appropriate, and confirmed the impact of lease modifications made in-year on existing lease asset and liability valuations.

In addition, as group auditor I have:

- Instructed, reviewed and challenged component auditors' work over lease liabilities and asset balances to assess compliance with accounting standards, accounting models, assumptions, and agreed data inputs to lease agreements.
- confirmed that the corresponding right of use asset valuations have been brought in completely and accurately into the Departmental Group financial statements; and
- reviewed the disclosures made in the Departmental Group financial statements to confirm these were in accordance with the Government Financial Reporting Manual and provided sufficient transparency and understanding of lease arrangements.

## Key observations

In the course of completing this work, I did not identify any material misstatements in the valuation of lease liabilities.

## Key audit matter - Valuation and disclosure of defined benefit pension scheme assets and liabilities [Departmental Group]

### Description of risk

As detailed in note 22 of the financial statements, at 31 March 2024, the net value of the pension liability on the Departmental Group balance sheet was £94 million (£710 million net pensions asset restated 31 March 2023). This is made up of £14,484 million total liabilities and £14,390 million total assets. Most of the pension assets and liabilities relate to the funded BBC scheme (assets of £13,776 million and liabilities of £13,890 million), although owing to several ALBs' total share of the Local Government Pension Scheme (LGPS), which is also material to the Departmental Group accounts. The valuation of both pension assets and liabilities requires a significant level of judgement and specialist expertise, e.g. actuarial expertise for the liabilities.

For pension assets, this presents a risk that the fund assets have been valued inappropriately, in particular, harder to value assets such as directly held investments and pooled investment assets. For pension liabilities, I identified risks around the method, model, data and assumptions used in estimating the value of these liabilities, as well as the sufficiency and accuracy of the related disclosures. I have considered this a key audit matter as the valuation of the pension assets and liabilities is highly sensitive to small changes in assumptions such as the discount rate or mortality assumptions, which if unreasonable, would lead to material misstatement in the Departmental Group accounts.

### How the scope of my audit responded to the risk

I instructed, reviewed and challenged the work of component auditors to obtain assurance over the pension valuation of the relevant ALBs. Work I reviewed, undertaken by component auditors, included:

- understanding the BBC's pension scheme and assessing the processes and controls used by management;
- understanding LGPS arrangements and assessing the processes and controls used by management;
- using actuarial experts, assessing the reasonableness of key assumptions in determining the pension schemes' liabilities;
- assessing the nature and appropriateness of BBC and LGPS context specific assumptions;
- assessing the expertise and independence of the BBC's and LGPS' actuaries;
- taking assurance from the work of the BBC Pension Scheme and LGPS auditors in relation to the valuation of scheme assets; and
- testing data inputs used in determining the valuations, including employer contributions and schemes membership data.

I also tested the accounting entries recognised in the relevant ALBs' consolidation packs to the underlying work performed by the BBC's and LGPS' actuaries. I have confirmed that the disclosures in the Departmental Group financial statements are materially accurate and complete, including the uncertainties in the schemes' valuations, as well as being consistent with the ALB consolidation packs.

### Key observations

In the course of completing this work, I did not identify any material misstatements in the valuation of pension assets or liabilities.

# Key audit matter - BBC financial statement audit risks [Departmental Group]

## Description of risk

The BBC's Public Service Broadcasting element, BBC Commercial Limited and its direct subsidiary holding companies, is a significant component of the Departmental Group. Many areas of the Departmental Group accounts are dominated by the BBC's results. As group auditor, I therefore review the financial statement audit risks identified by the BBC auditors to determine whether they also represented significant risk for the Departmental Group audit.

In addition to the presumed risks of fraud in revenue recognition and management override of controls, I consider the following BBC audit risks to be a key audit matter for the Departmental Group:

- the BBC's portfolio of complex derivative financial instruments. I have identified risks around the method, model, data and assumptions used in estimating the fair value of the derivative assets and liabilities as well as the sufficiency and accuracy of the related disclosures;
- accounting for programme related assets. There are two categories of programme assets:
  - Acquired rights, including sports rights, are subject to judgements around classification and amortisation; and
  - Internally generated programmes are subject to judgements around classification between expenditure and inventory based on the production and broadcast status, and judgements on potential impairment.
- the valuation of BBC property lease liabilities and assets; and
- the valuation of the BBC defined pension scheme asset and liability.

In 2023-24, the BBC implemented a number of digital and IT changes such as a new purchase to pay solution with the migration of data and processing to a new cloud platform.

## How the scope of my audit responded to the risk

I reviewed the work completed by the Department to be provided assurance over the BBC consolidation pack, including its completeness and the adjustments made within it. I reviewed my BBC component audit team's judgements in respect of complex derivative financial instruments and the valuation of pension assets and liabilities. This included considering any advice the BBC and the component auditors received from specialist experts, the validity of assumptions used, the appropriateness of indices applied and reviewing the accuracy of calculations.

I confirmed my BBC component audit team's review of the programme asset valuation policy as a key accounting judgement and that substantive testing of a sample of programme assets provides sufficient, appropriate assurance for the Departmental Group accounts. I also confirmed that my BBC component audit team has completed appropriate walkthroughs of the process for valuing programme assets and have evaluated the BBC's approach to managing production costs and identifying indicators of impairment.

I reviewed my BBC component auditor's substantive testing of costs held as inventory and those released to expenditure. I also confirmed that the BBC and the BBC component auditors have considered whether there are potential indicators of impairment of programme assets.

I reviewed my BBC component audit team's judgements over the BBC's valuation of its leasehold property assets and liabilities, as well as its defined pension scheme assets and liabilities. This included reviewing the work of the BBC's experts used in the valuation process as well as my BBC component audit team's use of auditor experts to assist the audit of these valuations.

I also reviewed my BBC component audit team's evaluation and conclusions over the BBC's IT system changes, including their use of internal IT audit specialists. Their work included:

- reviewing project governance, decision making, user acceptance testing and access controls;
- assessing the impact of these IT changes on the purchase to pay processes and controls; and
- performing substantive procedures on the migration of data to ensure that the migration of financial statement information is complete.

### Key observations

In the course of completing this work, I did not identify any material misstatements relating to the BBC financial statement risks.

## Key audit matter - Valuation of BBC Commercial Subsidiaries [Departmental Group]

### Description of risk

BBC Commercial Limited and its direct subsidiary holding companies are classified as Central Government by the Office for National Statistics (ONS) and are therefore consolidated on a line-by-line basis in the Departmental Group accounts. BBC Commercial Limited's direct subsidiaries have been classified by the ONS as public corporations and in accordance with the Government Financial Reporting Manual are accounted for as a financial asset at fair value in the Departmental Group accounts. The valuation of the 'Investment in BBC public corporations' financial asset in the Departmental Group financial statements (refer to note 13) is £2,702 million as at 31 March 2024 (£1,938 million 31 March 2023). The significant increase in the valuation of the investment in 2023-24 was due to the BBC's acquisition of ITV plc's 50% stake in Britbox International and other digital streaming services, as well as an increase in expected production deliveries. These factors are expected to increase the BBC's future commercial revenue.

The same subsidiaries are reported differently in the BBC group accounts (which reports under UK adopted international accounting standards), where each subsidiary's financial statements are consolidated on a line-by-line basis into the Departmental Group. There are several significant adjustments required to present a fair valuation of the 'Investment in BBC public corporations' financial asset in the Departmental Group financial statements. The fair value estimate placed on the subsidiaries classified as public corporations is based on discounted future revenue cashflow forecasts. Where an estimate is provided, but there is material uncertainty around it, this would need to be adequately disclosed in the financial statements.

The fair value of the 'Investment in BBC public corporations' financial asset is much greater than my Departmental Group financial statements materiality. Therefore, there is a significant risk of material misstatement if the methodology used for the fair value calculations, the associated assumptions, or the underlying data, which needs to be updated for current business and economic developments, are unreasonable.

The Departmental Group financial statements are certified after the BBC group accounts; therefore the Department assesses relevant events after the reporting period date for their potential impact on the 'Investment in BBC public corporations' valuation and/or related disclosures in the Departmental Group financial statements.



## How the scope of my audit responded to the risk

I assessed the work completed by the Department to be provided assurance over the BBC Commercial Limited subsidiaries valuation model, assumptions and inputs. I reviewed the valuation as at 31 March 2024. Additionally, I have, with input from the BBC component audit team, confirmed and assessed:

- The accounting treatment and its accordance with IFRS 9;
- The skills and experience of the internal experts at the BBC who prepare the model;
- That the assumptions used in the valuation and the updated cash flow projections underlying the valuation model are reasonable;
- The integrity of the model and underlying source data; and
- Post balance sheet events (including economic conditions and BBC's interim results where available) that may impact the BBC's cashflow forecasts underpinning the valuation and/or the disclosures in the Departmental Group accounts.

My group audit team instructed, reviewed and assessed the BBC component auditor's work in challenging the significant increase in the valuation of BBC Commercial Limited subsidiaries. This included:

- comparing expected cashflow contributions to the buy-case scenario prepared for acquisition of Britbox International and other digital streaming service entities. This work has also considered the reasonability of BBC's investment plans; and
- agreeing the expected increases in production deliveries to signed contracts and pipeline reports.

### Key observations

In the course of completing this work, I did not identify any material misstatements in the valuation of the 'Investment in BBC public corporations'.

## Key audit matter - Regularity of grant expenditure [Departmental Group]

### Description of risk

As is detailed in note 4.2 of the financial statements, the Departmental Group incurred £2,695 million of grant expenditure in 2023-24 (£5,495 restated million 2022-23). The value of grant expenditure, which includes grants awarded by ALBs such as the National Lottery Community Fund, Arts Council England, Sport England and Historic England (but excludes prize money awarded by HBLB) is material to the Departmental Group financial statements.

There is a material risk of irregular expenditure where grants may not be spent by grant recipients in accordance with grant terms and conditions; therefore, the expenditure is not applied to the purposes intended by Parliament. There is also potential for:

- fraud by grant recipients; and
- ALBs not demonstrating effective oversight and monitoring of grant programmes.

This risk is recognised as significant on most grant-giving bodies audits within the Departmental Group and, therefore, has been recognised as a key audit matter for my audit of the Departmental Group financial statements, due to the value of the grants awarded.

### How the scope of my audit responded to the risk

In addressing the risk over regularity of grants, I have instructed, reviewed and challenged the work of component auditors.

Work I reviewed, where I placed reliance on component auditors, include such procedures as:

- assessment of design and implementation of controls over grant expenditure.
- testing a sample of awards, variations and payments across the full financial year to confirm whether grant making procedures have been followed and that grants have been correctly recorded in the financial statements; and
- review of the authorisations for grant and for subsequent payment of grants, to confirm the controls over regularity and accuracy as designed are working appropriately.

I reviewed and challenged the other assurances from component auditors over the regularity of grant expenditure, including the use of funding and the oversight and monitoring of grant programmes by the ALBs.

### Key observations

In the course of completing this work, I did not identify any material irregular transactions in grant expenditure

## Application of materiality

### Materiality

I applied the concept of materiality in both planning and performing my audit, and in evaluating the effect of misstatements on my audit and on the financial statements. This approach recognises that financial statements are rarely absolutely correct, and that an audit is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement or irregularity. A matter is material if its omission or misstatement would, in the judgement of the auditor, reasonably influence the decisions of users of the financial statements.

Based on my professional judgement, I determined overall materiality for the Department and its group's

financial statements as a whole as follows:

	Departmental Group	Department
<b>Materiality</b>	£85.6 million	£58.1 million
<b>Basis for determining materiality</b>	1% of gross expenditure of £8.6 billion (£9.2 billion restated in 2022-23)	1% of gross expenditure of £5.8 billion (£6.2 billion restated in 2022-23)
<b>Rationale for the benchmark applied</b>	<p>I have identified gross expenditure as the appropriate benchmark. As well as the BBC's broadcasting and media operations, the Departmental Group's main activities include the preservation of culture and heritage of the nation and encouraging participation in arts and sports through grant expenditure. Expenditure on performing these functions across its sectors is of relatively high interest to the users of the accounts and it is voted on by Parliament through the supply process.</p> <p>I also considered whether gross assets should be used as a materiality basis, particularly given the Departmental Group's focus on preserving heritage, including the land and buildings and other heritage assets included in the Departmental Group financial statements. However, many Departmental Group assets are heritage assets valued either at historic cost or nil value (by agreed accounting convention). Therefore, the asset valuations included in the Departmental Group financial statements are unlikely to reflect all of the intrinsic value users place on such assets (such as accessibility to the public) and the government's strategy for managing these assets is not primarily informed by the valuations included in the Departmental Group financial statement.</p>	<p>I have identified gross expenditure as the appropriate benchmark. As well as determining policy across its sectors, the main function of the core Department is to govern and oversee the delivery and outcomes of 38 components within the Departmental Group.</p> <p>The Department issued £5.3 billion Grant-in-aid (GiA) in 2023-24 (£5.7 billion restated in 2022-23) to ALBs which drives the activities of the rest of the Departmental Group. GiA is 91% of the core Department's expenditure. Expenditure on performing these functions is of most interest to the users of the accounts.</p> <p>I also considered gross assets as a materiality basis for the Department but, as for the Departmental group, I concluded that asset valuations included in the Department's financial statements are unlikely to reflect the full intrinsic value of the assets to the users of the accounts.</p>

## Performance Materiality

I set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality of the financial statements as a whole. Group performance materiality was set at 65% of Group materiality for the 2023-24 audit. In determining performance materiality, I have considered both the overall control environment and the uncorrected misstatements identified in the previous period.

## Other Materiality Considerations

Apart from matters that are material by value (quantitative materiality), there are certain matters that are material by their very nature and would influence the decisions of users if not corrected. Such an example is any errors reported in the comparative figures in the financial statements. Assessment of such matters needs to have regard to the nature of the misstatement and the applicable legal and reporting framework, as well as the size of the misstatement.

I applied the same concept of materiality to my audit of regularity. In planning and performing my audit work to support my opinion on regularity and in evaluating the impact of any irregular transactions, I considered both quantitative and qualitative aspects that would reasonably influence the decisions of users of the financial statements.

## Error Reporting Threshold

I agreed with the Audit and Risk Assurance Committee that I would report to it all uncorrected misstatements identified through my audit in excess of £300,000, as well as differences below this threshold that in my view warranted reporting on qualitative grounds. I also report to the Audit and Risk Assurance Committee on disclosure matters that I identified when assessing the overall presentation of the financial statements.

The net effect of unadjusted audit differences reported to the Audit and Risk Assurance Committee on the Group's Statement of Financial Position and Statement of Comprehensive Net expenditure is £1.671 million.

## Audit scope

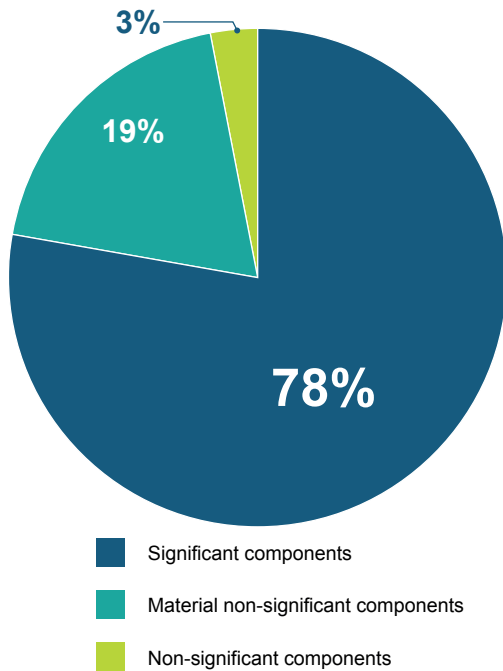
The scope of my Group audit was determined by obtaining an understanding of the Department and its Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

The Departmental group consists of the Core Department and 37 components. The BBC and the core Department are significant components to the Departmental Group financial statements on account of their size and risk profile. A further eight components have also been classed as significant on account of their contributions to various key audit matters recognised above, notably, the valuation of property and the regularity of grant expenditure. To increase my coverage over Group assets as well as expenditure, I have also recognised a further 14 components as material. The remaining Group components are all non-significant by both size and activity.

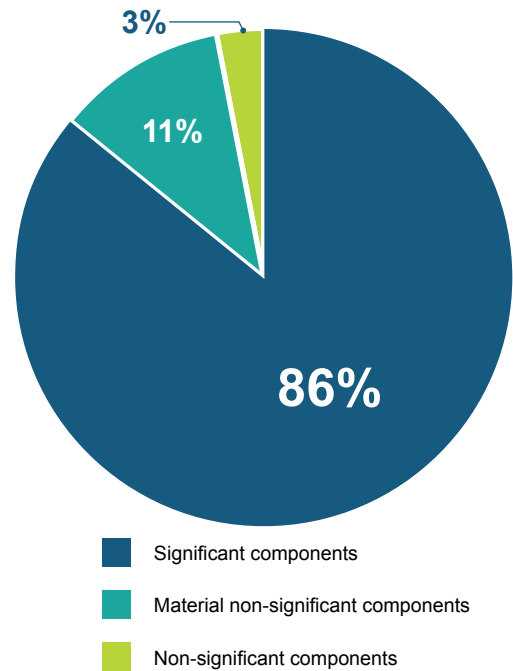
<b>Significant components</b>	<b>Material components</b>	<b>Non-significant components</b>
Arts Council England Exchequer	Arts Council England Lottery	British Film Institute Lottery
British Broadcasting Corporation	British Film Institute Exchequer	Churches Conservation Trust
National Lottery Community Fund	British Tourist Authority	Gambling Commission
British Library	Historic England	Museum of the Home
British Museum	Horse Race Betting Levy Board	Horniman Museum
DCMS Core	Imperial War Museum	National Citizen Service Trust
Natural History Museum	National Gallery	National Heritage Memorial Fund
Science Museum	National Lottery Heritage Fund	Royal Armouries Museum
Tate Gallery	National Maritime Museum	S4C
Victoria and Albert Museum	National Museums Liverpool	Sir John Soane's Museum
	National Portrait Gallery	Sports Grounds Safety Authority
	Sport England Exchequer	UK Anti-Doping
	Sport England Lottery	UK Sport Lottery
	UK Sport Exchequer	Wallace Collection



Gross assets of components of the DCMS group  
(As at 31 March 2024)



Gross expenditure of components of the DCMS group  
(As at 31 March 2024)



As part of the Group audit, the Group audit team were involved in the key planning and continuous risk assessment for the significant components. The group audit team also obtained access to all workpapers relating to the significant risks that were relevant at a Group level, including all relevant regularity work.

The Group audit team were also involved in continuous risk assessment of all material components and similarly obtained access to all workpapers relating to the significant risks that were relevant at a Group level.

For both significant and material components, specific assurances were sought and received from component auditors over the completeness and accuracy of the consolidation packs used by the Department to prepare the Departmental Group accounts.

The Statement of Outturn against Parliamentary Supply (SOPS) was audited through reconciliation of all disclosures back to underlying records that were audited. I also assessed the likelihood of management override through procedures seeking to identify any amendments which would avoid a breach of parliamentary control totals. This work covered substantially all of the Group's assets and expenditure, and together with the procedures performed at Group level, gave me the evidence I needed for my opinion on the Group financial statements as a whole.

## Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard

## Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## Matters on which I report by exception

In the light of the knowledge and understanding of the Department and its Group and their environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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 by the Department and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration Report and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Department and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the Annual Report, which includes the Remuneration Report and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing the Department and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Department and its Group will not continue to do so in the future.

## **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud**

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

### **Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud**

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Department and its Group's accounting policies.
- inquired of management, internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Department and its Group's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Department and its Group's controls relating to the Department's compliance with the Government Resources and Accounts Act 2000, Managing Public Money and the Supply and Appropriation (Main Estimates) Act 2023;
- inquired of management, internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team including significant component audit teams and the relevant internal and external specialists, including for property, pensions and financial instruments, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Department and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates and the regularity of grant expenditure. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Department and Group's framework of authority and other legal and regulatory frameworks in which the Department and Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Department and its Group. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2023, employment law and tax legislation.

### **Audit response to identified risk**

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Assurance Committee and legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I addressed the risk of fraud in revenue recognition by assessing the appropriateness of any rebuttals of the risk made at component level by component auditors over material sources of revenue to the group; instructed component auditors to perform testing to confirm whether there is material fraud in revenue recognition in the group accounts; and instructed component auditors to test adjustments to revenue in the consolidation packs used to prepare the Departmental Group financial statements; and
- I confirmed that the Department and Departmental Group has reasonable assurance that grant

expenditure has, in all material respects, been used for the purposes intended by Parliament.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

### **Other auditor's responsibilities**

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against 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 required to obtain sufficient appropriate audit evidence 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

### **Report**

I have no observations to make on these financial statements.

**Gareth Davies**  
**Comptroller and Auditor General**

**Date: 15 November 2024**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP



# PRIMARY STATEMENTS

## Consolidated Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

	Note	2023-24		Restated 2022-23	
		Core department	Departmental group	Core department	Departmental group
		£'000	£'000	£'000	£'000
Staff costs	3	72,109	2,051,905	71,288	1,996,772
Grants and subsidies to sponsored bodies	4.1	5,298,013	1,088	5,657,132	1,233
Other grants	4.2	310,939	2,780,286	201,190	2,588,256
Purchase of goods and services	4.3	56,120	438,335	42,056	701,078
Depreciation, amortisation, impairment charges and expected credit loss adjustments	4.4	(24,828)	346,691	47,319	389,164
Provisions expense	4.5	-	46,793	(3,823)	153,141
Finance cost	4.6	789	53,166	226	54,998
Other operating expenditure	4.6	99,458	2,847,933	158,150	3,354,857
<b>Total operating expenditure</b>		<b>5,812,600</b>	<b>8,566,197</b>	<b>6,173,538</b>	<b>9,239,499</b>
Income from contracts with customers	5.1	(49,427)	(582,648)	(54,473)	(637,772)
Current grant income	5.1	(106,320)	(234,144)	(104,033)	(215,819)
Other operating income	5.2	(55,498)	(2,553,315)	(44,721)	(2,469,963)
<b>Total operating income</b>		<b>(211,245)</b>	<b>(3,370,107)</b>	<b>(203,227)</b>	<b>(3,323,554)</b>
<b>Net expenditure for the year</b>		<b>5,601,355</b>	<b>5,196,090</b>	<b>5,970,311</b>	<b>5,915,945</b>
<b>Other comprehensive net expenditure</b>					
Items which will not be reclassified to net operating expenditure:					
Net (gain)/loss on:					
- revaluation of property, plant & equipment, intangible assets, heritage assets and right of use assets		-	(339,520)	-	(432,588)
- pension remeasurements	22.1	-	902,294	-	389,367
Items which may be reclassified to net operating expenditure:					
Net (gain)/loss on:					
- impairments		-	5,702	-	40,562
- other revaluations including financial assets through OCI		-	(776,761)	-	(159,964)
<b>Total other comprehensive net expenditure</b>		<b>-</b>	<b>(208,285)</b>	<b>-</b>	<b>(162,623)</b>
<b>Total comprehensive expenditure for the period</b>		<b>5,601,355</b>	<b>4,987,805</b>	<b>5,970,311</b>	<b>5,753,322</b>

Comparative figures have been restated to reflect the Machinery of Government Changes (See note 1.34 Machinery of Government Changes and Note 29 for the impact of the changes on the Consolidated Statement of Comprehensive Net Expenditure).

All operations relate to continuing activities.

The notes on pages 147 to 231 form part of these accounts.

## Consolidated Statement of Financial Position as at 31 March 2024

	Note	31 March 2024		Restated 31 March 2023		Restated 1 April 2022	
		Core department	Departmental group	Core department	Departmental group	Core department	Departmental group
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Non-current assets</b>							
Property, plant & equipment	6	34,549	7,129,960	38,354	6,736,453	28,103	6,497,294
Right of use assets	7	31,598	1,222,982	37,636	1,230,813	41,345	1,073,345
Heritage assets	8	18,236	1,851,679	17,534	1,621,263	17,149	1,631,795
Intangible assets	9	-	69,558	88	71,569	507	74,045
Investment properties	10	-	33,828	-	31,968	-	28,126
Trade and other receivables*	16	-	253,563	-	237,826	-	226,942
Investments in associates and joint ventures	12	-	25,463	-	32,814	-	33,283
Other financial assets	13	366,048	3,930,188	338,594	3,133,297	371,828	2,965,654
<b>Total non-current assets</b>		<b>450,431</b>	<b>14,517,221</b>	<b>432,206</b>	<b>13,096,003</b>	<b>458,932</b>	<b>12,530,484</b>
<b>Current assets</b>							
Assets classified as held for sale	0	-	-	-	3,600	-	3,600
Contract assets		-	1,013	-	499	-	18,775
Inventories	15	-	224,313	-	245,062	-	265,585
Trade and other receivables*	16	126,047	1,161,969	35,846	972,891	51,938	1,072,733
Other financial assets	13	18,133	774,129	23,276	550,443	12,095	320,171
Cash and cash equivalents	17	91,412	2,914,718	67,924	2,838,266	195,598	3,080,755
<b>Total current assets</b>		<b>235,592</b>	<b>5,076,142</b>	<b>127,046</b>	<b>4,610,761</b>	<b>259,631</b>	<b>4,761,619</b>
<b>Total assets</b>		<b>686,023</b>	<b>19,593,363</b>	<b>559,252</b>	<b>17,706,764</b>	<b>718,563</b>	<b>17,292,103</b>
<b>Current liabilities</b>							
Trade and other payables	18	(236,747)	(2,799,338)	(264,800)	(2,750,795)	(283,763)	(2,755,581)
Contract liabilities		-	(1,689)	-	(3,262)	-	(20,222)
Provisions	19	-	(54,780)	-	(115,025)	(3,823)	(74,499)
Lease liabilities	20	(2,946)	(131,543)	(5,321)	(126,806)	3,825	(108,915)
Other financial liabilities	21	-	(4,056)	-	(7,546)	-	(2,206)
<b>Total current liabilities</b>		<b>(239,693)</b>	<b>(2,991,406)</b>	<b>(270,121)</b>	<b>(3,003,434)</b>	<b>(283,761)</b>	<b>(2,961,423)</b>
<b>Non-current assets plus/(less) net current assets/liabilities</b>		<b>446,330</b>	<b>16,601,957</b>	<b>289,131</b>	<b>14,703,330</b>	<b>434,802</b>	<b>14,330,680</b>

\* Includes expected credit loss.

## Consolidated Statement of Financial Position (continued)

	Note	31 March 2024		Restated 31 March 2023		Restated 1 April 2022	
		Core department	Departmental group	Core department	Departmental group	Core department	Departmental group
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Non-current liabilities</b>							
Trade and other payables	18	-	(1,865,480)	-	(1,469,100)	-	(1,420,894)
Provisions	19	-	(118,662)	-	(141,912)	-	(66,317)
Lease liabilities	20	(40,883)	(1,696,907)	(53,246)	(1,762,234)	(68,123)	(1,809,215)
Other financial liabilities	21		(486,423)	-	(483,824)	-	(582,885)
Net retirement benefit obligations	22	-	(93,541)	-	710,345	-	1,017,121
<b>Total non-current liabilities</b>		<b>(40,883)</b>	<b>(4,261,013)</b>	<b>(53,246)</b>	<b>(3,146,725)</b>	<b>(68,123)</b>	<b>(2,862,190)</b>
<b>Total assets less liabilities</b>		<b>405,447</b>	<b>12,340,944</b>	<b>235,885</b>	<b>11,556,605</b>	<b>366,679</b>	<b>11,468,490</b>
<b>Taxpayers' equity and other reserves</b>							
<b>Taxpayers' funds</b>							
General fund	SoCTE	371,724	3,242,375	191,244	3,945,313	322,038	4,685,531
Revaluation reserve	SoCTE	33,723	2,935,477	44,641	2,191,278	44,641	1,798,735
<b>Total taxpayers' equity</b>		<b>405,447</b>	<b>6,177,852</b>	<b>235,885</b>	<b>6,136,591</b>	<b>366,679</b>	<b>6,484,266</b>
Lottery funds	SoCTE	-	(666,940)	-	(790,675)	-	(904,141)
Charity funds	SoCTE	-	6,830,032	-	6,210,689	-	5,888,365
<b>Total reserves</b>	SoCTE	<b>405,447</b>	<b>12,340,944</b>	<b>235,885</b>	<b>11,556,605</b>	<b>366,679</b>	<b>11,468,490</b>

Comparative figures have been restated to reflect the Machinery of Government Changes (See note 1.34 Machinery of Government Changes and Note 29 for the impact of the changes on the Consolidated Statement of Financial Position).

**Susannah Storey (Accounting Officer)**

12th November 2024

The notes on pages 147 to 231 form part of these accounts.

## Consolidated Statement of Cash Flows for the year ended 31 March 2024

	Note	2023-24		Restated 2022-23	
		Core department & agency	Departmental group	Core department	Departmental group
		£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net expenditure	SoCNE	(5,601,355)	(5,196,090)	(5,970,311)	(5,915,945)
Adjustments for non-cash expenditure - purchase of goods and services	4.3	620	620	560	560
Adjustments for non-cash expenditure - depreciation, amortisation, impairment charges and expected credit loss adjustments	4.4	(24,828)	346,691	47,319	389,164
Adjustments for non-cash expenditure - provisions expense	4.5	-	46,793	(3,823)	153,141
Adjustments for non-cash expenditure - other operating expenditure	4.6	(5,100)	33,876	73	38,651
Adjustments for non-cash expenditure - other grants	4.2	-	-	(5,652)	(3,548)
Adjustments for non-cash other operating income	5.2	(20,051)	(225,421)	(20,162)	(102,184)
Adjustments for non-cash pension costs		-	(71,601)	-	(60,699)
Reserves released to net expenditure		-	11	-	1,683
Adjustment for items shown in other sections of cash flow		(219)	(108,905)	(513)	(170,720)
(Increase)/decrease in inventories	15	-	20,749	-	20,523
Movements in inventories not passing through the SoCNE	15	-	(71)	-	-
(Increase)/decrease in trade and other receivables	16	(90,201)	(205,169)	16,092	88,842
Movements in receivables not passing through the SoCNE		(6,414)	-	(9,131)	70
Movements in bad debt provision		(42)	376	-	518
(Increase)/decrease in contract assets		-	(510)	-	18,276
Increase/(decrease) in trade payables	18	(28,053)	444,923	(18,963)	43,420
Increase/(decrease) in contract liabilities		-	(1,573)	-	(16,960)
Movements in payables not passing through the SoCNE		108,720	109,860	27,003	26,076
Utilisation of provisions	19	-	(130,288)	-	(37,020)
Prior period adjustment	SoCTE	1,456	2,619	(421,162)	(421,162)
<b>Payments for unfunded pensions</b>	<b>22</b>	<b>-</b>	<b>(217)</b>	<b>-</b>	<b>(217)</b>
<b>Net cash outflow from operating activities</b>		<b>(5,665,467)</b>	<b>(4,933,327)</b>	<b>(6,358,670)</b>	<b>(5,947,531)</b>
Cash flows from investing activities					
Purchase of property, plant & equipment		(3,422)	(388,946)	(33,399)	(292,316)
Purchase of investment property		-	(154)	-	(149)
Purchase of intangible assets		(2)	(20,595)	-	(15,262)
Purchase of financial assets		(11,101)	(414,372)	(3,606)	(378,823)
Repayments and disposals of financial assets		40,820	176,503	11,226	61,882
Interest and dividend income	5.2	1,001	159,123	721	223,408
<b>Net cash inflow/(outflow) from investing activities</b>		<b>27,296</b>	<b>(488,441)</b>	<b>(25,058)</b>	<b>(401,260)</b>

## Consolidated Statement of Cash Flows (continued)

	Note	2023-24		2022-23	
		Core department	Departmental group	Core department	Departmental group
		£'000	£'000	£'000	£'000
<b>Cash flows from financing activities</b>					
From the Consolidated Fund (supply) - current year	SoCTE	5,680,054	5,680,054	6,306,160	6,306,160
Payment of lease liabilities		(6,089)	(161,618)	(5,974)	(154,575)
Increase in financial liabilities		-	302	-	7,980
Repayments of financial liabilities		-	(1,800)	-	-
<b>Net cash inflow from financing activities</b>		<b>5,673,965</b>	<b>5,516,938</b>	<b>6,300,186</b>	<b>6,159,565</b>
<b>Cash transferred in/(out) of the Group</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>		<b>35,792</b>	<b>95,170</b>	<b>(83,542)</b>	<b>(189,226)</b>
<b>Cash flow from non-financing activities</b>					
Receipts due to the Consolidated Fund which are outside the scope of the department's activities		18,011	11,597	31,403	22,272
Payments of amounts to the Consolidated Fund		(30,315)	(30,315)	(75,535)	(75,535)
<b>Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>		<b>23,488</b>	<b>76,452</b>	<b>(127,674)</b>	<b>(242,489)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>17</b>	<b>67,924</b>	<b>2,838,266</b>	<b>195,598</b>	<b>3,080,755</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>17</b>	<b>91,412</b>	<b>2,914,718</b>	<b>67,924</b>	<b>2,838,266</b>

Comparative figures have been restated to reflect the Machinery of Government Changes (See note 1.34 Machinery of Government Changes).

There was no balance outstanding to the Contingencies Fund as at 31 March 2023 or 31 March 2024.

The notes on pages 147 to 231 form part of these accounts.



## Statement of Changes in Taxpayers' Equity (core department) for the year ended 31 March 2024

	Note	Core department		
		General fund	Revaluation reserve	Total reserves
		£'000	£'000	£'000
<b>Balance at 1 April 2022</b>		<b>(256,215)</b>	<b>(44,641)</b>	<b>(300,856)</b>
Prior period adjustments	29	(65,823)	-	<b>(65,823)</b>
<b>Restated balance at 1 April 2022</b>		<b>(322,038)</b>	<b>(44,641)</b>	<b>(366,679)</b>
Net parliamentary funding - drawn down		(6,306,160)	-	<b>(6,306,160)</b>
Net parliamentary funding - deemed supply		(175,745)	-	<b>(175,745)</b>
Supply payable/(receivable) adjustment	18	178,653	-	<b>178,653</b>
CFERs payable to the Consolidated Fund	SOPS 4.1	43,133	-	<b>43,133</b>
Net expenditure for the year	SoCNE	5,970,311	-	<b>5,970,311</b>
<b>Non-cash adjustments:</b>				
Auditors' remuneration	4.3	(560)	-	<b>(560)</b>
<b>Movements in reserves:</b>				
Other movements		421,162	-	<b>421,162</b>
<b>Restated balance at 31 March 2023</b>		<b>(191,244)</b>	<b>(44,641)</b>	<b>(235,885)</b>
Net parliamentary funding - drawn down		(5,680,054)	-	<b>(5,680,054)</b>
Net parliamentary funding - deemed supply		(178,653)	-	<b>(178,653)</b>
Supply payable/(receivable) adjustment	18	88,771	-	<b>88,771</b>
CFERs payable to the Consolidated Fund	SOPS 4.1	1,095	-	<b>1,095</b>
Net expenditure for the year	SoCNE	5,601,355	-	<b>5,601,355</b>
<b>Non-cash adjustments:</b>				
Auditors' remuneration	4.3	(620)	-	<b>(620)</b>
<b>Movements in reserves:</b>				
Transfers (in)/out of boundary		-	-	-
Transfers between reserves		(10,918)	10,918	-
Transfer to SoCNE		-	-	-
Other movements		(1,456)	-	<b>(1,456)</b>
<b>Balance at 31 March 2024</b>		<b>(371,724)</b>	<b>(33,723)</b>	<b>(405,447)</b>

Comparative figures have been restated to reflect the Machinery of Government Changes (See note 1.34 Machinery of Government Changes).

The notes on pages 147 to 231 form part of these accounts.

## Consolidated Statement of Changes in Taxpayers' Equity departmental group for the year ended 31 March 2024

	Note	Departmental group					
		General fund	Revaluation reserve	Total taxpayers' equity	Lottery funds	Charity funds	Total reserves
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2022</b>		<b>(4,665,027)</b>	<b>(1,798,735)</b>	<b>(6,463,762)</b>	<b>904,141</b>	<b>(5,888,365)</b>	<b>(11,447,986)</b>
Prior period adjustments	29	(20,504)	-	(20,504)	-	-	(20,504)
<b>Restated balance at 1 April 2022</b>		<b>(4,685,531)</b>	<b>(1,798,735)</b>	<b>(6,484,266)</b>	<b>904,141</b>	<b>(5,888,365)</b>	<b>(11,468,490)</b>
Net parliamentary funding - drawn down		(6,306,160)	-	(6,306,160)	-	-	(6,306,160)
Net parliamentary funding - deemed supply		(175,745)	-	(175,745)	-	-	(175,745)
Supply payable/(receivable) adjustment	18	178,653	-	178,653	-	-	178,653
CFERs payable to the Consolidated Fund	SOPS 4.1	43,133	-	43,133	-	-	43,133
Net expenditure for the year	SoCNE	6,057,344	-	6,057,344	(54,592)	(86,807)	5,915,945
<b>Non-cash adjustments:</b>							
Auditors' remuneration	4.3	(560)	-	(560)	-	-	(560)
<b>Movements in reserves:</b>							
Other comprehensive net expenditure	SoCNE	524,852	(393,881)	130,971	(59,009)	(234,585)	(162,623)
Transfers between reserves		(1,338)	1,338	-	-	-	-
Transfer to SoCNE		-	-	-	-	(1,683)	(1,683)
Other movements		420,039	-	420,039	135	751	420,925
<b>Restated balance at 31 March 2023</b>		<b>(3,945,313)</b>	<b>(2,191,278)</b>	<b>(6,136,591)</b>	<b>790,675</b>	<b>(6,210,689)</b>	<b>(11,556,605)</b>
Net parliamentary funding - drawn down		(5,680,054)	-	(5,680,054)	-	-	(5,680,054)
Net parliamentary funding - deemed supply		(178,653)	-	(178,653)	-	-	(178,653)
Supply payable/(receivable) adjustment	18	88,771	-	88,771	-	-	88,771
CFERs payable to the Consolidated Fund	SOPS 4.1	1,095	-	1,095	-	-	1,095
Net expenditure for the year	SoCNE	5,579,663	-	5,579,663	(134,591)	(248,982)	5,196,090
<b>Non-cash adjustments:</b>							
Auditors' remuneration	4.3	(620)	-	(620)	-	-	(620)
<b>Movements in reserves:</b>							
Other comprehensive net expenditure	SoCNE	906,152	(756,709)	149,443	10,593	(368,321)	(208,285)
Transfers (in)/out of boundary		-	-	-	-	-	-
Transfers between reserves		(12,510)	12,510	-	-	-	-
Transfer to SoCNE		-	-	-	-	(11)	(11)
Other adjustments		-	-	-	-	1	1
Other movements		(906)	-	(906)	263	(2,030)	(2,673)
<b>Balance at 31 March 2024</b>		<b>(3,242,375)</b>	<b>(2,935,477)</b>	<b>(6,177,852)</b>	<b>666,940</b>	<b>(6,830,032)</b>	<b>(12,340,944)</b>

The notes on pages 147 to 231 form part of these accounts. Prior year comparatives have been restated as explained in note 29.

## NOTES

### 1. Statement of accounting policies

#### 1.1 Basis of Preparation

These accounts have been prepared in accordance with the 2023-24 Government Financial Reporting Manual (FReM) and Accounts Direction issued by HM Treasury under section 6(4) of the Government Resources and Accounts Act 2000. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

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 and the arm's 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.

#### 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 Basis of Consolidation

The group accounts comprise a consolidation of the core department and the arm's 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.

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

A list of all the ALBs within the departmental boundary, and included in the group results (along with the department), is included in note 28.

#### British Broadcasting Corporation (BBC)

The elements of the BBC's results consolidated in these accounts (sometimes referred to here as BBC Public Service Broadcasting) are those that have been classified by the Office of National Statistics as being part of central government. This includes:

- the public sector broadcasting elements that are funded by the Exchequer through the Grant-in-aid mechanism (where the amount is based on TV Licence Fees collected).
- The Office for National Statistics have classified the BBC Pension Scheme as a pension administrator in the public pension fund subsector, and the BBC as the pension manager within central government. As such, the pension liabilities and assets held by the scheme will be attributed to central government, therefore the whole scheme is consolidated in these accounts.
- BBC Commercial Limited and its direct subsidiary holding companies.

#### 1.4 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 the FReM, it has been concluded as appropriate to adopt the going concern basis of preparation for these accounts.

## 1.5 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.

### *Other 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 1.25), depending on the timing of the payment and the terms of the grant.

Grants payable are recognised when the criteria for a constructive obligation are met, payment is probable, values can be measured reliably and there are no conditions attached to its payment that limit its recognition.

Where grant awards which have met recognition criteria have not been paid out in full at year end, a liability is made to reflect any portion of the grant which is payable.

Where grants are paid in advance, a prepayment is recognised and released to expenditure when the criteria for a constructive obligation are met.

Grant awards that have been made but have not yet met the recognition criteria are recognised as provisions where the cash outflow is probable, or as contingent liabilities.

## 1.6 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. These are reported in the parliamentary accountability and audit report section of the annual report and accounts.

## 1.7 Operating income and revenue from contracts with customers

Operating income relates to the operating activities of the group and includes both budgetary and non-budgetary income. It is recognised in accordance with the FReM and IFRS 15 *Revenue from contracts with customers*. Non-budgetary income is outside the ambit of the group budget. More details are included in SOPS 4 in the primary statements of the annual report and accounts.

Operating income is stated net of VAT. The major categories of operating income include lottery income, fees for licences including broadcast licences, donations (in the form of cash or assets), gifts in kind, and non-governmental grants.

### *Grants received by entities within the group*

Grant funding, in respect of capital and revenue expenditure, is credited to the Consolidated Statement of Comprehensive Net Expenditure (SoCNE) 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, including the satisfaction of performance conditions.

### *Revenue from contracts with customers*

IFRS 15 was adopted with effect from 1 April 2018.

Main categories of revenue from contracts with customers are 'goods and services', 'rental income', 'fees, charges and duties', 'levies', 'royalties' and 'charity income – sponsorships and trading'.

Revenue from contracts with customers is measured at the fair value of consideration received or

receivable (transaction price) and comprises primarily of fees and charges for services rendered, levy money collected in accordance with legislation and sponsorship and trading arrangements. Income is recognised either when the performance obligation in the contract has been performed ('point in time') or 'over time' as control of the performance obligation is transferred to the customer. A performance obligation must meet one of the three criteria in IFRS 15 *Revenue from contracts with customers* - to meet the 'over time' recognition. The default category, if none of these criteria are met, is the 'point in time' recognition. Further details on the category of income recognition for each type of income stream can be found below:

#### Goods and services

- As noted in note 5.1, this is largely BBC revenue relating to broadcasting services, being content and format sales, production income and subscription fees.
- These income streams are measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Income recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer.
- Content and format sales are recognised on the later of the licence period start date or when the associated programme has been delivered. Further information on when content and format sales, production income, and subscription fees are recognised are included within note B of the BBC's accounts, including whether these meet the 'over time' or 'point in time' recognition.

#### Fees, charges and duties

- As noted in note 5.1, there are largely amounts whereby under statute or HM Treasury consent, an entity is permitted to retain the revenue from taxation, fines and penalties. This revenue is treated as arising from a contract and accounted for under IFRS 15.
- Revenue is recognised for these as they fall due. The revenue largely meets the 'at a point in time' criteria of the performance obligations as there are not multiple 'over time' points for these type of revenue streams.

#### *Use of estimates and judgements – income recognition*

The major estimates and judgements for income recognition for revenue from contracts with customers relate to the BBC. The complexity of individual contractual terms may require the BBC to make judgements in assessing when the triggers for income recognition have been met, particularly whether the BBC has sufficiently fulfilled its obligations under the contract to allow income to be recognised. Further information is included within note B of the BBC's 2023-24 accounts.

#### *Contract assets and liabilities*

Contract assets are recorded when the right to consideration in exchange for goods or services that have been transferred to a customer is conditional on something other than the passage of time, for example the entity's future performance.

Contract liabilities are recorded when an obligation is created to transfer goods or services to a customer, for which the entity has received consideration (or the amount is due) from the customer, but the goods or services have yet to be transferred.

Both contract assets and liabilities as defined by IFRS 15 *Revenue from contracts with customers* are immaterial to DCMS.

### **1.8 Property, plant and equipment**

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

Freehold land and buildings are revalued to fair value every five years on a rolling basis, using professional valuations. In the intervening periods, the value of land and buildings are updated annually using appropriate indices. 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) Red Book.

All other tangible assets (non-property) are carried at fair value using values or applying appropriate indices, where material. Some ALBs have used depreciated historic cost as a proxy for fair value on short life/low value assets where 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.

The policy on heritage assets is disclosed in note 1.10.

The policy on right of use assets is disclosed in note 1.23.

### *Capitalisation thresholds*

The thresholds across the group range from £1k to £10k (including irrecoverable VAT). The core department's capitalisation threshold is £2k.

## **1.9 Depreciation and amortisation**

PPE, intangibles and right of use assets are depreciated to estimated residual values over the following estimated useful lives:

- |  |   |
|--|---|
| ● 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 for internally generated assets; the licence period for purchased licences; or the period of expected income streams for income generating assets |

The depreciation method used provides a realistic reflection of the consumption of that asset. Depreciation methods, estimated useful lives, and residual values are reviewed at each reporting date.

## **1.10 Heritage assets**

Heritage assets are tangible assets with historical, artistic, scientific, technological, geophysical and/or environmental qualities that are held and maintained principally for their contribution to knowledge and culture and as such are intended to be preserved in trust for future generations. Heritage assets held by the group consist of historic artefacts and archives, works of art, collection items, historic land and buildings.

Operational heritage assets (mainly comprising 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 included at cost or at valuation 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. Changes in heritage asset valuations are recognised in the Other Comprehensive Expenditure section of the SoCNE. Impairment losses are

recorded separately.

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 31 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. As valuation is not practical, the group have therefore only capitalised assets acquired since 1 April 2001.

### **1.11 Donated assets**

Donated assets are capitalised at fair value on receipt, and this value is credited to the SoCNE. 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 SoCNE at the value to the group where this can be quantified.

### **1.12 Intangible non-current assets**

In accordance with the FReM, all intangible assets are carried at current value in existing use. Intangible assets held by the group mainly relate to software licences. 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.

### **1.13 Revaluation and impairment of non-current assets**

Assets are revalued to current value in existing use and increases in value are credited to the revaluation reserve, unless it is a reversal of a previous impairment. Reversals are credited to the SoCNE 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 charged to the revaluation reserve up to the level of depreciated historical cost. Any excess downward revaluation is charged to the SoCNE. 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 revaluation reserve to the general fund.

Impairment losses that result from a clear consumption of economic benefit are taken directly to the SoCNE. 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 SoCNE.

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 its value in use.

### **1.14 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 desktop reviews carried out in intervening periods. Gains or losses arising in fair value of investment property are recognised in the SoCNE.

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 (SoFP). The lease revenue is recognised over the term of the lease on a straight-line basis in the SoCNE.

### **1.15 Investments in subsidiaries**

Investments in subsidiaries that have been (or are expected to be) classified by the Office for National Statistics as public corporations are stated at fair value in accordance with the FReM. Where the fair value is not available, an appropriate proxy is used e.g. net assets of the subsidiary or a discounted cash flow valuation.

#### *Valuation of BBC Commercial Limited's public corporations*

The fair value placed on those subsidiaries of BBC Commercial Limited, classified as public corporations, are based on a discounted cash flow model which relies on estimated cash flow projections and judgements about long term growth and the discount rate used. Further details on the methodology used can be found in note 11.5.1.

### **1.16 Research and development**

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

- it is technically feasible to complete the intangible item so that it will be available for use
- the group intends to complete the intangible item and use it
- there is an ability to use the intangible item
- it can be demonstrated how the development expenditure will generate future service potential
- adequate technical, financial and other resources to complete the development and to use the intangible item are available
- the expenditure attributable to the intangible item during its development can be reliably measured.

Other development expenditure that does not meet these criteria is 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 SoCNE in the period in which it is incurred.

### **1.17 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, provided a sale is expected to be completed within one year of the reporting date and the asset is reclassified as an asset held for sale. Such assets are disclosed separately in the SoFP 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.

### **1.18 Inventories**

Inventories are valued at the lower of cost or net realisable value. Inventories of finished goods and goods for resale are valued at the lower of cost, or, where materially different, current replacement cost. 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.

The Public Broadcasting Authorities' inventories 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 not transmitted, 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 costs are defined as payments made or due to production companies or programme suppliers.

### **1.19 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.

### **1.20 Financial instruments**

Financial instruments include all contractual arrangements to deliver or receive cash. Therefore, they include trade receivables, trade 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 group holds various derivative and non-derivative financial instruments, including assets such as trade investments and liabilities such as borrowings.

IFRS 9 *Financial Instruments* was adopted with effect from 1 April 2018. In accordance with IFRS 9, each financial asset is classified at initial recognition, or at the point of first adoption of IFRS 9, into one of three categories:

- i. Financial assets at Fair Value Through Profit or Loss (“FVTPL”)
- ii. Financial assets at Fair Value Through Other Comprehensive Income (“FVOCI”)
- iii. Financial assets at amortised cost

*Each financial liability is classified into one of two categories:*

- iv. Financial liabilities at FVTPL
- v. Financial liabilities at amortised cost

The classification of each financial asset is determined by the business model for the asset and cash flows linked with the asset.

The accounting policy for major categories of financial instruments upon IFRS 9 adoption is set out below. For each category income is recognised when party to the contract and is derecognised when the asset or liability has expired or been transferred.

For more information see note 11 – Financial Instruments.

#### **1.20.1 Financial assets**

*Financial assets classified as fair value through the Statement of Comprehensive Net Expenditure*

Any gains or losses on the fair value of an investment are recorded within operating income in the SoCNE, including any downward revaluations.

*Assets classified as FVOCI - equity investments*

These include all investment funds and equities - unless they are classed as assets held for trading – and also include investments in subsidiaries (see also note 1.15). These assets have been elected to

be held at FVOCI as they are not held for trading. They are included in non-current assets unless the group intends to dispose of, or realise, the investment within 12 months of the SoFP date. They are stated at their fair value with gains and losses (including any downward revaluations) recognised in other comprehensive net expenditure, except dividend income which is recognised in the SoCNE.

On disposal, the cumulative gain or loss previously recognised in other comprehensive net expenditure is reclassified from the revaluation reserve to the general fund.

#### *Amortised cost assets*

Amortised cost assets are recognised initially at fair value and subsequently measured at amortised cost, on the basis that they are only held to collect contractual cash flows on specified dates that contain payments of principal and interest. An allowance for estimated impairment is based on the expected credit loss model. Changes in the carrying amount of the allowance are recognised in the SoCNE.

#### *Amortised cost assets - impairments*

The group has a forward-looking 'expected loss' impairment model for amortised cost assets. This model requires the use of lifetime expected credit loss provision for all significant financial assets held at amortised cost. These provisions are based on an assessment of risk of default on material financial assets or groups of financial assets at the SoFP date. The assessment uses historical data, professional fund manager assistance (where appropriate), and macroeconomic assessments to review the likelihood of default on amortised cost financial assets. 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 there is a likelihood of default, 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.

### **1.20.2 Financial liabilities**

#### *Trade and other payables*

Long term trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### **1.21 Derivative financial instruments**

The group does not enter into speculative derivative contracts; however, some derivative financial instruments are used to manage the group's exposure to fluctuations in interest rates (interest rate swaps, caps and collars) and foreign currency exchange rates (foreign currency forwards contracts and currency options).

Derivative financial instruments are initially recognised at fair value and are subsequently measured at fair value at the SoFP date with movements recorded in the SoCNE.

The fair value of interest rate swaps, caps and collars is the estimated amount that the group would receive or pay to terminate the swap, cap or collar at the SoFP date, taking into account current interest rates, the current creditworthiness of the swap, cap or collar, counterparties, and the creditworthiness of the group.

The fair value of foreign currency forward contract rates is determined using forward exchange rates at the SoFP date.

### **1.22 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 SoFP date.



## 1.23 Leases

Leases are accounted for under IFRS 16 *Leases* since its implementation from 1 April 2019.

### *Assumptions*

The definition of a contract is expanded to include intra-UK government agreements where non-performance may not be enforceable by law. This includes, for example, Memorandum of Terms of Occupation (MOTO) agreements.

The group has expanded the definition of a lease to include arrangements with £nil consideration. Peppercorn leases are examples of these, and they are defined by HMT as lease payments significantly below market value. These assets are fair valued on initial recognition. Any differences between the lease liability and the right of use asset for new leases after implementation of IFRS 16, are recorded as capital grant in kind income in the SoCNE.

The group has elected not to recognise right of use assets and lease liabilities for the following leases:

- intangible assets
- non-lease components of contracts where applicable
- low value assets (these are determined to be in line with capitalisation thresholds on PPE, except vehicles which have been deemed to not be of low value)
- leases with a lease term of 12 months or less.

### *Policy applicable from 1 April 2019*

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time. This includes assets for which there is no consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- the contract involves the use of an identified asset
- the group has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use
- the group has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of the relative standalone prices.

The group assesses whether it is reasonably certain to exercise break options or extension options at the lease commencement date. The group reassesses this if there are significant events or changes in circumstances that were not anticipated.

### *As a lessee*

#### *Right of use assets*

The group recognises a right of use asset and lease liability at the commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease.

The right of use assets are subsequently measured at either fair value or current value in existing use, in line with PPE assets. The cost measurement model in IFRS 16 is used as an appropriate proxy for current value in existing use or fair value for the majority of leases, except for those which meet one or both of the following:

- a longer-term lease that has no provisions to update lease payments for market conditions or if there is a significant period of time between those updates
- the fair value or current value in existing use of the underlying asset is likely to fluctuate significantly due to changes in market prices.

The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of PPE assets.

The group applies IAS 36 *Impairment of Assets* to determine whether the right of use asset is impaired and to account for any impairment loss identified.

### *Lease liabilities*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that cannot be readily determined, the rate provided by HMT. For the BBC we use other discount rates that more accurately represent the BBC's incremental borrowing as allowed by IFRS 16 application guidance.

When measuring lease liabilities, the group discounted lease payments uses rates within the range 0.03% to 58.01%.

The lease payment is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in the group's estimates of the amount expected to be payable under a residual value guarantee, or if the group changes its assessment of whether it will exercise a purchase, extension or termination option.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the group is reasonably certain not to terminate early.

When the lease liability is remeasured, a corresponding adjustment is made to the right of use asset or recorded in the SoCNE, if the carrying amount of the right of use asset is £nil.

The group presents right of use assets that do not meet the definition of investment properties per IAS 40 *Investment properties* as right of use assets on the SoFP. The lease liabilities are included within lease liabilities within current and non-current liabilities on the SoFP.

### *As a lessor*

When the group acts as a lessor, it determines at lease inception whether each lease is a finance or operating lease.

To classify each lease, the group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not then it is an operating lease.

When the group is the intermediate lessor, it accounts for its interest in the head lease and the sublease separately. If a head lease is a short-term lease to which the group applies the exemption above, then the sublease classifies as an operating lease.

The group recognises lease payments under operating leases as income on a straight-line basis over the length of the lease terms.

## **1.24 Retirement benefit obligations**

### **1.24.1 Funded pension schemes**

A number of ALBs participate in defined benefit pension schemes as described in note 22. A defined benefit plan is a post-employment based on length of service and pensionable pay. The net obligation in respect of these defined benefit pension 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 that they occur through other comprehensive net expenditure. The most significant funded defined benefit scheme in the group is operated by the BBC.

#### *BBC pension scheme*

The BBC operates a number of defined benefit plans for employees (closed to new employees from 1 January 2012), which provide 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 the fund in advance of members' retirement.

### **1.24.2 Unfunded pension schemes**

A number of employees of the department and some of the ALBs are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS), as described in the staff report section of the annual report.

The PCSPS is an unfunded multi-employer defined benefit scheme. The participating bodies make contributions based on rates that are set to meet the cost of the benefits accruing during the reporting period, to be paid when the member retires, and not the benefits paid during this period to existing pensioners. 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 SoCNE in accordance with actuarial recommendations, so as to spread the cost of the pensions over the employees' expected working lives.

### **1.24.3 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 retired early, by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The total cost was provided for in full when the early departure programme was announced and remains binding on the group.

### **1.24.4 Other unfunded defined benefit pension schemes**

The employees of some ALBs are members of other unfunded defined benefit pension schemes. Employer contributions to the defined benefit schemes are charged to the SoCNE in the period to which they relate.

## **1.25 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).

The discount rates applicable in the 2023-24 accounts are: short-term rate (between 0 and up to and including 5 years): 0.47% per annum; medium-term rate (after 5 and up to and including 10 years): 0.70% per annum; and long-term rate (exceeding 10 years): 0.95% per annum. Each year, the financing charges in the SoCNE include the adjustments to unwind one year's discount so that liabilities are shown at current price level.

## 1.26 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*

In accordance with IAS 12 *Income Taxes*, 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 SoCNE, 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.

## 1.27 Reserves

The Consolidated Statement of Taxpayers' Equity comprises the reserves for the core department, and the group.

These reserves include:

- the general fund reserve representing 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 reflecting the unrealised balance of the cumulative indexation and revaluation adjustments to assets (other than donated assets, assets funded by grants, and assets held in charity or lottery funds)
- the lottery funds being the total reserves of the lottery distributors within the group. As these are presented after elimination of intercompany transactions, they will not agree back to the individual ALB accounts. The lottery funds comprise the general fund and revaluation reserve held by the lottery distributors. 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 being 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 (including any designated reserves), 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.

## 1.28 Segmental reporting

Operating segments are reported 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 Executive Board.

The segmental analysis in note 2 presents the financial information based on the structure reported to

the Board. The segments reflect the operational structure within the department.

### **1.29 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 group does not have a direct beneficial interest in them.

### **1.30 Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and 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 group.

A contingent liability can also include an amount where a present obligation arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Where the time value of money is material, contingent liabilities are stated at discounted amounts.

### **1.31 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 group. Where the time value of money is material, the contingent assets are stated at discounted amounts.

### **1.32 Accounting estimates and judgements**

#### *Critical accounting estimates and judgements*

The preparation of the group's accounts requires management of the core department and the ALBs 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 PPE, right of use assets and intangible assets are 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, legal or other limits on the use of an asset.

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 replacement cost of a modern equivalent rather than the replacement cost of the original.

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

#### *Extension options*

At lease commencement, the group makes a decision as to whether they are reasonably certain to be exercising break clauses or extension options. This estimate determines the length of the lease term impacting the lease liabilities and right of use assets. This is reviewed if there is a significant event or significant change of circumstances.

The BBC has a number of options to extend the lease on a right of use asset, or to purchase the underlying asset – typically relating to land and buildings, either in the UK or overseas. An assessment of the location and the availability of suitable alternatives has been undertaken in determining the likelihood of exercising these options. Management's estimate determines the length of the lease term impacting the lease liabilities and right of use assets.



The BBC exercises judgment and estimates over options of a leased building. Management's judgement includes the use of alternative buildings and the strategic importance of the building. Estimates include the length of the lease term. The impact of these judgements and estimates are significant to the financial statements and are reviewed on a regular basis.

#### *Valuation of BBC Commercial Limited's public corporations*

See note 1.15.

#### *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. A provision is recognised where the likelihood of a liability crystallising is deemed probable and where it is possible to quantify the effect with reasonable certainty. Where the likelihood of potential liabilities crystallising is judged to be possible, a contingent liability is disclosed.

#### *Retirement benefit obligations*

The present value of the net pension liability detailed in note 22 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 22.2.2.

#### *Expected credit loss*

The forward-looking impairment assessment model includes some estimates and judgements on the likelihood of default on our amortised cost assets. The quantum of these estimates and judgements is included within note 4.4.

#### *COVID-19 loans*

The core department has issued COVID-19 support loans to the sectors that it operates in, which include the Sport Survival Package and the Cultural Recovery Fund (see note 13). These support packages have been classified as financial assets measured at amortised cost in line with IFRS 9 *Financial instruments*, as the cash flows are solely payments of principal and interest.

The transaction price is different to their fair value. The fair value has been calculated by discounting the future risk adjusted cash flows at the higher of the rate intrinsic to the loans and the real financial instrument discount rate set by HM Treasury (promulgated in Public Expenditure System (PES) papers). Modified loans have been discounted using the original effective interest rate. DCMS has elected to treat this difference as a government grant, in line with IAS 20 *Government grants*, as in substance these loans are issued in support of DCMS's policy objectives. This adjustment is shown as expenditure in the Consolidated SoCNE when the loans are issued, as this is the point that all conditions and obligations were met by the borrowers. Subsequently, the effective interest rate is applied to the support loan's gross carrying amount and recognised as interest revenue.

For existing support loans, an expected credit loss allowance will be measured as the expected loss over the next 12 months (stage 1). If there has been a significant increase in the credit risk, a lifetime expected credit loss will be applied (stage 2). For support loans that become credit-impaired (stage 3), the expected credit loss recognised is the difference between the asset's gross carrying amount and the present value of estimated future cash flows. Further information on the loss applied to the support loans can be found in note 11.

### **1.33 Changes in the group boundary**

The entities within the group therefore remain consistent with the previous reporting period with the exception of the ALBs that have been transferred to DSIT as part of the Machinery of Government change in note 1.34.

### **1.34 Machinery of Government (MoG) Changes**

One MoG change effective from 1 April 2023 has occurred. A MoG change is when functions or responsibilities have been merged or transferred within Government and are accounted for using merger accounting, in accordance with the FReM.

The business areas no longer in DCMS's remit are cyber security and digital identity, data policy, digital infrastructure, security and online harms, the Centre for Data Ethics and Innovation and elements of international engagement and trade - these have been transferred to the Department for Science, Innovation and Technology (DSIT). In addition to the business areas included above, BDUK, Information Commissioner's Office (ICO), Ofcom and Phone-paid Services Authority have also transferred to DSIT. This transfer has led to a restatement of figures for 2022-23 and 2021-22. The financial impact of this transfer has been included in note 29, and restated figures, where applicable, have been included throughout the notes to the accounts.

### **1.35 Key changes to accounting policies and impacts for 2023-24 Annual Report and Accounts**

There have been no key accounting policy changes in the 2023-24 Annual Report and Accounts.

### **1.36 Changes to accounting standards not yet effective**

#### **IFRS 17 *Insurance Contracts***

The International Accounting Standards Board (IASB) has issued IFRS 17 *Insurance Contracts* which replaces IFRS 4 *Insurance Contracts*. This is expected to be effective for accounting periods beginning on or after 1 January 2025, following IASB's decision to defer the effective date. IFRS 17 redefines what constitutes an insurance contract broadly, bringing many more situations in scope.

Except for the Government Indemnity Scheme of £7,008m included within remote contingent liabilities, we do not expect there to be a material impact from IFRS 17. We are working on the impacts of the accounting standard upon implementation in 2025-26.

## 2. Statement of Operating Expenditure by Operating Segment

### 2.1 Statement of Comprehensive Net Expenditure by Operating Segment

	Note	2023-24										Restated 2022-23	
		Core department	BBC PSB group	Lottery distributing bodies	Other ALBs	Amounts eliminated on consolidation	Total as per group SoCNE	Core department	BBC PSB group	Lottery distributing bodies	Other ALBs	Amounts eliminated on consolidation	Total as per group SoCNE
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	3	72,109	1,261,700	94,823	623,016	257	2,051,905	71,288	1,243,779	87,519	594,142	44	1,986,772
Grant and subsidies to sponsored bodies	4.1	5,298,013	-	-	1,088	(5,298,013)	1,088	5,657,132	-	-	130,347	(5,786,246)	1,233
Other grants	4.2	310,939	-	1,591,089	991,160	(112,902)	2,780,286	201,190	-	1,545,618	906,800	(65,352)	2,588,256
Purchase of goods and services	4.3	56,120	2,894	39,058	350,504	(10,241)	438,335	42,056	1,166	38,937	636,503	(17,584)	701,078
Depreciation, amortisation, impairment charges and expected credit loss adjustments	4.4	(24,828)	165,589	2,146	203,784	-	346,691	47,319	171,873	3,421	166,551	-	389,164
Provisions expense	4.5	-	38,612	655	7,526	-	46,793	(3,823)	115,003	38,809	3,152	-	153,141
Finance cost	4.6	789	48,274	206	3,897	-	53,166	226	48,830	5	5,937	-	54,998
Other operating expenditure	4.6	99,458	2,561,653	22,151	277,852	(113,181)	2,847,933	158,150	2,834,972	26,981	470,111	(135,357)	3,354,857
<b>Total expenditure</b>	<b>SoCNE</b>	<b>5,812,600</b>	<b>4,078,722</b>	<b>1,750,128</b>	<b>2,458,827</b>	<b>(5,534,080)</b>	<b>8,566,197</b>	<b>6,173,538</b>	<b>4,415,623</b>	<b>1,741,290</b>	<b>2,913,543</b>	<b>(6,004,495)</b>	<b>9,239,499</b>
Income from contracts with customers	5.1	(49,427)	(229,482)	-	(305,589)	1,850	(582,648)	(54,473)	(223,018)	-	(361,109)	828	(637,772)
Current grant income	5.1	(106,320)	(112,000)	(53)	(122,078)	106,307	(234,144)	(104,033)	(94,613)	(48)	(171,990)	154,865	(215,819)
Other operating income	5.2	(55,498)	(160,333)	(1,878,588)	(586,806)	127,910	(2,553,315)	(44,721)	(305,065)	(1,795,834)	(386,899)	62,556	(2,469,963)
<b>Total income</b>	<b>SoCNE</b>	<b>(211,245)</b>	<b>(501,815)</b>	<b>(1,878,641)</b>	<b>(1,014,473)</b>	<b>236,067</b>	<b>(3,370,107)</b>	<b>(203,227)</b>	<b>(622,696)</b>	<b>(1,795,882)</b>	<b>(919,998)</b>	<b>218,249</b>	<b>(3,323,554)</b>
<b>Net expenditure for the year ended 31 March</b>	<b>SoCNE</b>	<b>5,601,355</b>	<b>3,576,907</b>	<b>(128,513)</b>	<b>1,444,354</b>	<b>(5,298,013)</b>	<b>5,196,090</b>	<b>5,970,311</b>	<b>3,792,927</b>	<b>(54,592)</b>	<b>1,993,545</b>	<b>(5,786,246)</b>	<b>5,915,945</b>

## 2.2 Statement of Financial Position by Operating Segment

	Note	2023-24										Restated 2022-23	
		Core department	BBC PSB group	Lottery distributing bodies	Other ALBs	Amounts eliminated on consolidation	Total as per group SoFP	Core department	BBC PSB group	Lottery distributing bodies	Other ALBs	Amounts eliminated on consolidation	Total as per group SoFP
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets	SoFP	450,431	4,693,749	13,903	9,401,652	(42,514)	14,517,221	432,206	4,003,515	13,728	8,690,570	(44,016)	13,096,003
Current assets	SoFP	235,592	2,091,175	1,920,332	857,182	(28,139)	5,076,142	127,046	1,796,284	1,831,086	906,540	(50,195)	4,610,761
<b>Total assets</b>	<b>SoFP</b>	<b>686,023</b>	<b>6,784,924</b>	<b>1,934,235</b>	<b>10,258,834</b>	<b>(70,653)</b>	<b>19,593,363</b>	<b>559,252</b>	<b>5,799,799</b>	<b>1,844,814</b>	<b>9,597,110</b>	<b>(94,211)</b>	<b>17,706,764</b>
Current liabilities	SoFP	(239,693)	(680,213)	(1,284,229)	(813,083)	25,812	(2,991,405)	(270,121)	(712,205)	(1,312,271)	(759,890)	51,053	(3,003,434)
Non-current liabilities	SoFP	(40,883)	(2,757,503)	(1,304,203)	(203,265)	44,841	(4,261,013)	(53,246)	(1,668,599)	(1,304,397)	(163,641)	43,158	(3,146,725)
<b>Total liabilities</b>		<b>(280,576)</b>	<b>(3,437,716)</b>	<b>(2,588,432)</b>	<b>(1,016,348)</b>	<b>70,653</b>	<b>(7,252,419)</b>	<b>(323,367)</b>	<b>(2,380,804)</b>	<b>(2,616,668)</b>	<b>(923,531)</b>	<b>94,211</b>	<b>(6,150,159)</b>
<b>Total assets less liabilities</b>	<b>SoFP</b>	<b>405,447</b>	<b>3,347,208</b>	<b>(654,197)</b>	<b>9,242,486</b>	<b>-</b>	<b>12,340,944</b>	<b>235,885</b>	<b>3,418,995</b>	<b>(771,854)</b>	<b>8,673,579</b>	<b>-</b>	<b>11,556,605</b>

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 and ALBs. The group operating segments reflect the major bodies by expenditure within the group. All other bodies within the group are included under 'Other ALBs'. Each reportable segment represents a business or corporate unit. The operating segments included above are those used for reporting to the department's board.

Intragroup eliminations occur between group entities during the normal course of business. This is disclosed in the column 'Amounts eliminated on consolidation'.

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 costs

	Permanently employed staff	Others	Contract and agency staff	Ministers	Special advisors	Total
	£'000	£'000	£'000	£'000	£'000	£'000
2023-24	2,016,646	7,106	27,925	228	-	2,051,905
Restated 2022-23	1,960,292	9,941	26,276	263	-	1,996,772

Details of staff numbers and related costs (and relevant disclosures) are in the Staff Report in the Accountability section of the Annual Report (page 91). Total staff costs have increased from 2022-23 by £55.1m, driven by a £112.0m increase in expenditure for wages and salaries of which £69.4m is for the BBC. This is partly offset by reduced pension costs of £59.6m which is mainly driven by the £53.8m reduction for the BBC.

### 4. Expenditure

#### 4.1 Grants and subsidies to sponsored bodies

	2023-24		Restated 2022-23	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Grant-in-aid to ALBs	5,298,013	-	5,657,132	-
Grants and subsidies to public sector	-	1,088	-	1,233
<b>Total: Grants and subsidies to sponsored bodies</b>	<b>5,298,013</b>	<b>1,088</b>	<b>5,657,132</b>	<b>1,233</b>



## 4.1.1 Grant-in-Aid to ALBs

	2023-24	2023-24	2022-23
	Estimate	Outturn	Outturn
	£'000	£'000	£'000
Arts Council England	785,679	495,330	524,307
Birmingham 2022	-	-	271,922
BBC PSB Group	3,666,531	3,674,531	3,751,200
British Film Institute	29,555	25,205	34,515
British Library (includes Public Lending Right)	127,504	127,815	116,542
British Museum	70,140	70,140	67,767
Churches Conservation Trust	2,955	2,955	2,903
Gambling Commission (for regulation of the National Lottery)	18,526	14,440	21,817
Gambling Commission (other)	-	-	740
Geffrye Museum Trust Limited (Museum of the Home)	1,795	1,945	2,908
Historic England	102,383	102,456	111,227
Horniman Public Museum and Public Park Trust	4,543	5,019	7,686
Imperial War Museum	32,618	33,572	33,204
National Citizen Service Trust	49,820	48,420	68,995
National Gallery	28,060	28,858	30,714
National Heritage Memorial Fund	79,888	18,000	-
Royal Museums Greenwich	20,819	21,395	19,955
National Museums Liverpool	28,689	29,569	26,277
National Portrait Gallery	7,505	10,985	18,623
Natural History Museum	71,021	68,588	65,888
Royal Armouries Museum	8,314	8,564	8,684
S4C	-	-	-
Science Museum Group	59,584	59,584	80,293
Sir John Soane's Museum	1,328	1,528	1,538
Sport England	315,865	191,983	113,571
Sports Grounds Safety Authority	1,711	1,711	1,664
Tate Gallery	50,686	50,792	54,158
UK Anti-Doping	9,101	9,101	9,563
UK Sport	81,797	81,797	90,382
Victoria and Albert Museum	56,549	56,934	67,452
Visit Britain	51,693	52,443	48,145
Wallace Collection	4,146	4,353	4,492
<b>Sub-total Grant-in-Aid</b>	<b>5,768,805</b>	<b>5,298,013</b>	<b>5,657,132</b>

The GIA increase to Sport England predominantly relates to the Swimming Pool Support Fund during the year.

The decrease in GIA to Science Museum Group (SMG) was due to higher amounts of one-off expenditure in the prior year to cover costs related to repairs, maintenance, and COVID-19 support. SMG received significant one-off funding in the prior year for Blythe House, COVID-19 support, as well as money to support its Bradford site reallocation in future years.

GIA advanced to National Citizen Service Trust reduced from £69.0m to £48.4m in 2023-24, in line with provisions set out in the 2021 Spending Review.

Seven public bodies – classified or expected to be classified by Office for National Statistics to central government and sponsored by DCMS – have been consolidated into the 2022-23 and 2023-24 DCMS group accounts at a summary level on the grounds of materiality rather than on a line-by-line basis. These are the Churches Conservation Trust (CCT), Sports Grounds Safety Authority (SGSA), Horniman Public Museum and Public Park Trust (HMM), Royal Armouries Museum (RAM), Sir John Soane's Museum (SJS), Wallace Collection (WCO) and UK Anti-Doping (UKAD).

## 4.2 Other grants

	2023-24		Restated 2022-23	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Capital grants	74,886	699,500	24,312	419,751
Current grants	236,053	2,080,786	182,530	2,172,053
<b>Sub-total: cash items</b>	<b>310,939</b>	<b>2,780,286</b>	<b>206,842</b>	<b>2,591,804</b>
<b>Non-cash items</b>				
Current grants (non-cash) – COVID-19 loans fair value adjustment	-	-	(5,652)	(3,548)
<b>Sub-total: non-cash items</b>	<b>-</b>	<b>-</b>	<b>(5,652)</b>	<b>(3,548)</b>
<b>Total: Other grants</b>	<b>310,939</b>	<b>2,780,286</b>	<b>201,190</b>	<b>2,588,256</b>

Group capital grants have increased by £279.7m. This is due to a £155.4m increase at the National Lottery Heritage Fund due to increased levels of grant awards to reduce long-term cash balances, a £54.6m increase at the Sport England Exchequer due to increased awards to The Football Foundation and SportsAid, and a £50.6m increase in DCMS core spend, mainly due to increased grants awarded to the Youth Investment Fund.

Group current grants have decreased by £91.3m. Arts Council England Lottery grants have decreased by £240.2m from the prior year, as a result of grants being paid out as part of a four-year grant funding programme. Sport England Lottery grants have decreased by £36.6m due to reduced grant commitments for System Partners and COVID-19 related programmes which ended in 2022-23. The British Film Institute Lottery grants have decreased by £34.4m due to smaller grants being awarded compared to the prior year. These reductions are partially offset by an increase of £191.7m in the National Lottery Community Fund grants driven by greater awards to the Community Organisations Cost of Living Fund, Youth Futures Foundation, Access – The Foundation for Social Investment and Fair4All Finance, in addition to an increase of £53.5m in DCMS core grants mainly relating to the Community Organisations Cost of Living Fund and an increase of £27.0m in Sport England Exchequer grants largely relating to the Swimming Pool Support Fund.

There were no current grants (non-cash) in 2023-24, as COVID-19 loan programmes ended in 2022-23.

### 4.3 Purchase of goods and services

	2023-24		Restated 2022-23	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Professional services	34,013	140,629	28,879	293,679
Human resources	2,969	20,889	2,217	35,157
Marketing and media	154	17,878	294	27,571
Premises expenses	7,616	124,823	3,841	180,959
Business rates	-	(8,035)	606	13,177
Utilities	3	45,747	7	31,590
Rentals under operating leases	-	7	-	45
PFI service charges	-	699	-	682
IT maintenance and support	9,363	59,085	3,499	73,293
Travel and subsistence	1,382	20,074	1,690	35,506
Audit fees (statutory accounts) - cash	-	5,639	-	3,638
Expenses relating to short term liabilities	-	1,780	-	1,401
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-	8,325	463	3,640
Variable lease payments not included in measurement of lease liabilities	-	175	-	180
<b>Sub-total: cash items</b>	<b>55,500</b>	<b>437,715</b>	<b>41,496</b>	<b>700,518</b>
<b>Non-cash items</b>				
Auditors' remuneration	620	620	560	560
<b>Sub-total: non-cash items</b>	<b>620</b>	<b>620</b>	<b>560</b>	<b>560</b>
<b>Total: Purchase of goods and services</b>	<b>56,120</b>	<b>438,335</b>	<b>42,056</b>	<b>701,078</b>

#### Purchase of goods and services - Birmingham Organising Committee for the 2022 Commonwealth Games

Included within purchase of goods and services in 2022-23 was £252.2m directly attributed to the Birmingham Organising Committee for the 2022 Commonwealth Games. The Commonwealth Games took place in 2022 so no related expenditure was incurred in 2023-24, resulting in a significant decrease in overall expenditure.

#### Professional services

Included within professional services is £15.2m of consultancy costs (2022-23 restated: £105.1m). In 2022-23 £89.2m of consultancy costs related to the Birmingham Organising Committee for the 2022 Commonwealth Games.

Professional services also includes £87.5m (2022-23 restated: £146.5m) of operational costs comprising of National Citizen Service Trust £33.2m (2022-23: £57.6m), core department £25.1m (2022-23 restated: £15.6m) and Birmingham Organising Committee for the 2022 Commonwealth Games £nil (2022-23: £47.8m).

#### Premises expenses

Premises expenses in 2022-23 included £54.0m directly attributed to the Birmingham Organising Committee for the 2022 Commonwealth Games for which there is no comparable expenditure in 2023-24.

Premises expenses includes £24.8m (2022-23: £21.2m) attributed to the Tate and £12.8m (2022-23: £15.7m) attributed to the Victoria and Albert Museum.

#### Business rates

A number of the museums in the group received back dated rates rebates in 2023-24 as compared to expenditure incurred in 2022-23.

## Utilities

The UK energy price rises has continued to cause significant increases in utilities costs for museums within the group.

## Auditors' remuneration

Audit fees (cash) of £5.6m (2022-23 restated: £3.6m) relates to the statutory audit of the ALBs. Of the cash fees £5.6m (2022-23 restated: £3.6m) was payable to the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (C&AG) and £83k (2022-23: £66k) payable to other auditors. The BBC audit fee has increased by £1.7m this year. This increase is mainly due to the new approach of BBC Commercial Limited paying the entire audit fee for commercial group.

Notional non-cash auditors' remuneration for the cost of the audit of the group's accounts was £620k for DCMS core (2022-23: £560k).

In 2023-24 the core department did not purchase any non-audit services from its auditor, the C&AG (2022-23: £nil). The ALBs purchased £8k of non-audit services from other auditors and £70k from the NAO in the year (2022-23: £nil). Further details can be obtained from the accounts of the ALBs.

## 4.4 Depreciation, amortisation, impairment charge and expected credit loss

	2023-24		Restated 2022-23	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Depreciation	3,139	254,017	2,908	222,355
Depreciation on right of use assets	3,922	95,226	3,744	95,442
Amortisation	90	19,333	420	20,352
Impairments/(write backs)	(2,150)	6,927	(5,351)	5,301
Impairment on right of use assets	-	663	-	-
Expected credit loss	(29,829)	(29,475)	45,598	45,714
<b>Depreciation, amortisation and impairment charges - non-cash total</b>	<b>(24,828)</b>	<b>346,691</b>	<b>47,319</b>	<b>389,164</b>

The Expected Credit Loss (ECL) credit of (£29.8m) for DCMS core (2022-23: £45.6m charge) is due to a reduction in the ECL impairment on loans distributed following a change in methodology discrete to the calculation of the probability of default over the lifetime of a loan.

## 4.5 Provisions expense

	2023-24		Restated 2022-23	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Provisions:				
Unwinding of discount	-	30	-	-
Provided for/(released)	-	46,763	(3,823)	153,141
<b>Provisions expense - non-cash total</b>	<b>-</b>	<b>46,793</b>	<b>(3,823)</b>	<b>153,141</b>

The BBC has provided for £38.6m (2022-23: £115.0m) primarily relating to restructuring and dilapidations provisions.

## 4.6 Other operating expenditure

	2023-24		Restated 2022-23	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Broadcasting and media	-	2,674,585	-	2,766,429
Sport	-	22,657	-	53,526
Tourism	-	33,384	-	35,096
Ceremonial and cultural events	39,090	42,669	79,354	129,575
Historical and heritage	57,417	68,124	59,691	68,875
Museums, galleries, art & exhibits	5,604	89,673	413	59,942
Libraries	-	6,288	-	6,165
Interest payable	-	12,285	-	9,661
Early departure costs	-	34,925	-	63,376
Live events reinsurance claims	-	-	(17)	(17)
Research & development (capital)	6,728	15,098	3	10,746
Other expenditure	(2,110)	(190,549)	18,706	113,795
<b>Sub-total: cash items (excluding finance costs)</b>	<b>106,729</b>	<b>2,809,139</b>	<b>158,150</b>	<b>3,317,169</b>
<b>Non-cash items</b>				
Interest on pension liabilities	-	(27,518)	-	(20,779)
(Profit)/loss on disposal of property, plant & equipment	(7,313)	937	-	14,820
(Profit)/loss on disposal of intangibles	-	-	-	262
Revaluations of property, plant & equipment, intangible assets, heritage assets, ROU assets, investment properties and financial assets and liabilities	-	58,405	-	43,204
Share of (profits)/losses on joint ventures and associates	-	7,351	-	469
Write offs/(write backs)	42	(376)	-	(518)
Unrealised foreign exchange rate (gains)/losses	-	(11)	-	219
Other non-cash charges	-	6	-	11
<b>Sub-total: Non-cash items</b>	<b>(7,271)</b>	<b>38,794</b>	<b>-</b>	<b>37,688</b>
<b>Total: Other operating expenditure</b>	<b>99,458</b>	<b>2,847,933</b>	<b>158,150</b>	<b>3,354,857</b>
Finance costs	789	53,166	226	54,998
<b>Total: Other expenditure</b>	<b>100,247</b>	<b>2,901,099</b>	<b>158,376</b>	<b>3,409,855</b>

The decrease in broadcasting and media spend of £91.8m is primarily due to the BBC (£72.5m), due to the prior year including increased costs in relation to one off events such as Her Late Majesty the Queen's Platinum Jubilee and Her Late Majesty the Queen's Funeral and Lying-in-State.

Sport expenditure had reduced by £30.9m primarily due to the Birmingham 2022 Commonwealth Games 2023-24: £nil (2022-23: £27.2m).

The decrease in ceremonial and cultural spend of £86.9m is mainly driven by a reduction in DCMS core spend of £40.3m due to one-off events occurring in 2022-23, such as Her Late Majesty Queen Elizabeth II's Platinum Jubilee, State Funeral, and Lying-in-State, and nil expenditure being incurred for Festival 2022 (Unboxed festival) (2022-23: £39.7m).

Early departure costs have decreased by £28.5m. This is primarily due to the BBC with expenditure decreasing by £31.5m relating to having fewer redundancy and restructuring announcements this year.

The other expenditure in the departmental group includes negative expenditure, relating to a tax rebate received by the BBC. The was due to the resolution of HMRC's enquiry into the corporate tax treatment of intellectual property income derived from the BBC's Rights Archive, for accounting periods ended 31 March 2009 to 31 March 2021. The agreement impacts accounting periods following the enquiry period. As a result of the agreement reached with HMRC during the year regarding the application of the intangible fixed asset regime, a one-off adjustment in respect of prior periods has been recorded. This comprises a prior year current tax credit of £137 million. At the prior year reporting date, the BBC was working with advisers and HMRC to assess a number of potential scenarios and the tax consequences could not be reliably estimated. The repayment between HMRC and the BBC was only agreed in March 2024. Prior to this agreement there was significant uncertainty on the possible outcome, consequently



this led to the adjustment being recognised in the 2023/24 financial statements.

## 5. Income

### 5.1 Revenue from contracts with customers and current grant income

	2023-24		Restated 2022-23	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Goods and services	559	180,919	270	250,615
Rental income	30	26,865	17	30,067
Fees, charges and duties	48,838	103,165	54,186	97,899
Levies	-	105,303	-	100,743
Royalties	-	71,824	-	82,633
Charity Income - sponsorship and trading	-	94,572	-	75,815
<b>Total: Income from contracts with customers</b>	<b>49,427</b>	<b>582,648</b>	<b>54,473</b>	<b>637,772</b>
Current grant income	106,320	234,144	104,033	215,819
<b>Total income from contracts with customers and current grants</b>	<b>155,747</b>	<b>816,792</b>	<b>158,506</b>	<b>853,591</b>

Income from contracts with customers for the group totalled £582.6m in the year (2022-23 restated: £637.8m) Of the total, the BBC comprises £229.5m (2022-23: £223.0m) of which £137.0m (2022-23: £116.0m) relates to broadcasting services, production income and subscription fees captured within goods and services. In 2022-23 the Birmingham 2022 Commonwealth Games took place and contributed £94.6m of goods and services income. All performance obligations relating to the Commonwealth Games were satisfied in 2022-23. The remainder is BBC royalties of £70.0m (2022-23: £81.0m) and rental income of £22.5m (2022-23: £26.0m).

Where by statute or Treasury consent an entity is permitted to retain the revenue from taxation, fines and penalties, this revenue is treated as arising from a contract and accounted for under IFRS 15 *Revenue from contracts with customers*. This applies even though there is no associated performance obligation. Levies, duties and legislative fees have been reclassified accordingly. Fees include those relating to the Core Department of £48.8m (2022-23: £54.2m) largely due to the barter arrangement with the Royal Parks (the Core Department also incurs expenditure as set out in this arrangement with the Royal Parks), those relating to the Gambling Commission of £30.8m (2022-23: £26.1m) mainly due to operator annual licence fees, and those fees relating to Imperial War Museum of £20.0m (2022-23: £17.1m) mainly due to admission fees.

Total Levy income for the year received by the Horserace Betting Levy Board (HBLB) was £105.3m (2022-23: £100.7m.). HBLB is deemed to have a performance obligation to the bookmakers and betting exchange providers of collecting the statutory Levy and applying the funds for the purposes set out in the underlying legislation. This one performance obligation applies to all bookmakers and betting exchange providers who are required to make statutory Levy contributions and is settled over the course of the Levy year in a straight-line manner as HBLB performs this role. Levy income is therefore recognised on a straight-line basis evenly throughout the year based on estimates provided by the bookmakers and betting exchange providers. The transaction price is confirmed at the end of the Levy year when bookmakers and betting exchange providers submit their annual Forms of Declaration (FOD) which confirm the amount of Levy due for the year. Any under or over collection during the course of the year results in either a top up payment being made by the bookmaker or betting exchange provider or a refund owing by HBLB to the bookmaker or betting exchange provider.

During the 2023-24 financial year, the group received £234.1m (2022-23 restated: £215.8m) of current grant income mainly attributable to DCMS core £106.3m (2022-23: £104.0m) and BBC £112.0m (2022-23: £94.6m).

### 5.1.1 Transaction price allocated to remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are (partially) unsatisfied at the reporting date:

	2024-25	2025-26	2026-27	2027-28	2028-29	2029 onwards
Revenue expected to be received	£'000	£'000	£'000	£'000	£'000	£'000
Broadcasting services	35,384	30,460	28,370	79,072	-	-

The department applies the practical expedient allowable by paragraph 121 of IFRS 15 and does not disclose information about the remaining performance obligations that have expected durations of one year or less. All reportable obligations are in relation to the broadcasting services contracts (BBC and BFI).

Further details of relevant policies in relation to performance obligations are disclosed in the BBC Group Financial Statements (note B3).

## 5.2 Other operating income

	2023-24		Restated 2022-23	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Lottery income	-	1,692,316	-	1,688,593
Capital grant income	19,828	46,423	-	20,655
Recoveries	167	5,284	1,985	(9,894)
Property Sales proceeds/overages	-	-	(11)	(11)
Fees for licences and broadcast licences	14,440	14,440	21,817	21,817
Charity income - donations	-	186,175	32	163,136
Interest	1,001	79,543	721	39,472
Dividends	-	79,580	-	183,936
Charity income - other	-	69,166	-	43,167
Other operating income	11	146,331	15	205,739
Income of sub-leasing right-of-use assets	-	8,636	-	11,169
<b>Sub-total: cash items</b>	<b>35,447</b>	<b>2,327,894</b>	<b>24,559</b>	<b>2,367,779</b>
<b>Non-cash items</b>				
Profit/(loss) on disposal of assets:				
Financial assets	-	2,972	-	1,968
Inventories	-	4	-	4
Revaluation of financial assets/liabilities	20,051	20,129	20,162	83,314
Charity income - asset donations	-	202,359	-	16,968
Other non-cash income	-	(43)	-	(70)
<b>Sub-total: Non-cash items</b>	<b>20,051</b>	<b>225,421</b>	<b>20,162</b>	<b>102,184</b>
<b>Total: Other operating income</b>	<b>55,498</b>	<b>2,553,315</b>	<b>44,721</b>	<b>2,469,963</b>

### Significant movements in income

Interest income - this increased by £40.1m, this was primarily due to a £33.3m increase at the BBC due to the upward changes in the interest rates throughout the year.

Dividends - £104.4m decrease largely driven by a reduction in the dividends received by the BBC from its subsidiaries of £72.9m (2022-23: £182.2m).

Other operating income - The National Lottery Community Fund received £100.1m (2022-23: £98.9m).

Other operating income - Prior year balance included £49.0m in relation to the Birmingham Organising Committee for the 2022 Commonwealth Games which entered liquidation in March 2023.

Revaluations of financial assets/liabilities - In the prior year there was an upwards revaluation of the BBC derivatives of £63.0m. This year the derivatives balance has been revalued downwards and therefore the movement is included in note 4.6. The core department had £20.1m (2022-23: £20.2m) of upwards revaluations due to unwinding of discount on COVID-19 loans.

Charity income asset donations - £185.4m increase is primarily from a bequest of heritage assets to the British Museum of £126.1m (2022-23 £0.1m) and donations to the Victoria and Albert Museum of £47.5m (2022-23: £2.4m) and the Tate Gallery of £26.5m (2022-23: £5.3m)..

## 6. Property, plant and equipment

	2023-24									
	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	
<b>Cost or valuation</b>										
At 1 April 2023	1,523,982	4,004,446	3,802	100,869	2,031,259	465,393	865	249,409	8,380,025	
Additions	-	31,106	-	5,830	19,707	13,155	-	252,856	322,654	
Donations	273	-	-	-	-	-	-	-	273	
Disposals	-	(17,957)	(17)	(11,529)	(69,646)	(26,568)	-	(3,841)	(129,558)	
Revaluations	(53,988)	163,281	221	(12)	5,165	6,104	-	250	121,021	
Impairments	2	(10,270)	-	(1)	(1,305)	-	(2)	-	(11,576)	
Reclassifications	-	42,478	-	114	59,940	13,851	-	(116,383)	-	
Transfers (to)/from assets held for sale/intangibles/investment properties/ heritage assets/right of use assets	6,292	31,447	-	1,512	5,229	9,219	-	(57,967)	(4,268)	
<b>At 31 March 2024</b>	<b>1,476,561</b>	<b>4,244,531</b>	<b>4,006</b>	<b>96,783</b>	<b>2,050,349</b>	<b>481,154</b>	<b>863</b>	<b>324,324</b>	<b>8,678,571</b>	
<b>Depreciation</b>										
At 1 April 2023	-	303,552	687	78,040	908,293	353,000	-	-	1,643,572	
Charged in year	-	110,906	168	8,228	107,827	26,301	-	-	253,430	
Disposals	-	(10,785)	(17)	(10,092)	(64,593)	(25,932)	-	-	(111,419)	
Revaluations	-	(141,445)	6	(10)	(103,809)	3,419	-	-	(241,839)	
Reclassifications	-	(2)	-	2	(5)	5	-	-	-	
Transfers (to)/from assets held for sale/intangibles/investment properties/ heritage assets/right of use assets	-	6,041	-	(592)	(331)	(251)	-	-	4,867	
<b>At 31 March 2024</b>	<b>-</b>	<b>268,267</b>	<b>844</b>	<b>75,576</b>	<b>847,382</b>	<b>356,542</b>	<b>-</b>	<b>-</b>	<b>1,548,611</b>	
<b>Carrying amount:</b>										
<b>31 March 2024</b>	<b>1,476,561</b>	<b>3,976,264</b>	<b>3,162</b>	<b>21,207</b>	<b>1,202,967</b>	<b>124,612</b>	<b>863</b>	<b>324,324</b>	<b>7,129,960</b>	
<b>31 March 2023</b>	<b>1,523,982</b>	<b>3,700,894</b>	<b>3,115</b>	<b>22,829</b>	<b>1,122,966</b>	<b>112,393</b>	<b>865</b>	<b>249,409</b>	<b>6,736,453</b>	
<b>Asset financing:</b>										
Owned	1,476,561	3,976,264	3,162	21,207	1,202,967	124,612	863	324,324	7,129,960	
<b>Carrying amount at 31 March 2024</b>	<b>1,476,561</b>	<b>3,976,264</b>	<b>3,162</b>	<b>21,207</b>	<b>1,202,967</b>	<b>124,612</b>	<b>863</b>	<b>324,324</b>	<b>7,129,960</b>	
<b>Of which:</b>										
Core department	7,374	15,014	-	1,513	10,011	637	-	-	34,549	
Arm's length bodies	1,469,187	3,961,250	3,162	19,694	1,192,956	123,975	863	324,324	7,085,411	
<b>Carrying amount at 31 March 2024</b>	<b>1,476,561</b>	<b>3,976,264</b>	<b>3,162</b>	<b>21,207</b>	<b>1,202,967</b>	<b>124,612</b>	<b>863</b>	<b>324,324</b>	<b>7,129,960</b>	

## 6. Property, plant and equipment (continued)

	Restated 2022-23									
	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	Total £'000
<b>Cost or valuation</b>										
At 1 April 2022	1,633,431	3,724,695	3,567	100,459	2,006,746	465,445	865	212,326	8,147,534	
Additions	858	19,169	-	6,638	20,500	9,774	-	199,103	256,042	
Donations	30	-	-	-	-	-	-	-	30	
Disposals	(3,600)	(27,330)	(10)	(8,528)	(80,511)	(21,578)	-	(1,811)	(143,368)	
Revaluations	(104,880)	217,858	245	276	12,038	5,633	-	(250)	130,920	
Impairments	5	(539)	-	12	140	(18)	-	-	(400)	
Reclassifications	-	51,412	-	278	64,856	1,103	-	(117,649)	-	
Transfers (to)/from assets held for sale/intangibles/investment properties/ heritage assets/right of use assets	(1,862)	19,181	-	1,734	7,490	5,034	-	(42,310)	(10,733)	
<b>At 31 March 2023</b>	<b>1,523,982</b>	<b>4,004,446</b>	<b>3,802</b>	<b>100,869</b>	<b>2,031,259</b>	<b>465,393</b>	<b>865</b>	<b>249,409</b>	<b>8,380,025</b>	
<b>Depreciation</b>										
At 1 April 2022	-	302,253	532	79,474	918,989	348,992	-	-	1,650,240	
Charged in year	-	89,333	148	7,471	104,286	21,117	-	-	222,355	
Disposals	-	(14,539)	(10)	(8,499)	(68,933)	(19,934)	-	-	(111,915)	
Revaluations	-	(73,555)	54	248	(46,065)	3,086	-	-	(116,232)	
Impairments	-	25	-	56	9	(13)	-	-	77	
Reclassifications	-	35	(37)	-	-	2	-	-	-	
Transfers (to)/from assets held for sale/intangibles/investment properties/ heritage assets/right of use assets	-	-	-	(710)	7	(250)	-	-	(953)	
<b>At 31 March 2023</b>	<b>-</b>	<b>303,552</b>	<b>687</b>	<b>78,040</b>	<b>908,293</b>	<b>353,000</b>	<b>-</b>	<b>-</b>	<b>1,643,572</b>	
<b>Carrying amount:</b>										
<b>31 March 2023</b>	<b>1,523,982</b>	<b>3,700,894</b>	<b>3,115</b>	<b>22,829</b>	<b>1,122,966</b>	<b>112,393</b>	<b>865</b>	<b>249,409</b>	<b>6,736,453</b>	
<b>31 March 2022</b>	<b>1,633,431</b>	<b>3,422,442</b>	<b>3,035</b>	<b>20,985</b>	<b>1,087,757</b>	<b>116,453</b>	<b>865</b>	<b>212,326</b>	<b>6,497,294</b>	
<b>Asset financing:</b>										
Owned	1,523,982	3,700,894	3,115	22,829	1,122,966	112,393	865	249,409	6,736,453	
<b>Carrying amount at 31 March 2023</b>	<b>1,523,982</b>	<b>3,700,894</b>	<b>3,115</b>	<b>22,829</b>	<b>1,122,966</b>	<b>112,393</b>	<b>865</b>	<b>249,409</b>	<b>6,736,453</b>	
<b>Of which:</b>										
Core department	7,374	15,761	-	4,299	10,799	121	-	-	38,354	
Arm's length bodies	1,516,608	3,685,133	3,115	18,530	1,112,167	112,272	865	249,409	6,698,099	
<b>Carrying amount at 31 March 2023</b>	<b>1,523,982</b>	<b>3,700,894</b>	<b>3,115</b>	<b>22,829</b>	<b>1,122,966</b>	<b>112,393</b>	<b>865</b>	<b>249,409</b>	<b>6,736,453</b>	



## Land & buildings valuation

The professional valuations of land and buildings undertaken within the group were prepared in accordance with the RICS Red Book. Land and buildings are revalued every five years by independent property consultants and, where appropriate, in the intervening periods relevant indices are used. Further information can be found in the individual financial statements of the ALBs.

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.

The operational assets held by DCMS and its ALBs are used to deliver front line services and back office functions (as both PPE and right of use assets) and includes a wide range of sites with specialised functions.

Apart from the BBC, the owned estate is predominantly accounted for by the value of land, buildings and plant and equipment for the museums, galleries and libraries, Historic England's operational non-heritage assets, and Sport England's National Sports Centres. These are all specialised assets for which there is no readily ascertainable market value in existing use.

In arriving at a current value in existing use, the vast majority of the group's owned assets are therefore valued using estimates of the present value of these asset's remaining service potential. In practice, this has meant that valuers have adopted a depreciated replacement cost methodology.

Of the BBC's owned and right of use land and buildings, approximately three quarters have been valued using either a comparable/capitalised rental approach or a depreciated replacement cost valuation to assess the fair value in existing use due to the specialised nature of these assets. Depreciated Replacement Cost is defined in RICS Global Standards as 'the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.' Details of the valuation method applied by the BBC are included in the accounting policies note 1.8.

Land includes the Tate Gallery portfolio with a carrying value of £410.1m (31 March 2023: £444.3m); the British Library of £217.5m (31 March 2023: £203.7m); the British Museum of £185.1m (31 March 2023: £194.0m); the Natural History Museum of £175.5m (31 March 2023: £193.0m); the Victoria and Albert Museum of £124.3m (31 March 2023: £121.6m); the National Gallery of £114.7m (31 March 2023: £114.7m); the Science Museum Group of £98.0m (31 March 2023: £99.4m); the National Portrait Gallery of £36.4m (31 March 2023: £37.1m); the National Maritime Museum of £24.6m (31 March 2023: £26.2m); the Imperial War Museum of £21.1m (31 March 2023: £20.4m) and the Sport England Exchequer of £19.5m (31 March 2023: £20.2m).

## Buildings

Buildings include the Tate Gallery with a carrying value of £646.5m (31 March 2023: £453.0m); the British Museum of £558.2m (31 March 2023: £541.3m); the British Library of £500.0m (31 March 2023: £476.2m); the Victoria and Albert Museum of £372.2m (31 March 2023: £382.5m); the Natural History Museum of £339.2m (31 March 2023: £352.8m); the Science Museum Group of £252.3m (31 March 2023: £245.6m); the National Museums Liverpool of £209.4m (31 March 2023: £194.1m); the BBC of £189.5m (31 March 2023: £192.4m); the National Maritime Museum of £175.1m (31 March 2023: £174.4m); the Imperial War Museum of £162.4m (31 March 2023: £155.8m); the National Gallery of £131.2m (31 March 2023: £129.3m); the Sport England Exchequer of £100.4m (31 March 2023: £98.1m); the British Film Institute of £91.4m (31 March 2023: £89.9m); Historic England of £80.2m (31 March 2023: £82.0m); the Royal Armouries Museum of £49.5m (31 March 2023: £46.6m); the National Portrait Gallery of £37.5m (31 March 2023: £10.6m); the Horniman Public Museum and Public Park Trust of £35.9m (31 March 2023: £29.5m) and the Wallace Collection of £27.1m (31 March 2023: £27.5m).

## Plant & machinery

Plant & machinery includes the Tate Gallery with a carrying value of £258.1m (31 March 2023: £198.1m); the British Library of £249.8m (31 March 2023: £236.8m); the BBC of £217.6m (31 March 2023: £219.5m); the British Museum of £152.1m (31 March 2023: £156.3m); the Science Museum Group of

£85.3m (31 March 2023: £89.7m); the Natural History Museum of £80.7m (31 March 2023: £85.5m); the National Gallery of £73.0m (31 March 2023: £66.9m); the Imperial War Museum of £36.6m (31 March 2023: £39.3m) and the National Portrait Gallery of £20.2m (31 March 2023: £4.9m).

### **Assets under construction**

Assets under construction includes projects at the BBC with a carrying value of £59.0m (31 March 2023: £56.6m); the Natural History Museum of £51.4m (31 March 2023: £20.8m); the Science Museum Group of £51.3m (31 March 2023: £37.5m); the British Library of £47.5m (31 March 2023: £22.3m); the British Museum of £35.3m (31 March 2023: £24.2m) and the National Gallery of £25.4m (31 March 2023: £7.5m).

### **Furniture and Fittings**

Furniture and fittings includes the British Museum with a carrying value of £30.1m (31 March 2023: £30.0m) and the Science Museum Group of £24.7m (31 March 2023: £20.5m).

## 7. Right of use Assets

	2023-24									
	Land £'000	Buildings £'000	Information technology £'000	Plant & machinery £'000	Furniture & fittings £'000	Assets under construction £'000	Other £'000	Total £'000		
<b>Cost or valuation</b>										
At 1 April 2023	63,020	1,379,078	687	7,818	3,158	29,180	617	1,483,558		
Additions	100	82,358	-	1,905	-	7,120	-	91,483		
Donations	-	44,987	-	-	-	-	-	44,987		
Disposals	(148)	(18,817)	(141)	(3,465)	(4)	-	(6)	(22,581)		
Revaluations	(3,487)	(40,077)	-	-	(52)	-	-	(43,616)		
Impairments	-	(454)	-	-	-	-	-	(454)		
Transfers (to)/from assets held for sale/intangibles/ investment properties/heritage assets/property, plant and equipment	(2,692)	5,560	-	-	-	-	-	2,868		
<b>At 31 March 2024</b>	<b>56,793</b>	<b>1,452,635</b>	<b>546</b>	<b>6,258</b>	<b>3,102</b>	<b>36,300</b>	<b>611</b>	<b>1,556,245</b>		
<b>Depreciation</b>										
At 1 April 2023	906	245,572	350	5,642	-	-	275	252,745		
Charged in year	101	93,662	88	1,265	-	-	110	95,226		
Disposals	-	(6,071)	(141)	(3,422)	-	-	(6)	(9,640)		
Revaluations	-	(470)	-	-	(5)	-	-	(475)		
Reclassifications	-	(1,060)	-	-	1,060	-	-	-		
Transfers (to)/from assets held for sale/intangibles/ investment properties/heritage assets/property, plant and equipment	(509)	(4,084)	-	-	-	-	-	(4,593)		
<b>At 31 March 2024</b>	<b>498</b>	<b>327,549</b>	<b>297</b>	<b>3,485</b>	<b>1,055</b>	<b>-</b>	<b>379</b>	<b>333,263</b>		
<b>Carrying amount:</b>										
31 March 2024	56,295	1,125,086	249	2,773	2,047	36,300	232	1,222,982		
31 March 2023	62,114	1,133,506	337	2,176	3,158	29,180	342	1,230,813		
<b>Asset financing:</b>										
Owned	-	-	-	-	-	-	-	-		
Finance leased	56,295	1,125,086	249	2,773	2,047	36,300	232	1,222,982		
<b>Carrying amount at 31 March 2024</b>	<b>56,295</b>	<b>1,125,086</b>	<b>249</b>	<b>2,773</b>	<b>2,047</b>	<b>36,300</b>	<b>232</b>	<b>1,222,982</b>		
<b>Of which:</b>										
Core department	-	31,598	-	-	-	-	-	31,598		
Arm's length bodies	56,295	1,093,488	249	2,773	2,047	36,300	232	1,191,384		
<b>Carrying amount at 31 March 2024</b>	<b>56,295</b>	<b>1,125,086</b>	<b>249</b>	<b>2,773</b>	<b>2,047</b>	<b>36,300</b>	<b>232</b>	<b>1,222,982</b>		

## 7. Right of use Assets (continued)

	Restated 2022-23									
	Land £'000	Buildings £'000	Information technology £'000	Plant & machinery £'000	Furniture & fittings £'000	Assets under construction £'000	Other £'000	Total £'000		
<b>Cost or valuation</b>										
At 1 April 2022	53,671	1,227,408	1,157	10,686	4,119	23,153	756	1,320,950		
Additions	-	96,257	-	1,356	-	6,027	159	103,799		
Disposals	(522)	(22,585)	(470)	(4,175)	-	-	(298)	(28,050)		
Revaluations	880	87,100	-	-	(961)	-	-	87,019		
Impairments	-	(110)	-	-	-	-	-	(110)		
Reclassifications	8,991	(8,991)	-	-	-	-	-	-		
Transfers (to)/from assets held for sale/intangibles/ investment properties/heritage assets/property, plant and equipment	-	(1)	-	(49)	-	-	-	(50)		
<b>At 31 March 2023</b>	<b>63,020</b>	<b>1,379,078</b>	<b>687</b>	<b>7,818</b>	<b>3,158</b>	<b>29,180</b>	<b>617</b>	<b>1,483,558</b>		
<b>Depreciation</b>										
At 1 April 2022	158	237,224	709	8,203	782	-	529	247,605		
Charged in year	56	93,594	134	1,543	-	-	115	95,442		
Disposals	-	(8,057)	(493)	(4,097)	-	-	(369)	(13,016)		
Revaluations	-	(76,497)	-	-	(1,032)	-	-	(77,529)		
Reclassifications	692	(692)	-	-	-	-	-	-		
Transfers (to)/from assets held for sale/intangibles/ investment properties/heritage assets/property, plant and equipment	-	-	-	(7)	250	-	-	243		
<b>At 31 March 2023</b>	<b>906</b>	<b>245,572</b>	<b>350</b>	<b>5,642</b>	<b>-</b>	<b>-</b>	<b>275</b>	<b>252,745</b>		
<b>Carrying amount:</b>										
<b>31 March 2023</b>	<b>62,114</b>	<b>1,133,506</b>	<b>337</b>	<b>2,176</b>	<b>3,158</b>	<b>29,180</b>	<b>342</b>	<b>1,230,813</b>		
<b>31 March 2022</b>	<b>53,513</b>	<b>990,184</b>	<b>448</b>	<b>2,483</b>	<b>3,337</b>	<b>23,153</b>	<b>227</b>	<b>1,073,345</b>		
<b>Asset financing:</b>										
Owned	-	-	-	-	-	-	-	-		
Finance leased	62,114	1,133,506	337	2,176	3,158	29,180	342	1,230,813		
<b>Carrying amount at 31 March 2023</b>	<b>62,114</b>	<b>1,133,506</b>	<b>337</b>	<b>2,176</b>	<b>3,158</b>	<b>29,180</b>	<b>342</b>	<b>1,230,813</b>		
<b>Of which:</b>										
Core department	-	37,636	-	-	-	-	-	37,636		
Arm's length bodies	62,114	1,095,870	337	2,176	3,158	29,180	342	1,193,177		
<b>Carrying amount at 31 March 2023</b>	<b>62,114</b>	<b>1,133,506</b>	<b>337</b>	<b>2,176</b>	<b>3,158</b>	<b>29,180</b>	<b>342</b>	<b>1,230,813</b>		

See note 6 Property, plant and equipment, and note 1.8 for the valuation methods undertaken within the group.

Of the BBC's owned and right of use land and buildings, approximately three quarters have been valued using either a comparable/capitalised rental approach or a depreciated replacement cost valuation due to the specialised nature of these assets.

### **Land**

Land includes various Royal Armouries Museum leases with a carrying value of £18.8m (2022-23: £22.1m).

### **Buildings**

Buildings includes the BBC with a carrying value of £842.3m (2022-23: £896.3m); Victoria and Albert Museum of £109.0m (2022-23: £53.8m); National Museums Liverpool of £44.0m (2022-23: £39.6m); core department of £31.6m (2022-23 restated: £37.6m); Historic England of £28.6m (2022-23: £24.8m) and Science Museum Group of £21.5m (2022-23: £21.7m).

### **Assets under construction**

Assets under construction is comprised entirely of the BBC with a carrying value of £36.3m (2022-23: £29.2m).

The cost model is used as a proxy for current value in existing use or fair value in all classes of assets as allowed under the IFRS 16 application guidance. Cost is not used as a good proxy in the following circumstances:

- A longer-term lease has no terms that require lease payments to be updated for market conditions (such as rent reviews), or if there is a significant period of time between those updates; and
- The fair value or current value in existing use of the underlying asset is likely to fluctuate significantly due to changes in market prices.

Those assets where cost is not a proxy are revalued with revaluations movements on these assets included within our accounts.



## 8. Heritage assets

The heritage assets owned by the group are split between land, buildings and other (which includes antiques, works of art and scientific and natural history collections) as shown in the table below. Further analysis of the heritage assets is included in note 8.1.

	2023-24			
	Land	Buildings	Other	Total
	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>				
At 1 April 2023	3,600	61,880	1,556,529	1,622,009
Additions	-	93	64,984	65,077
Donations	192	-	156,710	156,902
Disposals	-	(296)	(1,169)	(1,465)
Revaluations	-	726	8,976	9,702
Impairments	-	26	-	26
Reclassifications	-	-	-	-
Transfers (to)/from property, plant & equipment/assets held for sale/intangibles	-	-	101	101
Transfers in/(out) of group	-	-	-	-
<b>At 31 March 2024</b>	<b>3,792</b>	<b>62,429</b>	<b>1,786,131</b>	<b>1,852,352</b>
<b>Depreciation</b>				
At 1 April 2023	-	660	86	746
Charged in year	-	-	587	587
Revaluations	-	(660)	-	(660)
<b>At 31 March 2024</b>	<b>-</b>	<b>-</b>	<b>673</b>	<b>673</b>
<b>Carrying amount:</b>				
<b>31 March 2024</b>	<b>3,792</b>	<b>62,429</b>	<b>1,785,458</b>	<b>1,851,679</b>
<b>31 March 2023</b>	<b>3,600</b>	<b>61,220</b>	<b>1,556,443</b>	<b>1,621,263</b>
<b>Asset financing:</b>				
Owned	3,792	62,429	1,785,458	1,851,679
<b>Carrying amount at 31 March 2024</b>	<b>3,792</b>	<b>62,429</b>	<b>1,785,458</b>	<b>1,851,679</b>
<b>Of which:</b>				
Core department	-	-	18,236	18,236
Agency	-	-	-	-
Arm's length bodies	3,792	62,429	1,767,222	1,833,443
<b>Carrying amount at 31 March 2024</b>	<b>3,792</b>	<b>62,429</b>	<b>1,785,458</b>	<b>1,851,679</b>

## 8. Heritage Assets (continued)

	2022-23			
	Land	Buildings	Other	Total
	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>				
At 1 April 2022	2,400	108,744	1,521,397	1,632,541
Additions	-	103	16,743	16,846
Donations	1,200	-	15,738	16,938
Disposals	-	(484)	(10)	(494)
Revaluations	-	(5,732)	2,661	(3,071)
Impairments	-	(40,751)	-	(40,751)
<b>At 31 March 2023</b>	<b>3,600</b>	<b>61,880</b>	<b>1,556,529</b>	<b>1,622,009</b>
<b>Depreciation</b>				
At 1 April 2022	-	660	86	746
<b>At 31 March 2023</b>	<b>-</b>	<b>660</b>	<b>86</b>	<b>746</b>
<b>Carrying amount:</b>				
<b>31 March 2023</b>	<b>3,600</b>	<b>61,220</b>	<b>1,556,443</b>	<b>1,621,263</b>
<b>31 March 2022</b>	<b>2,400</b>	<b>108,084</b>	<b>1,521,311</b>	<b>1,631,795</b>
<b>Asset financing:</b>				
Owned	3,600	61,220	1,556,443	1,621,263
<b>Carrying amount at 31 March 2023</b>	<b>3,600</b>	<b>61,220</b>	<b>1,556,443</b>	<b>1,621,263</b>
<b>Of which:</b>				
Core department	-	-	17,534	17,534
Agency	-	-	-	-
Arm's length bodies	3,600	61,220	1,538,909	1,603,729
<b>Carrying amount at 31 March 2023</b>	<b>3,600</b>	<b>61,220</b>	<b>1,556,443</b>	<b>1,621,263</b>

## 8.1 Heritage assets

	2023-24				
	Non-operational		Operational		Total heritage assets
	At cost	At valuation	At cost	At valuation	
	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
Balance at 1 April 2023	472,596	1,067,477	44,420	37,516	1,622,009
Additions	52,925	1,995	10,157	-	65,077
Donations	508	156,394	-	-	156,902
Disposals	(107)	(1,062)	(296)	-	(1,465)
Impairments	-	23	-	3	26
Transfers (to)/from property, plant & equipment/ assets held for sale/intangibles	-	151	(50)	-	101
Revaluations	45	9,394	-	263	9,702
<b>Balance at 31 March 2024</b>	<b>525,967</b>	<b>1,234,372</b>	<b>54,231</b>	<b>37,782</b>	<b>1,852,352</b>
<b>Depreciation</b>					
Balance at 1 April 2023	-	-	746	-	746
<b>Balance at 31 March 2024</b>	<b>-</b>	<b>-</b>	<b>673</b>	<b>-</b>	<b>673</b>
<b>Net book value at 31 March 2024</b>	<b>525,967</b>	<b>1,234,372</b>	<b>53,558</b>	<b>37,782</b>	<b>1,851,679</b>

	2022-23				
	Non-operational		Operational		Total heritage assets
	At cost	At valuation	At cost	At valuation	
	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
Balance at 1 April 2022	457,072	1,053,547	43,655	78,267	1,632,541
Additions	15,364	233	1,249	-	16,846
Donations	341	16,597	-	-	16,938
Disposals	-	(10)	(484)	-	(494)
Impairments	-	-	-	(40,751)	(40,751)
Revaluations	-	(3,071)	-	-	(3,071)
Transfers in/(out) of group	(181)	181	-	-	-
<b>Balance at 31 March 2023</b>	<b>472,596</b>	<b>1,067,477</b>	<b>44,420</b>	<b>37,516</b>	<b>1,622,009</b>
<b>Depreciation</b>					
Balance at 1 April 2022	-	-	746	-	746
<b>Balance at 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>746</b>	<b>-</b>	<b>746</b>
<b>Net book value at 31 March 2023</b>	<b>472,596</b>	<b>1,067,477</b>	<b>43,674</b>	<b>37,516</b>	<b>1,621,263</b>

Summary of heritage asset transactions	2023-24	2022-23	2021-22	2020-21	2019-20
	£'000	£'000	£'000	£'000	£'000
Purchased assets	65,077	16,846	13,897	22,133	39,762
Donated assets	156,902	16,938	31,672	27,133	35,725
Disposals	(1,465)	(494)	-	(12)	(71)
Impairments	26	(40,751)	104	(465)	58

### Classification

Heritage assets are classified under the FRoM 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 SoFP 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 28.

### **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 SoFP. The cost of valuing these assets is considered to be prohibitive and is not commensurate to the benefits, due to the size of the collections and/or the assets' uniqueness.

#### *Department*

The department's non-operational heritage assets include the Government Art Collection, other arts and antiques collections, land, buildings and monuments.

The majority of non-operational heritage assets held are not capitalised, 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 SoFP from 1 April 2000. Assets acquired prior to 1 April 2000 and donations to the GAC are not capitalised as the cost of obtaining valuations for these assets is not commensurate to the benefits.

#### *Other arts and antiques collections*

The department's non-operational heritage assets include the Heveningham Hall chattels at valuation. The most important items among the chattels are a suite of furniture designed by James Wyatt originally for Heveningham Hall, Suffolk, a Grade I listed building. A full valuation of these assets was performed in April 2020 by Sotheby's using current auction estimates.

#### *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 Secretary of State has a contract with The Royal Parks Limited for the provision of maintenance and management of the Royal Parks; including 114 heritage assets. These assets consisted of statues, fountains, bridges, walls, bandstands, historic gates and monuments such as Albert Memorial in Kensington Gardens and the 7 July Memorial in Hyde Park. Four of these have been subject to major capital enhancements that are held at cost/valuation of £6m.
- 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 occupied royal palaces in England (Buckingham Palace, St James' Palace, Windsor Castle and some other smaller properties) are managed by the Royal Household. 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 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 Crown Lands Acts.

Under Section 34 of the National Heritage Act 1983, management responsibility is vested in the Historic Buildings and Monuments Commission for England (Historic England). There are close to 100 such properties, plus some 250 properties under the Secretary of State's guardianship (for which the freehold remains with private owners). The department also owns freeholds adjacent to some sites under guardianship, used for purposes ancillary to public access such as car parks.

The following (based on visitor numbers) are of particular importance:

- Stonehenge
- Dover Castle
- Hadrian's Wall
- Osborne House
- Tintagel Castle
- Kenwood House
- Audley End House
- Whitby Abbey
- Carisbrooke Castle
- Kenilworth Castle

#### *Arm's 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 28), the following illustrate the scope of these including the cost and valuation of items held on the Statement of Financial Position and narrative for the entire collections which included items on and off the Statement of Financial Position.

The Tate Gallery held non-operational heritage assets at cost of £179.5m as at 31 March 2024 (31 March 2023: £176.0m) and at valuation of £408.4m as at 31 March 2024 (31 March 2023: £381.7m). 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 media from painting, drawing, sculpture and prints, to photography, video and film, installation and performance. The collection currently consists of 76,957 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. Where works of art are included at valuation, external valuations are used where available, and where this isn't the case, the assets are valued internally by Tate staff. These staff members are considered to be industry experts and therefore are able to assign values based on their expert knowledge.

The National Gallery held non-operational heritage assets at a cost of £110.8m as at 31 March 2024 (31 March 2023: £90.0m) and at valuation of £295.8m as at 31 March 2024 (31 March 2023: £295.8m). The National Gallery houses one of the greatest collections of Western European paintings in the world. The collection contains over 2,300 works, including many iconic masterpieces and the work of some of the greatest painters. Where heritage assets have been acquired under the Acceptance in Lieu Scheme or Cultural Gifts Scheme, valuations are provided by the Arts Council England. Where assets have been donated, valuations have been performed by the Gallery's curators, who are recognised experts in their fields, or by external valuers.

The Victoria and Albert Museum held non-operational heritage assets at cost of £37.5m as at 31 March 2024 (31 March 2023: £37.5m) and at valuation of £107.4m as at 31 March 2024 (31 March 2023: £104.6m). The Victoria and Albert Museum is the leading international museum of art and design, with approximately 1.7 million objects and works of art, 1.1 million library items and 1,200 archives in its



collections. Items held at valuation are valued by the curators of the museum, based on their expert knowledge.

The British Museum held non-operational heritage assets at cost of £37.9m as at 31 March 2024 (31 March 2023: £37.1m) and at valuation of £201.4m as at 31 March 2024 (31 March 2023: £73.9m). The British Museum collection is a global one, and its great strength is the way it records the interrelated histories of humanity as a whole. The collection is estimated to contain about eight million objects. Valuations are performed during the year of acquisition by internal curatorial experts based on their expert knowledge and, where appropriate, with reference to recent sales of similar objects.

The National Maritime Museum held non-operational heritage assets at cost of £23.3m as at 31 March 2024 (31 March 2023: £23.0m) and at valuation of £80.3m as at 31 March 2024 (31 March 2023: £80.3m). The National Maritime Museum has the most important holdings in the world related to Britain at sea and the collection comprises some 3 million items. Items held at valuation are valued by curators based on their knowledge, and market value where available.

The British Library held non-operational heritage assets at cost of £49.4m as at 31 March 2024 (31 March 2023: £48.3m) and at valuation of £35.5m as at 31 March 2024 (31 March 2023: £35.3m). 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. For purchased items heritage assets are recorded at the acquisition value. If the item has been donated by the Assets in Lieu of tax scheme the valuation is either provided or internal expertise is used to place a value on the item if there is no readily available market.

The National Portrait Gallery held non-operational heritage assets at cost of £51.8m as at 31 March 2024 (31 March 2023: £25.7m) and at valuation of £13.2m as at 31 March 2024 (31 March 2023: £11.6m). During the year, the Gallery jointly acquired Portrait of Mai (Omai) by Joshua Reynolds with The Getty Museum. The acquisition cost was £25m, funded via donations made for the acquisition and from investments. The National Portrait Gallery holds three collections; a primary collection mainly consisting of paintings, sculptures, miniatures, photographs and silhouettes, a reference collection containing more than 335,000 images and a photographs collection consisting of more than 250,000 original photographic images. Where works of art are included at valuation, external valuations are used where available; more usually assets are valued internally by the National Portrait Gallery staff. In reaching these valuations curators compare portraits donated to the Collection with the values of comparable items on the open market, taking account of differences in condition, size, status and market desirability.

The Science Museum Group held non-operational heritage assets at cost of £6.3m as at 31 March 2024 (31 March 2023: £6.2m) and at valuation of £27.5m as at 31 March 2024 (31 March 2023: £27.3m).

The National Museum Liverpool held non-operational heritage assets at cost of £4.3m as at 31 March 2024 (31 March 2023: £4.3m) and at valuation of £22.1m as at 31 March 2024 (31 March 2023: £17.3m).

Historic England has responsibility for the National Collection of buildings, monuments and sites. Since 1 April 2015, they are managed by Historic England's charitable subsidiary, The English Heritage Trust, using a mixture of Grant-in-Aid funding and self-generated income.

### **8.1.2 Operational heritage assets**

Where operational heritage assets have not been included in the SoFP, 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 held 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.

### *Arm's length bodies*

Historic England held operational heritage assets of £34.1m at valuation as at 31 March 2024 (31 March 2023: £33.8m), relating to land and buildings, dwellings and assets under construction. All land and buildings are subject to a full professional valuation every five years. A full quinquennial valuation was undertaken during the year ended 31 March 2021.

The Geffrye Museum (Museum of the Home) held operational heritage assets of £25.0m at cost as at 31 March 2024 (31 March 2023: £25.0m) relating to Almshouses that the museum resides in.

### **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 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 Historic England providing advice and guidance at a national level to government departments and agencies, as well as other public bodies.

With the exception of Somerset House, and those non-operational assets listed in note 8.1.1, Historic England (via its charitable subsidiary, The English Heritage Trust) manages all the sites on behalf of the department. Historic England 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 Historic England a strategy for the conservation and maintenance of the sites. Historic England Commissioners have approved an updated asset management plan, Sustainable Conservation Strategy & Asset Management Plan 2019-23, which sets out the policy for maintaining the National Collection of Historic Properties in their care.

The Government Art Collection (GAC) is part of the department that funds collection, maintenance and management. 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: <https://www.artcollection.culture.gov.uk/reports/>

### *Arm's 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 ALBs 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 (see note 28).

### **8.1.4 Heritage assets: records maintained and access**

#### *Department*

The GAC maintains a physical and online database of its collection. The GAC 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.

## Arm's 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 Donations of heritage assets

Donated assets of £202.2m were received in 2023-24 (2022-23: £17.0m). The donated assets include assets bequeathed to the British Museum at £126.1m and The Tate Gallery received the Daskalopoulos collection valued at £24.9m.

## 9. Intangible assets

	2023-24			
	Licences	Websites	Development expenditure	Total
	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>				
At 1 April 2023	200,232	11,078	31,956	243,266
Additions	13,104	1,112	6,379	20,595
Disposals	(13,070)	(495)	(3,637)	(17,202)
Revaluations	(1)	23	(23)	(1)
Impairments	-	-	(1,621)	(1,621)
Reclassifications	(9)	-	9	-
Transfers (to)/from property, plant & equipment/right of use assets	2,249	1,377	(1,534)	2,092
<b>At 31 March 2024</b>	<b>202,505</b>	<b>13,095</b>	<b>31,529</b>	<b>247,129</b>
<b>Amortisation</b>				
At 1 April 2023	148,244	7,623	15,830	171,697
Charged in year	14,541	1,344	3,448	19,333
Disposals	(12,264)	(495)	(681)	(13,440)
Revaluations	(1)	5	(19)	(15)
Impairments	-	-	(264)	(264)
Reclassifications	(7)	-	7	-
Transfers (to)/from property, plant & equipment/right of use assets	(106)	366	-	260
<b>At 31 March 2024</b>	<b>150,407</b>	<b>8,843</b>	<b>18,321</b>	<b>177,571</b>
<b>Carrying amount:</b>				
<b>31 March 2024</b>	<b>52,098</b>	<b>4,252</b>	<b>13,208</b>	<b>69,558</b>
<b>31 March 2023</b>	<b>51,988</b>	<b>3,455</b>	<b>16,126</b>	<b>71,569</b>
<b>Asset financing:</b>				
Owned	52,098	4,252	13,208	69,558
<b>Carrying amount at 31 March 2024</b>	<b>52,098</b>	<b>4,252</b>	<b>13,208</b>	<b>69,558</b>
<b>Of Which:</b>				
Core department	-	-	-	-
Arm's length bodies	52,098	4,252	13,208	69,558
<b>Carrying amount at 31 March 2024</b>	<b>52,098</b>	<b>4,252</b>	<b>13,208</b>	<b>69,558</b>

## 9. Intangible assets (continued)

	Restated 2022-23			
	Licences	Websites	Development expenditure	Total
	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>				
At 1 April 2022	204,583	11,223	25,448	241,254
Additions	10,115	145	5,003	15,263
Disposals	(14,332)	(814)	(1,504)	(16,650)
Revaluations	51	-	(274)	(223)
Impairments	-	-	10	10
Reclassifications	(254)	-	254	-
Transfers (to)/from property, plant & equipment/right of use assets	69	524	3,019	3,612
<b>At 31 March 2023</b>	<b>200,232</b>	<b>11,078</b>	<b>31,956</b>	<b>243,266</b>
<b>Amortisation</b>				
At 1 April 2022	146,827	7,568	12,814	167,209
Charged in year	15,719	869	3,764	20,352
Disposals	(14,266)	(814)	(1,504)	(16,584)
Revaluations	50	-	(40)	10
Impairments	-	-	-	-
Reclassifications	(86)	-	86	-
Transfers (to)/from property, plant & equipment/right of use assets	-	-	710	710
<b>At 31 March 2023</b>	<b>148,244</b>	<b>7,623</b>	<b>15,830</b>	<b>171,697</b>
<b>Carrying amount:</b>				
<b>31 March 2023</b>	<b>51,988</b>	<b>3,455</b>	<b>16,126</b>	<b>71,569</b>
<b>31 March 2022</b>	<b>57,756</b>	<b>3,655</b>	<b>12,634</b>	<b>74,045</b>
<b>Asset financing:</b>				
Owned	51,988	3,455	16,126	71,569
<b>Carrying amount at 31 March 2023</b>	<b>51,988</b>	<b>3,455</b>	<b>16,126</b>	<b>71,569</b>
<b>Of which:</b>				
Core department	(107)	195	-	88
Arm's length bodies	52,095	3,260	16,126	71,481
<b>Carrying amount at 31 March 2023</b>	<b>51,988</b>	<b>3,455</b>	<b>16,126</b>	<b>71,569</b>

The BBC held £42.9m of intangible software licences as at 31 March 2024 (31 March 2023: £44.2m).

## 10. Investment properties

	Core department	Departmental group
	£'000	£'000
<b>Balance at 31 March 2022</b>	-	<b>28,126</b>
Additions	-	149
Revaluations	-	(3,478)
Transfers	-	7,171
<b>Balance at 31 March 2023</b>	-	<b>31,968</b>
Additions	-	154
Disposals	-	(385)
Revaluations	-	(1,250)
Transfers	-	3,341
<b>Balance at 31 March 2024</b>	-	<b>33,828</b>

The British Museum holds investment properties valued at £25.2m as at 31 March 2024 (£29.5m as at 31 March 2023). The valuation of the investment properties at open market value as at 31 March 2024 was carried out by chartered surveyors Montagu Evans LLP. The valuation is in accordance with the RICS Red Book.

The group has adopted the fair value model in accordance with the FReM.



## 11. Financial instruments

	Note	31 March 2024		Restated 31 March 2023		Restated 31 March 2022	
		Core department	Departmental group	Core department	Departmental group	Core department	Departmental group
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Financial assets</b>							
<b>Amortised costs</b>							
Cash and cash equivalents	17	91,412	2,914,718	67,924	2,838,266	195,598	3,080,755
Trade and other receivables	16	43,665	490,479	5,504	488,953	2,589	441,657
Contract assets		-	1,013	-	499	-	18,775
Loans	13, 16	384,377	1,029,672	361,999	661,367	383,946	593,789
Deposits	13	-	23,659	-	125,694	-	10,552
		<b>519,454</b>	<b>4,459,541</b>	<b>435,427</b>	<b>4,114,779</b>	<b>582,133</b>	<b>4,145,528</b>
<b>Fair value through other comprehensive income</b>							
Equity investments excluding investment in subsidiaries	13	-	464,364	-	418,930	-	326,258
Investment in subsidiaries	13	-	2,834,818	-	2,087,910	-	1,923,489
		-	<b>3,299,182</b>	-	<b>2,506,840</b>	-	<b>2,249,747</b>
<b>Fair value through profit or loss</b>							
Derivative financial instrument assets	13	-	343,842	-	380,344	-	418,620
Other financial assets (FI non derivative through profit or loss)	13	-	10,022	-	11,541	-	13,471
		-	<b>353,864</b>	-	<b>391,885</b>	-	<b>432,091</b>
<b>Financial liabilities</b>							
<b>Fair value through profit or loss</b>							
Derivative financial instrument liabilities	21	-	(484,426)	-	(483,819)	-	(585,091)
<b>Financial liabilities at amortised cost</b>							
Payables including contract liabilities	18	(14,998)	(4,054,748)	(12,966)	(3,595,188)	(18,497)	(3,489,376)
Lease Liabilities	20	(43,829)	(1,828,450)	(58,567)	(1,889,040)	(64,298)	(1,918,130)
Other financial liabilities		-	(6,053)	-	(7,551)	-	-
<b>Total financial liabilities</b>		<b>(58,827)</b>	<b>(6,373,677)</b>	<b>(71,533)</b>	<b>(5,975,598)</b>	<b>(82,795)</b>	<b>(5,992,597)</b>
<b>Total net financial assets/ (liabilities)</b>		<b>460,627</b>	<b>1,738,910</b>	<b>363,894</b>	<b>1,037,906</b>	<b>499,338</b>	<b>834,769</b>

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 derivatives used for risk management purposes, comprise cash and cash equivalents, borrowings 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.

The group has not reclassified any financial assets within the year.

The group has not derecognised any material equity investments within the year.

No material cumulative gains or losses between reserves have occurred within the year. Transfers between reserves are included within the SoCTE.

Derivative financial instrument assets and derivative financial instrument liabilities held by the BBC,

further information is included in note 11.5.

The group's non-derivative assets designated as financial assets through profit and loss are £10.0m (2022-23: £11.5m) of BFI film rights assets.

The group has no financial instruments that are offset.

The group has not pledged collateral for these financial liabilities.

The group has no loans or other borrowings payable other than those disclosed in note 18.

### **11.1 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, equity investments, other financial assets and trade and other receivables. The group's maximum exposure to credit risk is limited to the value of these assets. The credit risk management policy in relation to trade receivables involves regularly assessing the financial reliability of customers, considering their financial position and historical credit risk.

The group assesses credit risk when setting the expected credit loss forward looking analysis which is expected to include macroeconomic assessments, historical data and fund managers where required for these assets. It has an immaterial expected credit loss on the assets that it holds and therefore has assessed the level of credit risk as low. It has an immaterial expectation of defaults, which it expects to be deemed as a failure to fulfil an obligation, especially to repay a loan or appear in a law court. It expects assets to be written off when it is no longer possible to recover the asset.

The changes in amortised cost assets are explained in their respective notes but are not as a result of material changes to credit risk assessments within the year.

Lottery Bodies' cash holdings are predominantly held by the National Lottery Distribution Fund. Other deposits and cash holdings are held with the Government Banking Service or approved UK banks and are spread across institutions.

There were a number of COVID-19 support packages issued in 2020-21 and 2021-22, which include loans to external bodies. The loans are regularly assessed for credit risk by considering reasonable and supportable information that is relevant and available without undue cost or effort when determining whether credit risk has increased significantly since initial recognition. During 2022-23 there was a significant increase in credit risk for a number of the DCMS COVID-19 loans, as such a lifetime expected credit loss was applied (stage 2) (note 1.32). In coming to this conclusion, DCMS used a number of judgements which include reviewing external credit risk agency scores, the bodies net assets, operating profit, average revenue, level of securities and if there are any existing creditor agreements. There has been a reversal of the prior year ECL impairment of loans and therefore the loan balance has increased in the year 2023-24.

Transactions involving derivative financial instruments are entered into only with reputable banks, the credit ratings of which are considered to minimise credit risk

### **11.2 Market risk (currency and other price risks)**

The department 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 BBC are most impacted by market risk and take a risk averse approach to the management of currency risk. They have implemented clear policy parameters utilising forward foreign currency contracts to minimise volatility in the financial results. A substantial proportion of the BBC Group's material net foreign currency exposures are economically hedged. The impact of such transactions are not significant to the group, beyond the BBC.

### 11.3 Interest rate risk

The group's main exposure to interest rate fluctuations arises on external borrowings, which are predominantly undertaken by BBC Commercial Limited. By taking out a range of interest rate swaps, the BBC has mitigated underlying exposure to interest rate fluctuations and hence no sensitivity analysis has been presented as any potential variation is insignificant.

### 11.4 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 Parliamentary Estimates process, there is minimal liquidity risk.

The BBC is subject to limits on its borrowings set by the Secretary of State in accordance with the agreement between the BBC and DCMS. In order to comply with these limits, together with the terms of any individual debt instruments, the BBC's treasury function manages the BBC's borrowings by regularly monitoring the BBC's cash flow forecasts. The BBC holds its surplus liquidity in term deposit accounts with highly rated financial institutions.

The bank loans of the BBC's commercial operations are subject to debt covenants based on the group's earnings before interest and taxation. The covenants are in respect of net borrowings and net interest coverage. The BBC is active in the monitoring of its debt covenants, which have been met at 31 March 2024.

The majority of funding for Arts Council England Lottery, British Film Institute Lottery, National Lottery Community Fund, National Lottery Heritage Fund, Sport England Lottery and UK Sport Lottery comes from the National Lottery. This liquidity risk is minimised by holding significant amounts of liquid assets and through cash-flow forecasting. Forward projections of lottery income are provided to these ALBs by the department and used to inform the distributors' decisions on forward grant commitments.

The Horserace Betting Levy Board is wholly funded by levy and the Gambling Commission is largely funded by the National Lottery and licence rather than through parliamentary funding. They mitigate this risk by monitoring cash requirements and holding sufficient amounts of cash and cash equivalents to meet their requirements.

## 11.5 Financial instruments – fair value hierarchy

The table below analyses financial instruments carried at fair value by the hierarchy set out in IFRS 13 *Fair Value Measurement*. The different levels are defined as follows:

- Level 1 – uses quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – uses inputs for the assets or liabilities other than quoted prices that are observable either directly or indirectly.
- Level 3 – uses inputs for the assets or liabilities that are not based on observable market data, such as internal models or other valuation method.

	31 March 2024					31 March 2023					31 March 2022				
	Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total	
	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	
<b>Financial assets</b>															
<i>Fair value through OCI</i>															
Equity investments excluding investment in subsidiaries	453,210	11,154	-	464,364		418,774	156	-	418,930		326,258	-	-	326,258	
Investment in subsidiaries	-	-	2,834,818	2,834,818		-	-	2,087,910	2,087,910		-	-	1,923,489	1,923,489	
<b>Total fair value through OCI financial assets</b>	<b>453,210</b>	<b>11,154</b>	<b>2,834,818</b>	<b>3,299,182</b>		<b>418,774</b>	<b>156</b>	<b>2,087,910</b>	<b>2,506,840</b>		<b>326,258</b>	<b>-</b>	<b>1,923,489</b>	<b>2,249,747</b>	
<i>Fair value through profit or loss</i>															
Derivative financial instrument assets	794	343,048	-	343,842		4,016	376,328	-	380,344		5,962	412,658	-	418,620	
Other financial assets (FI non derivative through profit or loss)	-	-	10,022	10,022		-	-	11,541	11,541		-	-	13,471	13,471	
<b>Total financial assets: fair value through profit or loss</b>	<b>794</b>	<b>343,048</b>	<b>10,022</b>	<b>353,864</b>		<b>4,016</b>	<b>376,328</b>	<b>11,541</b>	<b>391,885</b>		<b>5,962</b>	<b>412,658</b>	<b>13,471</b>	<b>432,091</b>	
<b>Total financial assets measured at fair value</b>	<b>454,004</b>	<b>354,202</b>	<b>2,844,840</b>	<b>3,653,046</b>		<b>422,790</b>	<b>376,484</b>	<b>2,099,451</b>	<b>2,898,725</b>		<b>332,220</b>	<b>412,658</b>	<b>1,936,960</b>	<b>2,681,838</b>	
<b>Of which:</b>															
Core department	-	-	-	-		-	-	-	-		-	-	-	-	
Arm's length bodies	454,004	354,202	2,844,840	3,653,046		422,790	376,484	2,099,451	2,898,725		332,220	412,658	1,936,960	2,681,838	
<b>Total financial assets measured at fair value</b>	<b>454,004</b>	<b>354,202</b>	<b>2,844,840</b>	<b>3,653,046</b>		<b>422,790</b>	<b>376,484</b>	<b>2,099,451</b>	<b>2,898,725</b>		<b>332,220</b>	<b>412,658</b>	<b>1,936,960</b>	<b>2,681,838</b>	
<b>Financial liabilities</b>															
<i>Fair value through profit or loss</i>															
Derivative financial instrument liabilities	(2,797)	(481,629)	-	(484,426)		(3,134)	(480,685)	-	(483,819)		(5,127)	(579,964)	-	(585,091)	
<b>Total financial liabilities measured at fair value</b>	<b>(2,797)</b>	<b>(481,629)</b>	<b>-</b>	<b>(484,426)</b>		<b>(3,134)</b>	<b>(480,685)</b>	<b>-</b>	<b>(483,819)</b>		<b>(5,127)</b>	<b>(579,964)</b>	<b>-</b>	<b>(585,091)</b>	
<b>Of which:</b>															
Core department	-	-	-	-		-	-	-	-		-	-	-	-	
Arm's length bodies	(2,797)	(481,629)	-	(484,426)		(3,134)	(480,685)	-	(483,819)		(5,127)	(579,964)	-	(585,091)	
<b>Total financial liabilities measured at fair value</b>	<b>(2,797)</b>	<b>(481,629)</b>	<b>-</b>	<b>(484,426)</b>		<b>(3,134)</b>	<b>(480,685)</b>	<b>-</b>	<b>(483,819)</b>		<b>(5,127)</b>	<b>(579,964)</b>	<b>-</b>	<b>(585,091)</b>	

There were no transfers between level 1 and 2 during the year.

Specific valuation techniques used to value financial instruments include:



- quoted market prices or dealer quotes for similar instruments;
- the fair value of interest rate swaps, calculated as the present value of the estimated future cash flows based on observable yield curves;
- the fair value of forward foreign exchange contracts is determined using forward exchange rate at the reporting date, with the resulting value discounted back to present value; and
- other techniques are used, such as discounted cash flow analysis or, for non-quoted ordinary shares that are not actively traded, the net assets of the company or historic cost. These are classified as level 3.

### *BBC derivatives*

The BBC hold cash flow swaps classified as Level 1 and Level 2 instruments representing derivative financial assets of £343.8m (2022-23: £380.3m) and derivative financial liabilities of £484.4m (2022-23: £483.8m) relating to the refinancing of London Broadcasting House. The swaps expire between 2033 and 2045, and are valued with reference to relevant SONIA and Retail Price Index yield curves, subject to appropriate credit risk adjustments.

An adjustment of 214 basis points is applied to a specific leg of the swaps to reflect credit risk as the arrangement with the counterparty is not collateralised. These assumptions and inputs are reviewed annually, along with the completion of sensitivity analysis. If an adjustment of 228 basis points (an alternative index) had been used to reflect a reasonably possible change based on market movements during the year, then this would result in a decrease in the net liability of £6m.

During the prior year an adjustment of 244 basis points was applied to a specific leg of the swaps to reflect credit risk as the arrangement with the counterparty is not collateralised. If an adjustment of 258 basis points (an alternative index) had been used to reflect a reasonably possible change based on market movements during the year, then this would have resulted in a decrease in the net liability of £6.0m.

The following table presents the changes in level 3 instruments for the year ended 31 March 2024:

	Investment in subsidiaries	Other financial assets (FI non derivative through profit or loss)	Total financial assets
	£'000	£'000	£'000
<b>Balance at 1 April 2022</b>	<b>1,923,489</b>	<b>13,471</b>	<b>1,936,960</b>
Additions	5,186	17,947	23,133
Repayments/disposals	-	(4,306)	(4,306)
Gains and losses recognised in the CSocNE	159,235	(15,571)	143,664
<b>Balance at 31 March 2023</b>	<b>2,087,910</b>	<b>11,541</b>	<b>2,099,451</b>
Additions	118	13,291	13,409
Repayments/disposals	(152)	(4,567)	(4,719)
Gains and losses recognised in the CSocNE	746,942	(10,243)	736,699
<b>Balance at 31 March 2024</b>	<b>2,834,818</b>	<b>10,022</b>	<b>2,844,840</b>
<b>Of which:</b>			
Core department	-	-	-
Arm's length bodies	2,834,818	10,022	2,844,840
<b>Balance at 31 March 2024</b>	<b>2,834,818</b>	<b>10,022</b>	<b>2,844,840</b>

The most significant individual valuation using level 3 inputs in the DCMS group is the investment in subsidiaries of the BBC. The remaining level 3 inputs are made up of other ALBs' subsidiaries, which are all included in the accounts at their fair value with the net assets used as a proxy for fair value. More details of these can be found in note 13.

### 11.5.1 BBC's public corporations

BBC Commercial Limited and its subsidiaries (BBC Studioworks Limited and BBC Studios Limited) are the commercial operations of the BBC which exist to exploit BBC content, formats, brands, channels, facilities, services and intellectual property to deliver benefit to BBC licence fee payers.

BBC Commercial Limited and its direct subsidiary holding companies have been consolidated in these accounts. BBC Commercial Limited's other subsidiaries have been (or it is believed would be) classified by the Office for National Statistics as public corporations and in accordance with the FReM are accounted for as financial assets under IFRS 9.

As the valuation of the BBC public corporations does not meet the IFRS 9 definition for amortised cost, the group has classified the assets as fair value through other comprehensive expenditure. The nature of these assets, not being held for trading, means this is allowable under IFRS 9.

Fair value through other comprehensive expenditure assets are financial instruments to be measured at fair value in the balance sheet.

### 11.5.2 Fair value hierarchy

The group has classified the valuation of the BBC's public corporations as level 3 of the fair value model (see note 11.5). The fair value is the estimated future cash flows that will be generated in perpetuity, discounted at the cost of capital. Cash flow projections, long term growth rates and the cost of capital at which cash flows are discounted are the key unobservable inputs in the valuation. The full market cost of capital has been determined by the BBC following comparisons to similar competitors, and discussions with the individual commercial subsidiaries classified as public corporations.

### 11.5.3 Significant unobservable inputs

Assets	31 March 2024 £m	31 March 2023 £m	Valuation technique	Unobservable inputs
BBC's public corporations	2,702	1,938	Discounted cash flow model	Long term growth rate: 2023-24: 1.00% 2022-23: 1.00%
				Discount Rate
				Cash flows

Below is a table showing the fair values for a selection of key input changes.

As at 31 March 2024		
Change in input	Impact on fair value £m	Adjusted total value £m
Growth rate increase by 100 bps	267	2,969
Growth rate decrease by 100 bps	(218)	2,484
Discount rate increase by 100 bps	(301)	2,401
Discount rate decrease by 100 bps	369	3,071
Increase in cash flows by 5%	159	2,861
Decrease in cash flows by 5%	(159)	2,543

As at 31 March 2023		
Change in input	Impact on fair value £m	Adjusted total value £m
Growth rate increase by 100 bps	200	2,138
Growth rate decrease by 100 bps	(157)	1,781
Discount rate increase by 100 bps	(210)	1,728
Discount rate decrease by 100 bps	267	2,205
Increase in cash flows by 5%	104	2,042
Decrease in cash flows by 5%	(103)	1,835

A 100 basis point (bps) rise or fall in growth rates or discount rates represents management's assessment of a large but realistic movement which can easily be multiplied to give sensitivities (it is also consistent with sensitivity analysis that other companies use when looking at these rates).

A 5% increase or decrease in cash flows is considered reasonable by management based on variations seen in the financial assets historically compared to budgeted information.

#### **11.5.4 Measurement**

These financial assets are recognised at fair value. Since these subsidiaries are not traded on an active market and the fair value cannot be derived from the quoted prices of similar assets, fair value is determined using an internal model (i.e. level 3 of the fair value hierarchy). This model uses discounted cash flow projections to arrive at a net present value.

The cash flow projections use internal five-year forecasts provided by the commercial subsidiaries (BBC Studioworks Limited and BBC Studios Group). The detailed business plans supporting the cash flow projections are compiled by the management teams of each individual subsidiary based on the extrapolation of historical trends in each business area, internal intelligence on expected customer activity and external information on expected future trends in the entertainment and communications industry in each territory.

The first three years of the forecast are reviewed and approved by the BBC Board as part of the BBC budget process. The final two years are extrapolated out by the subsidiary management teams at a higher level. An extra year was added to the cash flow projections used in the model for BBC Studioworks to ensure a normalised cash flow position is used for the terminal value calculation. The historical accounts for each commercial subsidiary are publicly available but do not contain any forward-looking information that would link to the cash flow projections. Cash flow projections are considered commercially sensitive by the BBC and are not publicly available.

Corporate tax rate projections are set with reference to the latest future guidance from HMRC.

The valuation assumes that the financial assets have perpetual access to BBC content distribution rights as this is the basis on which the financial assets' business plans are based. The valuation also assumes that the BBC continues beyond the end of the current Royal Charter period (which ends on 31st December 2027).

After the five-year forecast period, the cash flow projections have a perpetual growth rate of 1.0% (2022-23: 1.0%) applied. The growth rate used is consistent with the long-term average growth rates for both the industry and the countries in which the assets are located and is appropriate because the assets are long-term businesses. It is referenced against the Bank of England's long-term inflation target and market benchmarks from equity research analysts. The rate incorporates the considered view of BBC management about the long-term growth prospects for the BBC's commercial subsidiaries. BBC management has considered the current global macroeconomic environment where inflation in the UK has come back down to the Bank of England's long-term inflation target alongside market forecasts that expect inflation to remain closer to this target going forwards. BBC management has assessed that any short to mid-term increase in inflation again (such as that experienced during 2022 and 2023) does not affect the long-term growth prospects of the commercial business (i.e. by the end of the five-year forecast period).

In determining the applicable discount rate, the BBC applied judgement in respect of several factors, which included reviewing the weighted average cost of capital analysis and long-range plans of the commercial businesses against market benchmarks from equity research analysts. The BBC gave weighted consideration to market consensus discount rates of comparable companies and general commercial operations to conclude on the most appropriate discount rate.

The peer group used for the analysis above includes listed European broadcast media companies, including UK broadcasters and production companies (reflecting the main activities of the BBC's commercial subsidiaries).

The £764.0m upward revaluation from the prior year primarily reflects an envisaged recovery in the

advertising market, a return to faster growth in content spend, continued strong growth in streaming demand and inorganic growth driven by recent BBC Studios' acquisitions.

Further detail on the performance of the BBC's commercial subsidiaries are available in the Annual Report and Consolidated Financial Statements for BBC Commercial Limited.

The growth and discount rates are highly subjective inputs to the valuation. This results in considerable, but unavoidable, uncertainties in the resulting fair value amount. The valuation is therefore a single estimate from a wide spread of possible values, as highlighted in the sensitivity analysis above.

### 11.5.5 Risks on the financial assets

The risks facing these BBC public corporations are disclosed in the BBC Commercial Limited's Annual Report.

## 12. Investments in associates and joint ventures

	2023-24		Restated 2022-23	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
Balance at 1 April	-	32,814	-	33,283
Share of profit or loss	-	(7,351)	-	(469)
Balance at 31 March	-	25,463	-	32,814

Of the total investments in associates and joint ventures, £13.6m (31 March 2023: £13.6m) relates to the BBC and £11.9m (31 March 2023: £19.3m) relates to the Victoria and Albert Museum.

### 13. Other financial assets

	Deposits	Derivatives	Equity Investments excluding investment in subsidiaries	Investment in subsidiaries (other than BBC public corporations)	Investment in BBC public corporations	Museum loans	Other loans	Other financial assets (FI non derivative through profit or loss)	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 April 2022</b>	<b>10,552</b>	<b>418,620</b>	<b>326,258</b>	<b>152,489</b>	<b>1,771,000</b>	-	<b>593,435</b>	<b>13,471</b>	<b>3,285,825</b>
Additions	125,252	-	136,491	(429)	5,000	-	94,109	17,947	378,370
Disposals	(10,110)	-	(34,037)	-	-	-	-	(4,336)	(48,483)
Revaluations	-	(38,276)	(9,796)	(2,150)	171,900	-	-	(15,541)	106,137
Impairments	-	-	14	-	(9,900)	-	5,351	-	(4,535)
Repayments	-	-	-	-	-	-	(9,803)	-	(9,803)
Discounting	-	-	-	-	-	-	23,454	-	23,454
Expected credit loss	-	-	-	-	-	-	(47,225)	-	(47,225)
<b>Balance at 31 March 2023</b>	<b>125,694</b>	<b>380,344</b>	<b>418,930</b>	<b>149,910</b>	<b>1,938,000</b>	-	<b>659,321</b>	<b>11,541</b>	<b>3,683,740</b>
Additions	1,255	-	55,971	118	-	-	343,142	13,886	414,372
Disposals	(103,290)	-	(38,970)	(152)	-	-	-	(4,784)	(147,196)
Revaluations	-	(36,502)	28,476	(15,091)	764,000	-	-	(10,621)	730,262
Impairments	-	-	(43)	(1,967)	-	-	2,150	-	140
Repayments	-	-	-	-	-	-	(26,335)	-	(26,335)
Discounting	-	-	-	-	-	-	19,505	-	19,505
Expected credit loss	-	-	-	-	-	-	29,829	-	29,829
<b>Balance at 31 March 2024</b>	<b>23,659</b>	<b>343,842</b>	<b>464,364</b>	<b>132,818</b>	<b>2,702,000</b>	-	<b>1,027,612</b>	<b>10,022</b>	<b>4,704,317</b>
<b>Of which:</b>									
Core department	-	-	-	-	-	25,279	358,902	-	384,181
Arm's length bodies	23,659	343,842	464,364	132,818	2,702,000	(25,279)	668,710	10,022	4,320,136
<b>Carrying amount at 31 March 2024</b>	<b>23,659</b>	<b>343,842</b>	<b>464,364</b>	<b>132,818</b>	<b>2,702,000</b>	-	<b>1,027,612</b>	<b>10,022</b>	<b>4,704,317</b>
Within 12 months	23,429	305	46,188	-	-	-	701,633	2,574	774,129
Over 12 months	230	343,537	418,176	132,818	2,702,000	-	325,979	7,448	3,930,188
<b>Carrying amount at 31 March 2024</b>	<b>23,659</b>	<b>343,842</b>	<b>464,364</b>	<b>132,818</b>	<b>2,702,000</b>	-	<b>1,027,612</b>	<b>10,022</b>	<b>4,704,317</b>
Within 12 months	125,628	3,859	54,044	-	-	-	364,111	2,801	550,443
Over 12 months	66	376,485	364,886	149,910	1,938,000	-	295,210	8,740	3,133,297
<b>Carrying amount at 31 March 2023</b>	<b>125,694</b>	<b>380,344</b>	<b>418,930</b>	<b>149,910</b>	<b>1,938,000</b>	-	<b>659,321</b>	<b>11,541</b>	<b>3,683,740</b>



## Deposits

The Horserace Betting Levy Board held deposits for greater than 3 months of £22.3m (31 March 2023: £25.2m).

The BBC held cash on deposit for greater than 3 months of £nil (31 March 2023: £100.0m).

## Derivatives

The derivative balance relates to the BBC, in particular their refinancing of London Broadcasting House.

## Equity Investments excluding investment in subsidiaries

The British Museum held investment funds with a fair value of £186.7m (31 March 2023: £150.1m). These investments consist of investment funds and listed and unlisted equities.

The Victoria and Albert Museum held investment funds with a fair value of £84.6m (31 March 2023: £76.9m) which mainly consist of multi-asset funds, equities, property funds and currencies managed by JP Morgan and Partners Capital LLP.

The Science Museum Group held investment funds with a fair value of £41.1m (31 March 2023: £32.9m) which consist of corporate bonds, cash, and equity type investments.

The National Heritage Memorial Fund held investment funds with a fair value of £37.7m (31 March 2023: £46.3m). The funds are invested in a wide variety of investment trusts, unit trusts and cash.

The Tate Gallery held investment funds with a fair value of £24.2m (31 March 2023: £22.1m), the majority of which are equities.

The British Library held investment funds with a fair value of £23.9m (31 March 2023: £23.8m) which are shares and equity type investments held with Baillie Gifford and Ninety One plc.

The National Gallery held investment funds with a fair value of £20.5m (31 March 2023: £22.9m) which mainly consist of corporate bonds and equity type investments managed by BlackRock Investment Management (UK) Limited.

The National Portrait Gallery held investment funds with a fair value of £14.8m (31 March 2023: £24.3m) which mainly consist of investment funds, government stocks and corporate bonds managed by Partners Capital LLP.

## Investments in subsidiaries (other than BBC public corporations)

ALBs' 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 as follows:

The English Heritage Trust is a 100% controlled subsidiary of Historic England. The Trust looks after the National Heritage Collection of more than 400 state-owned historic sites and monuments across England under licence from Historic England. The fair value of the Trust was £51.3m (31 March 2023: £64.7m).

The British Museum holds four subsidiaries with a fair value of £44.0m (31 March 2023: £40.8m).

## Investment in BBC public corporations

Refer to section 11.5.4 for further details.

## Other loans

The BBC had loans outstanding to its trading subsidiaries as at 31 March 2024 of £686.6m (31 March 2023: £343.5m). These loans are partially offset by loans that the BBC has received from its subsidiaries of £96.6m (31 March 2023: £152.2m) which are reported in note 18 Trade and other Payables. The loans outstanding vary based on the borrowing requirements of public corporations.

The core department includes within other loans, the loan book of the Cultural Recovery Fund, Sport Survival Package and Rugby Football League emergency loans.

The loans have been tailored for cultural and sporting institutions with an initial repayment holiday of up to four years and interest rates of 0.2-7.0%.

Repayments of £27.7m were made during the year (2022-23: £6.4m), a combination of capital and interest. The outstanding loan balance as at 31 March 2024 was £348.4m (31 March 2023: £302.4m). The loan balance has increased despite repayments being made as the Expected Credit Loss assessments of the loans have decreased.

The fair value of the loan book using the Bank of England March 2024 effective interest rates from secured and other loans has been calculated. This has confirmed that the amortised cost carrying value after taking into account the expected credit loss impairment is an appropriate proxy for fair value.

Further details on the expected credit losses can be found in note 11.1.

### 13.1 Museum Loans

The core department issues loans to museums within the group. The following ALBs held outstanding loan amounts:

	31 March 2024	31 March 2023
	Museum loan	Museum loan
Arm's length body	£'000	£'000
Science Museum Group	3,011	3,905
Imperial War Museum	2,005	3,007
National Maritime Museum	4,461	4,709
Natural History Museum	2,674	-
Geffrye Museum	1,258	1,249
National Portrait Gallery	10,659	11,169
Royal Armouries Museum	1,211	1,211
<b>Total museum loans issued</b>	<b>25,279</b>	<b>25,250</b>

These loans are eliminated upon consolidation and therefore no assets or liabilities are reported for the group.

## 14. Impairments

	Note	31 March 2024		31 March 2023	
		Core department	Departmental group	Core department	Departmental group
		£'000	£'000	£'000	£'000
Property, plant & equipment	6	-	(11,576)	-	(477)
Right of use assets	7	-	(454)	-	(110)
Heritage assets	8	-	26	-	(40,751)
Intangible assets	9	-	(1,357)	-	10
Other financial assets	13	2,150	140	5,351	(4,535)
Inventories	15	-	(71)	-	-
<b>Total impairments</b>		<b>2,150</b>	<b>(13,292)</b>	<b>5,351</b>	<b>(45,863)</b>

### Heritage assets

The prior year impairments were largely relating to Historic England (2022-23: £39.7m), the current year for Historic England is an impairment reversal of £0.3m

## 15. Inventories

	2023-24		2022-23	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
<b>Balance at 1 April</b>	-	<b>245,062</b>	-	<b>265,585</b>
Additions	-	2,530,284	-	2,470,632
Disposals	-	(2,550,962)	-	(2,491,155)
Impairments (note 14)	-	(71)	-	-
<b>Carrying amount at 31 March</b>	-	<b>224,313</b>	-	<b>245,062</b>
Work in intermediate stages of completion	-	45,625	-	46,136
Raw materials and consumables	-	143	-	150
Goods for resale and finished inventories	-	178,545	-	198,776
<b>Total inventories and work in progress</b>	-	<b>224,313</b>	-	<b>245,062</b>

As at 31 March 2024 the BBC held £198.5m (31 March 2023: £225.5m) and S4C held £20.1m (31 March 2023: £13.9m) in inventories in respect of programmes which were either in the course of production or ready for broadcast but not yet aired.

Additions for these two entities primarily relate to programmes which have been completed, whilst disposals relate to those broadcast during the year.

## 16. Trade and other receivables

	31 March 2024		Restated 31 March 2023		Restated 31 March 2022	
	Core department	Departmental group	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year:</b>						
Trade receivables	41,259	87,451	5,487	51,189	1,610	67,337
VAT receivables	2,994	62,901	11,427	104,171	7,017	89,809
Other receivables	2,406	182,004	17	216,437	979	165,038
Prepayments	18,315	619,396	3,966	483,320	1,192	602,120
Accrued income	54,100	182,787	1,629	106,155	18,795	87,500
Interest receivable	-	525	-	307	-	-
Staff loans and advances	196	2,060	129	2,046	23	354
Taxation and duties due	-	25,850	-	9,919	-	11,862
Government grants receivable	-	-	-	-	-	-
Consolidated Fund receivables	6,777	-	13,191	(2)	22,322	49,248
	<b>126,047</b>	<b>1,162,974</b>	<b>35,846</b>	<b>973,542</b>	<b>51,938</b>	<b>1,073,268</b>
<b>Amounts falling due after more than one year:</b>						
Other receivables	-	221,504	-	221,671	-	209,817
Prepayments	-	3,053	-	2,486	-	-
Accrued income	-	29,006	-	13,669	-	17,125
	-	<b>253,563</b>	-	<b>237,826</b>	-	<b>226,942</b>
<b>Total before expected credit loss</b>	<b>126,047</b>	<b>1,416,537</b>	<b>35,846</b>	<b>1,211,368</b>	<b>51,938</b>	<b>1,300,210</b>
Expected credit loss	-	(1,005)	-	(651)	-	(535)
<b>Total</b>	<b>126,047</b>	<b>1,415,532</b>	<b>35,846</b>	<b>1,210,717</b>	<b>51,938</b>	<b>1,299,675</b>

The core department had trade receivables of £41.3m (31 March 2023: £5.5m). The increase is primarily due to amounts due from other government departments.

Included in VAT receivables at 31 March 2024 is a balance due to the BBC of £35.9m (31 March 2023: £69.0m).

Included in other receivables due within one year at 31 March 2024 are balances due to the BBC of £112.1m (31 March 2023: £113.5m) and to the National Lottery Community Fund of £1.9m (31 March 2023: £40.8m).

The BBC had prepayments due within one year of £559.5m (31 March 2023: £451.9m). The increase is primarily due to the cyclical nature of major sporting and cultural events driving increases in the current year.

Included in accrued income within one year at 31 March 2024 are amounts due to DCMS core of £54.1m (31 March 2023: £1.6m), National Gallery of £26.8m (31 March 2023: £8.5m) and the BBC of £22.2m (31 March 2023: £17.6m).

Taxation and duties due at 31 March 2024 are largely due to the BBC of £21.4m (31 March 2023: £6.1m).

Other receivables due after more than one year at 31 March 2024 primarily consists of a balance due to the BBC of £219.9m (31 March 2023: £221.6m).

## 17. Cash and cash equivalents

	2023-24		Restated 2022-23	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
<b>Balance at 1 April</b>	<b>67,924</b>	<b>2,838,266</b>	<b>195,598</b>	<b>3,080,755</b>
Net change in cash and cash equivalent balances	23,488	76,452	(127,674)	(242,489)
<b>Balance at 31 March</b>	<b>91,412</b>	<b>2,914,718</b>	<b>67,924</b>	<b>2,838,266</b>
<b>The following balances at 31 March were held with:</b>				
Government Banking Service	88,771	193,279	66,504	188,087
Commercial banks and cash in hand	-	982,676	-	1,037,381
Liquid deposits	2,641	75,998	1,420	86,781
<b>Sub-total</b>	<b>91,412</b>	<b>1,251,953</b>	<b>67,924</b>	<b>1,312,249</b>
Balance held by NLDF	-	1,662,765	-	1,526,017
<b>Balance at 31 March</b>	<b>91,412</b>	<b>2,914,718</b>	<b>67,924</b>	<b>2,838,266</b>

Balances held with the Government Banking Service include core department at £88.8m (31 March 2023: £66.5m), Arts Council Exchequer at £32.8m (31 March 2023: £58.1m), Gambling Commission at £20.5m (31 March 2023: £20.1m) and Natural History Museum at £21.4m (31 March 2023: £18.4m).

Balances with commercial banks and cash in hand of £982.7m (31 March 2023: £1,037.4m) includes:

	2023-24	2022-23
Commercial banks and cash in hand over £20m in 2023-24 or 2022-23 held by:	£'000	£'000
BBC	435,688	444,571
National Lottery Community Fund	231,961	237,626
Horse Race Betting Levy Board	51,176	44,730
British Library	32,215	35,788
British Film Institute Exchequer	15,173	22,134
National Heritage Memorial Fund	41,168	48,006
Science Museum Group	6,188	22,783
Imperial War Museum	17,282	26,215

There are some third-party assets not included within the above which have been detailed in note 27.

Liquid deposits include the British Library £32.0m (31 March 2023: £32.0m) and the Science Museum £21.5m (31 March 2023: £20.5m).

The cash balance held by the National Lottery Distribution Fund (NLDF) of £1,662.8m (31 March 2023: £1,526.0m) is under the stewardship of the Secretary of State for Culture, Media and Sport. This fund is managed by the Commissioners for the Reduction of the National Debt, who invest the funds as call notice deposits on behalf of the NLDF with the Debt Management Office



## 18. Trade and other payables

	31 March 2024		Restated 31 March 2023		Restated 31 March 2022	
	Core department	Departmental group	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year:</b>						
Taxation and social security	1,563	45,840	1,458	50,819	1,424	40,805
Trade payables	5,235	198,678	199	170,464	13,555	195,631
Other payables	9,763	264,703	12,767	240,670	4,942	175,086
Accruals & deferred income	124,638	451,202	47,323	355,316	53,568	438,035
Grants payable	-	1,646,788	-	1,578,265	-	1,448,717
Supply payable	88,771	88,771	178,653	178,653	175,745	175,745
Loans and borrowings: amounts payable within 1 year	-	96,579	-	152,208	-	247,033
Consolidated Fund payables	6,777	6,777	24,400	24,400	34,529	34,529
	<b>236,747</b>	<b>2,799,338</b>	<b>264,800</b>	<b>2,750,795</b>	<b>283,763</b>	<b>2,755,581</b>
<b>Amounts falling due after more than one year:</b>						
Trade payables	-	285	-	-	-	53
Other payables	-	54,018	-	29,474	-	23,194
Accruals & deferred income	-	19,169	-	18,781	-	18,207
Grants payable	-	1,272,333	-	1,250,845	-	1,209,440
Bank and other borrowings	-	519,675	-	170,000	-	170,000
	-	<b>1,865,480</b>	-	<b>1,469,100</b>	-	<b>1,420,894</b>
<b>Total</b>	<b>236,747</b>	<b>4,664,818</b>	<b>264,800</b>	<b>4,219,895</b>	<b>283,763</b>	<b>4,176,475</b>

Included in trade payables due within one year is £131.9m (31 March 2023: £113.5m) in respect of the BBC.

Other payables falling due within one year include £164.1m (31 March 2023: £162.2m) in respect of the BBC, £29.3m (31 March 2023: £12.6m) in respect of the BFI Lottery, arising from the payment of new three-year awards, £28.6m (31 March 2023: £34.3m) in respect of the Horserace Betty Levy Board, and £25.6m (31 March 2023: £5.6m) relating to the British Museum.

Other payables falling due after one year include £34.7m (31 March 2023: £27.7m) in respect of the BBC.

Accruals and deferred income falling due within one year have increased for DCMS core to £124.6m (31 March 2023 £47.3m) due to more activities completed over year end which required accruing.

As at 31 March 2024, £2,498.5m (31 March 2023: £2,512.2m) of current and non-current grants payable were attributable to lottery bodies.

The core department supply payable of £88.8m (31 March 2023: £178.7m) is Parliamentary funding drawn down which has not been spent within the year.

The loans and borrowings (within one year) and bank and other borrowings (greater than one year) relate to the BBC. The loans and borrowings (within one year) of £96.6m (31 March 2023: £152.2m) comprises of mainly commercial intra-group borrowings which vary according to cash requirements.

The bank and other borrowings (greater than one year) of £519.7m (31 March 2023: £170.0m) reflects additional facilities drawn down in the year to support BBC Commercial operations.

## 19. Provision for liabilities and charges

Total provisions by type	Grant commitments	Legal claims	Early departures and redundancies	Other	Total
	£'000	£'000	£'000	£'000	£'000
<b>Restated balance at 1 April 2023</b>	<b>62,084</b>	<b>2,857</b>	<b>134</b>	<b>191,862</b>	<b>256,937</b>
Provided in the year	-	10,628	1,613	62,359	74,600
Provisions utilised in year	(54,927)	(5,300)	(97)	(69,964)	(130,288)
Provisions not required written back	-	(839)	(5)	(26,993)	(27,837)
Unwinding of discounts	-	-	1	29	30
<b>Balance at 31 March 2024</b>	<b>7,157</b>	<b>7,346</b>	<b>1,646</b>	<b>157,293</b>	<b>173,442</b>
<b>Comprising:</b>					
<b>Current liabilities</b>					
Not later than one year	7,157	7,346	412	39,865	54,780
<b>Non-current liabilities</b>					
Later than one year and not later than five years	-	-	1,234	49,706	50,940
Later than five years	-	-	-	67,722	67,722
<b>Balance at 31 March 2024</b>	<b>7,157</b>	<b>7,346</b>	<b>1,646</b>	<b>157,293</b>	<b>173,442</b>
<b>Of the total:</b>					
Core department	-	-	-	-	-
Arm's length bodies	7,157	7,346	1,646	157,293	173,442
<b>Balance at 31 March 2024</b>	<b>7,157</b>	<b>7,346</b>	<b>1,646</b>	<b>157,293</b>	<b>173,442</b>

Total provisions by type	Grant commitments	Legal claims	Early departures and redundancies	Other	Total
	£'000	£'000	£'000	£'000	£'000
<b>Restated balance at 31 March 2022</b>	<b>23,473</b>	<b>1,777</b>	<b>112</b>	<b>115,454</b>	<b>140,816</b>
Provided in the year	69,412	1,524	106	127,862	198,904
Provisions not required written back	(30,801)	(239)	-	(14,723)	(45,763)
Provisions utilised in year	-	(205)	(84)	(36,731)	(37,020)
Unwinding of discounts	-	-	-	-	-
Transfers (in)/out of group	-	-	-	-	-
<b>Restated balance at 31 March 2023</b>	<b>62,084</b>	<b>2,857</b>	<b>134</b>	<b>191,862</b>	<b>256,937</b>
<b>Comprising:</b>					
<b>Current liabilities</b>					
Not later than one year	23,790	2,857	134	88,244	115,025
<b>Non-current liabilities</b>					
Later than one year and not later than five years	38,294	-	-	42,703	80,997
Later than five years	-	-	-	60,915	60,915
<b>Restated balance at 31 March 2023</b>	<b>62,084</b>	<b>2,857</b>	<b>134</b>	<b>191,862</b>	<b>256,937</b>
<b>Of the total:</b>					
Core department	-	-	-	-	-
Arm's length bodies	62,084	2,857	134	191,862	256,937
<b>Restated balance at 31 March 2023</b>	<b>62,084</b>	<b>2,857</b>	<b>134</b>	<b>191,862</b>	<b>256,937</b>

## 19. Provision for liabilities and charges (continued)

Total provisions	31 March 2024		Restated 31 March 2023	
	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000
<b>Balance at 1 April</b>	-	<b>256,937</b>	<b>3,823</b>	<b>140,816</b>
Provided in the year	-	74,600	-	198,904
Provisions utilised in year	-	(130,288)	-	(37,020)
Provisions not required written back	-	(27,837)	(3,823)	(45,763)
Unwinding of discounts	-	30	-	-
Transfers (in)/out of group	-	-	-	-
<b>Balance at reporting date</b>	-	<b>173,442</b>	-	<b>256,937</b>
<b>Comprising:</b>				
<b>Current liabilities:</b>				
Not later than one year	-	54,780	-	115,025
<b>Non-current liabilities</b>				
Later than one year and not later than five years	-	50,940	-	80,997
Later than five years	-	67,722	-	60,915
<b>Subtotal: non-current liabilities</b>	-	<b>118,662</b>	-	<b>141,912</b>
<b>Balance at reporting date</b>	-	<b>173,442</b>	-	<b>256,937</b>

### 19.1 Grant commitments

British Film Institute Lottery has provisions of £7.2m (31 March 2023 £62.1m) for non-film rights awards which have been made, but at the reporting date, either contracts have not been signed and/or the conditions have not been met. As a result, these transactions are recognised as an award commitment and included within provisions.

### 19.2 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 HM Treasury's post-employment benefit discount rate.

### 19.3 Other provisions

#### *BBC restructuring and property provisions*

This relates to various restructuring, decommissioning and dilapidation provisions within the BBC. The value of this provision as at 31 March 2024 was £114.0m (31 March 2023: £134.8m).

#### *BBC taxation, litigation and insurance*

The BBC taxation, litigation and insurance provisions as at 31 March 2024 were £33.7m (31 March 2023: £42.0m).

## 20. Lease liabilities

Total future lease payments under leases are given in the table below:

Obligations for the following periods comprise:	31 March 2024		Restated 31 March 2023		Restated 31 March 2022	
	Core department	Departmental group	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Land</b>						
Not later than one year	-	4,228	-	2,955	-	2,763
Later than one year and not later than five years	-	16,415	-	11,080	-	10,732
Later than five years	-	749,745	-	724,891	-	732,487
<b>Subtotal: Land</b>	-	<b>770,388</b>	-	<b>738,926</b>	-	<b>745,982</b>
Less interest element	-	(697,168)	-	(675,719)	-	(680,228)
<b>Present value of obligations</b>	-	<b>73,220</b>	-	<b>63,207</b>	-	<b>65,754</b>
<b>Buildings</b>						
Not later than one year	3,542	171,645	5,863	173,054	(3,062)	155,094
Later than one year and not later than five years	11,426	657,547	22,363	652,134	25,240	629,271
Later than five years	34,328	1,380,650	34,987	1,489,318	48,190	1,592,643
<b>Subtotal: Buildings</b>	<b>49,296</b>	<b>2,209,842</b>	<b>63,213</b>	<b>2,314,506</b>	<b>70,368</b>	<b>2,377,008</b>
Less interest element	(5,467)	(461,611)	(4,646)	(495,242)	(6,070)	(532,584)
<b>Present value of obligations</b>	<b>43,829</b>	<b>1,748,231</b>	<b>58,567</b>	<b>1,819,264</b>	<b>64,298</b>	<b>1,844,424</b>
<b>Other</b>						
Not later than one year	-	3,084	-	1,597	-	1,911
Later than one year and not later than five years	-	2,913	-	3,326	-	3,636
Later than five years	-	1,386	-	1,710	-	2,203
<b>Subtotal: Other</b>	-	<b>7,383</b>	-	<b>6,633</b>	-	<b>7,750</b>
Less interest element	-	(384)	-	(64)	-	202
<b>Present value of obligations</b>	-	<b>6,999</b>	-	<b>6,569</b>	-	<b>7,952</b>
<b>Total present value of obligations</b>	<b>43,829</b>	<b>1,828,450</b>	<b>58,567</b>	<b>1,889,040</b>	<b>64,298</b>	<b>1,918,130</b>
<b>Comprising:</b>						
<b>Current</b>	<b>2,946</b>	<b>131,543</b>	<b>5,321</b>	<b>126,806</b>	<b>(3,825)</b>	<b>108,915</b>
<b>Non-current</b>	<b>40,883</b>	<b>1,696,907</b>	<b>53,246</b>	<b>1,762,234</b>	<b>68,123</b>	<b>1,809,215</b>

Leases are discounted using the rate implicit in the lease. Where that rate cannot be readily determined, leases are discounted at the entity's incremental borrowing rate.

Where an entity has no borrowings (which is the case for all entities consolidated into the departmental group, with the exception of the BBC), HMT issues discount rates to be used. These cover calendar years and were 1.27% for 2020, 0.91% for 2021, 0.95% for 2022, 3.51% for 2023 and 4.72% for 2024.

The largest lease liabilities are held by the BBC of £1,564.6m (2022-23: £1,606.8m). This consists of lease liabilities (inclusive of the effect of discounting the interest element) of £116.0m (2022-23: 108.9m) due in one year, £469.2m (2022-23: 441.9m) due in more than one and not later than five years and £979.4m (2022-23: £1,056.1m) due in more than five years.

The figures include lease interest amounts which are debit figures (partially nets off overall lease liabilities, which are credit figures). The two to five year figure is £469.2m (including lease interest of £149.5m), and therefore would be £618.7m without lease interest. The more than five year figure is £979.4m (including lease interest of £187.3m), and would be £1.167bn without lease interest.

The core department holds lease liabilities (inclusive of the effect of discounting the interest element) of £43.8m (2022-23: £58.6m), all of which relates to buildings. The interest element for these lease liabilities is £5.5m (2022-23: £4.6m).

Movements on lease liabilities	2023-2024
	£'000
Group Opening Lease liability 1 April 2023	1,889,040
Lease Repayments	(161,618)
Additions	91,483
Other movements	9,545
<b>Group Closing lease liabilities 31 March 2024</b>	<b>1,828,450</b>

Amounts recognised in SoCNE	Note	31 March 2024		Restated 31 March 2023	
		Core department	Departmental group	Core department	Departmental group
		£'000	£'000	£'000	£'000
Interest on lease liabilities - Finance Cost		782	50,218	208	52,688
Variable lease payments not included in measurement of lease liabilities	4.3	-	175	-	180
Income of sub-leasing right-of-use assets	5.2	-	(8,636)	-	(11,169)
Expenses relating to short term liabilities	4.3	-	1,780	-	1,401
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	4.3	-	8,325	463	3,640
<b>Total</b>		<b>782</b>	<b>51,862</b>	<b>671</b>	<b>46,740</b>

Interest on lease liabilities is included within the finance cost total in note 4.6.

## 21. Other financial liabilities

	Other financial liabilities	Derivatives	Total derivatives
	£'000	£'000	£'000
<b>Balance at 31 March 2022</b>	-	<b>585,091</b>	<b>585,091</b>
Additions	7,980	-	7,980
Revaluations	-	(101,272)	(101,272)
Discounting	(429)	-	(429)
<b>Balance at 31 March 2023</b>	<b>7,551</b>	<b>483,819</b>	<b>491,370</b>
Additions	302	-	302
Repayments	(1,800)	-	(1,800)
Revaluations	-	607	607
<b>Balance at 31 March 2024</b>	<b>6,053</b>	<b>484,426</b>	<b>490,479</b>
<b>Of the total:</b>			
Core department	-	-	-
Arm's length bodies	6,053	484,426	490,479
<b>Balance at 31 March 2024</b>	<b>6,053</b>	<b>484,426</b>	<b>490,479</b>
Due within 12 months	1,553	2,503	4,056
Due after 12 months	4,500	481,923	486,423
<b>Balance at 31 March 2024</b>	<b>6,053</b>	<b>484,426</b>	<b>490,479</b>
Due within 12 months	5,660	1,886	7,546
Due after 12 months	1,891	481,933	483,824
<b>Balance at 31 March 2023</b>	<b>7,551</b>	<b>483,819</b>	<b>491,370</b>

The BBC held financial derivatives of £484.4m (31 March 2023: £483.8m). The largest element of these derivatives relates to the refinancing of New Broadcasting House of £481.6m (31 March 2023: £481.0m). The derivatives revaluation in 2022-23 of £101.3m was due to the impact of interest rate changes in the prior year.



## 22. Retirement benefit obligations

	2023-24			Restated 2022-23		
	Funded	Unfunded	Total	Funded	Unfunded	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Analysis of movement in scheme liabilities</b>						
<b>Balance at 1 April</b>	<b>14,565,503</b>	<b>9,180</b>	<b>14,574,683</b>	<b>19,365,958</b>	<b>10,796</b>	<b>19,376,754</b>
Current service cost	106,672	-	106,672	185,394	-	185,394
Past service cost	934	-	934	127	-	127
Interest cost on pension scheme liabilities	675,062	7	675,069	508,963	3	508,966
Administration cost	8,500	-	8,500	9,600	-	9,600
Benefits paid	(584,857)	(217)	(585,074)	(583,577)	(217)	(583,794)
Contributions by members	6,816	-	6,816	3,792	-	3,792
(Gains)/losses on settlements and curtailments	-	-	-	445	-	445
<b>Remeasurements:</b>						
Experience (gains)/losses on defined benefit obligation	119,700	(97)	119,603	1,115,706	(1,023)	1,114,683
Change in demographic assumptions	(117,337)	47	(117,290)	54,485	(379)	54,106
Change in financial assumptions	(306,335)	-	(306,335)	(6,095,390)	-	(6,095,390)
<b>Pension liabilities at 31 March</b>	<b>14,474,658</b>	<b>8,920</b>	<b>14,483,578</b>	<b>14,565,503</b>	<b>9,180</b>	<b>14,574,683</b>
<b>Analysis of movement in scheme assets</b>						
<b>Balance at 1 April</b>	<b>(15,285,028)</b>	<b>-</b>	<b>(15,285,028)</b>	<b>(20,393,875)</b>	<b>-</b>	<b>(20,393,875)</b>
Interest on assets	(711,572)	-	(711,572)	(539,885)	-	(539,885)
Administration cost	485	-	485	540	-	540
Benefits paid	584,897	-	584,897	584,932	-	584,932
Contributions by members	(5,928)	-	(5,928)	(6,043)	-	(6,043)
Contributions by employer	(179,207)	-	(179,207)	(246,665)	-	(246,665)
<b>Remeasurements:</b>						
Change in actuarial assumptions	30,847	-	30,847	47,190	-	47,190
Return on assets	1,175,469	-	1,175,469	5,268,778	-	5,268,778
<b>Pension assets at 31 March</b>	<b>(14,390,037)</b>	<b>-</b>	<b>(14,390,037)</b>	<b>(15,285,028)</b>	<b>-</b>	<b>(15,285,028)</b>
<b>Net pension liability/(asset) at 31 March</b>	<b>84,621</b>	<b>8,920</b>	<b>93,541</b>	<b>(719,525)</b>	<b>9,180</b>	<b>(710,345)</b>
<b>Of the total:</b>						
Core department	-	-	-	-	-	-
Arm's length bodies	84,621	8,920	93,541	(719,525)	9,180	(710,345)
<b>Balance at 31 March</b>	<b>84,621</b>	<b>8,920</b>	<b>93,541</b>	<b>(719,525)</b>	<b>9,180</b>	<b>(710,345)</b>
BBC	114,600	6,600	121,200	(701,500)	6,700	(694,800)
BFI	(8,558)	1,548	(7,010)	(444)	1,677	1,233
Sport England	4,592	-	4,592	(13,839)	-	(13,839)
BTA	(5,534)	74	(5,460)	(2,701)	97	(2,604)
UK Sport	(17,119)	529	(16,590)	(6,681)	529	(6,152)
Other ALBs	(3,360)	169	(3,191)	5,640	177	5,817
<b>Total</b>	<b>84,621</b>	<b>8,920</b>	<b>93,541</b>	<b>(719,525)</b>	<b>9,180</b>	<b>(710,345)</b>

## 22.1 Analysis of total pension cost recognised in the Consolidated Statement of Comprehensive Net Expenditure

	2023-24 £'000	Restated 2022-23 £'000
<b>Pension cost recognised in Net Operating Cost</b>		
Current service cost	106,672	185,394
Past service cost	934	127
Enhancements and (gains)/losses on settlements and curtailments	-	445
Net interest cost on Pension Scheme	(36,503)	(30,919)
Administration cost	8,985	10,140
<b>Total</b>	<b>80,088</b>	<b>165,187</b>

	2023-24 £'000	Restated 2022-23 £'000
<b>Remeasurements recognised in Other Comprehensive Net Expenditure</b>		
<b>Pension liabilities:</b>		
Experience (gains)/losses on defined benefit obligation	119,603	1,114,683
Change in demographic assumptions	(117,290)	54,106
Change in financial assumptions	(306,335)	(6,095,390)
<b>Pension assets:</b>		
Change in actuarial assumptions	30,847	47,190
Return on assets	1,175,469	5,268,778
<b>Total</b>	<b>902,294</b>	<b>389,367</b>

### 22.1.1 Funded pension schemes

A number of the ALBs operate funded pension schemes, details of the most significant schemes are included below.

The range of future employer contributions for funded schemes are shown below:

	Future employer contributions
BBC	30%
BFI	15.5%
Sport England	6.4%
BTA	4.5% - 16%
UK Sport	9.1%

Further information in relation to these funded pension schemes are set out in the published accounts of the ALBs.

## 22.2 BBC pension scheme

These accounts include only the elements of the BBC classified as central government. The DCMS group accounts include the entire BBC pension scheme in accordance with note 1.24 (where the Office for National Statistics have classified the scheme assets and liabilities as falling to central government). It is not possible to allocate the scheme's deficit across the individual divisions of the BBC. 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. IAS19 valuations of the scheme for accounting purposes are performed annually by Price Waterhouse Coopers for the BBC. The pension scheme employs Willis Towers Watson as its actuaries to perform formal scheme valuations at least every three years. The scheme's net pension liability represents the majority of the BBC's net pension liabilities, with details below:

BBC funded pension scheme financial position as at:			
	2024	2023	2022
	£m	£m	£m
Scheme assets	13,775.8	14,675.3	19,744.5
Scheme liabilities	(13,890.4)	(13,973.8)	(18,495.9)
(Deficit)/surplus	(114.6)	701.5	1,248.6
Percentage by which scheme assets cover liabilities	99%	105%	107%

Note D.7.7 of the BBC accounts includes details on the allocation of assets by the pension fund Trustees, governed by the need to manage risk against the desire for high returns and any liquidity needs.

### 22.2.1 Funding the BBC scheme

The most recent triennial actuarial valuation of the pension scheme at 1 April 2022 by Willis Towers Watson showed a funding shortfall of £841m. A recovery plan was agreed between the BBC and the pension scheme trustees which details the additional contributions to be paid by the BBC through to December 2028.

The next formal triennial actuarial valuation will be performed as at 1 April 2025.

	Projection	2023	2022	2021
	2025	2024	2023	2022
Employer	30.0*	42.3/30.0	42.3	42.3
Employee (old and new benefits)	7.5	7.5	7.5	7.5
Employee (career average benefits 2006)	4.0	4.0	4.0	4.0
Employee (career average benefits 2011)	6.0	6.0	6.0	6.0

\* The employer contribution rate has been reduced to 30.0%, following the completion of the triennial actuarial valuation.

## 22.2.2 Principal actuarial assumptions of the BBC scheme

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:

Principal financial assumptions	2024	2023	2022
	%	%	%
Rate of increase in salaries	1.0	1.0	1.0
<b>Rate of increase in pension payments:</b>			
Old Benefits	3.5	3.5	3.9
New Benefits	3.3	3.4	3.7
Career Average Benefits (2006)	2.3	2.3	2.4
Career Average Benefits (2011)	2.9	2.9	3.5
Inflation assumption (RPI)	3.5	3.5	3.9
Inflation assumption (CPI)	3.1	3.2	3.6
Discount rate	4.8	4.7	2.7

The average life expectancy assumptions, for members after retirement at 60 years of age, are as follows:

Principal demographic assumptions	2024	2023	2022
	Number of years	Number of years	Number of years
<b>Retiring today:</b>			
Male	27.0	28.0	27.0
Female	29.0	30.0	29.0
<b>Retiring in 20 years:</b>			
Male	29.0	29.0	29.0
Female	31.0	31.0	31.0

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	4.8	Decrease/increase 0.1%	1.4/1.3	(189)/185
Retail price inflation rate	3.5	Decrease/increase 0.1%	1.1/1.2	154/(172)
Mortality rate	1.25*	Decrease/increase 1 year	3.7/3.9	515/(548)

\* A long-term trend of 1.25% for both males and females has been applied to the life expectancy reported above.

Note D6-D7 of the BBC accounts details the actuarial risks relating to the BBC pension scheme, covering investment, currency, counterparty, interest, longevity, inflation and liquidity risk. Level 3 assets are valued in line with industry standard guidelines, including RICS methodology for Property and International Private Equity and Venture Capital guidelines for Private Equity. At 31 March 2024 Direct and Pooled property was valued at £1,375.4m and 5% reduction would equate to £68.8m.

The details on the fair value of plan assets, risk management strategies, funding arrangements and maturity profile for the scheme assets and liabilities can be found in the BBC annual accounts..

## 22.3 Local Government Pension Scheme Funded Pension Scheme

A number of ALBs participate in the Local Government Pension Scheme (LGPS) operated by the London Pensions Fund Authority (LPFA).

The LGPS is a funded defined benefit scheme, benefits are based on final salary and the scheme remains open to existing members for ongoing accrual of benefits.

The scheme is subject to triennial valuations by the consulting actuaries to the LPFA and the latest valuation was at 31 March 2022.

Most of the LPFA's assets have quoted prices in active markets, but there are unquoted property, infrastructure and private equity assets. The property and infrastructure assets are subject to valuation by external valuers.

The details on the fair value of plan assets, risk management strategies, funding arrangements and maturity profile for the scheme assets and liabilities can be found in the individual accounts for each of the bodies that are part of the LPFA.

### 22.3.1 British Film Institute (BFI) pension schemes

BFI participates in the Local Government Pension Scheme (LGPS), operated by the LPFA.

The BFI has accounted in full for pension benefits in the year ended 31 March 2024. Therefore, as at 31 March 2024, BFI's net asset share was £7.0m (31 March 2023: £0.4m). BFI's agreed schedule of contributions is 15.5% of member employees' salary per year with no additional monetary amount (31 March 2023: £413k).

### 22.3.2 Sport England pension schemes

Sport England (both Exchequer and Lottery funded) also participates in the LGPS.

It is a funded defined benefit scheme which was closed to new members on 30 September 2005. Benefits are based on final salary until 31 March 2014, and on a career average salary basis from 1 April 2014. Sport England's share of the net pension deficit was £4.6m (31 March 2023 asset: £13.8m).

Additional employer contributions are paid into the scheme to reduce the scheme's deficit as advised by the scheme's actuaries based on the triennial valuation. In addition, Sport England makes voluntary contributions that are dependent on available funds.

### 22.3.3 UK Sport pension schemes

UK Sport operates the following pension schemes:

#### *UK Sport:*

The majority of staff of UK Sport (both Exchequer and Lottery funded) are members of the LGPS. The pension scheme is a funded defined benefit scheme open to all staff. The scheme is based on average salary throughout membership. UK Sport's share of the pension scheme asset as at the year end is £4.6m (31 March 2023 asset: £1.6m).

#### *The English Institute of Sport:*

The English Institute of Sport (EIS) is a subsidiary of UK Sport. EIS also participates in the LGPS. The pension scheme is a funded defined benefit scheme which is open to all staff.

EIS's share of the pension scheme asset as at the year end is £12.0m (31 March 2023 asset: £5.0m).



### 22.3.4 Other participating members of LGPS

Other ALBs participating in the LGPS are:

- Geffrye Museum (Museum of the Home);
- Horniman Public Museum and Public Park Trust; and
- UK Anti-Doping.

### 22.4 British Tourist Authority (BTA) pension schemes

BTA participates in the British Tourist Boards' Pension Scheme (BTBP). The BTBP Scheme is a multi-employer scheme which includes other Tourist Boards. It is a defined benefit final salary pension scheme, which is closed to new entrants from 1 April 2017. BTA also operates an unfunded pension scheme for payments to former Chairs.

BTA's share of the surplus of the funded scheme as at 31 March 2024 is £5.5m (31 March 2023: £2.7m). These figures include the US pension scheme. For the UK pension scheme (BTBP), the surplus at 31 March 2024 is £5.2m (31 March 2023: £2.3m surplus).

BTA also operates defined contribution schemes in other parts of the world, outside of the USA.

### 22.5 Unfunded pension schemes

The BBC, British Film Institute, British Tourist Authority, UK Sport and Gambling Commission have unfunded pension schemes. For more details on these schemes refer to the published accounts of the individual ALBs (see note 28).

## 23. Capital, other commitments and lessor arrangements

### 23.1 Capital commitments

Contracted capital commitments not otherwise included in these financial statements:	31 March 2024		Restated 31 March 2023		Restated 31 March 2022	
	Core department	Departmental group	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000	£'000	£'000
Property, plant & equipment	-	150,776	-	112,401	-	72,678
Intangible assets	-	218	-	346	-	849
<b>Total</b>	-	<b>150,994</b>	-	<b>112,747</b>	-	<b>73,527</b>

The most significant element of commitments as at 31 March 2024 was the British Library totalling £39.7m (31 March 2023: £1.5m), the Science Museum Group totalling £27.0m (31 March 2023: £18.8m), National Gallery totalling £23.3m (31 March 2023: £18.2m) and the Natural History Museum totalling £14.4m (31 March 2023: £27.2m).

### 23.2 Operating leases as lessor

Future minimum lease payments under non-cancellable operating leases comprise:	31 March 2024		31 March 2023		31 March 2022	
	Core department	Departmental group	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000	£'000	£'000
Not later than one year	-	7,281	-	6,972	-	6,899
Later than one year and not later than five years	-	26,692	-	28,687	-	26,865
Later than five years	-	16,595	-	19,621	-	24,579
<b>Total operating leases as a lessor</b>	-	<b>50,568</b>	-	<b>55,280</b>	-	<b>58,343</b>

The significant component of the group lessor balance at 31 March 2024 is the BBC holding of £46.9m (31 March 2023: £52.5m). These leases relate to various property sub-lease arrangements.

### 23.3 Commitments under PFI contracts and other service concession arrangements off-balance sheet (Consolidated Statement of Financial Position)

The group has entered into the following non-cancellable off-balance sheet PFI contract:

In 2010, the National Museums Liverpool (NML) entered into a 17-year standard form of PFI contractual arrangement for the provision of energy services and is making quarterly unitary payments over this period for a Combined Heat Power plant that came into use in October 2010. Further details can be found in NML's accounts.

Total future minimum payments to which the group is committed, as at 31 March 2024, analysed by the period during which commitments expire are as follows:

Obligations for off-balance sheet (SoFP) PFI and other service concession arrangements for the following periods comprise:	31 March 2024		31 March 2023		31 March 2022	
	Core department	Departmental group	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000	£'000	£'000
Not later than one year	-	717	-	699	-	648
Later than one year and not later than five years	-	1,111	-	1,827	-	2,401
Later than five years	-	-	-	-	-	-
<b>Total</b>	-	<b>1,828</b>	-	<b>2,526</b>	-	<b>3,049</b>

### 23.4 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 as at 31 March 2024, analysed by the period during which the commitments expire, are as follows:

	31 March 2024		Restated 31 March 2023		31 March 2022	
	Core department	Departmental group	Core department	Departmental group	Core department	Departmental group
	£'000	£'000	£'000	£'000	£'000	£'000
Not later than one year	-	1,198,077	-	1,080,795	-	1,039,607
Later than one year and not later than five years	-	1,982,306	-	1,986,283	-	2,258,161
Later than five years	-	305,199	-	433,199	-	446,000
<b>Total</b>	-	<b>3,485,582</b>	-	<b>3,500,277</b>	-	<b>3,743,768</b>

The BBC as at 31 March 2024 had commitments of £3,431.0m (31 March 2023: £3,388.0m) relating to long term outsourcing contracts including IT support, content distribution and transmission, facilities management and elements of finance support.

National Citizen Service as at 31 March 2024 had commitments of £32.9m (31 March 2023: £19.6m) relating to contracts for programme delivery partners, grantees commitments and licences.

## 24. Contingent assets and liabilities

### 24.1 Contingent liabilities disclosed under IAS 37

#### 24.1.1 Quantifiable

##### *Lottery Distribution Bodies (LDBs)*

At 31 March 2024, the Lottery Distribution Bodies (LDBs) had contingent liabilities relating to future grant payments. The estimated value is £538m (31 March 2023: £523m). The LDBs include British Film Institute, National Lottery Community Fund (formerly Big Lottery Fund), National Lottery Heritage Fund, Sport England, and UK Sport.

The contingent liabilities as at 31 March 2024 relate to potential grant awards that do not satisfy the criteria of being treated as a liability. For more detailed information on contingent liabilities, please refer to the financial statements of the individual LDBs.

The values per LDB are set out in the table below.

Lottery Distribution Body	2023-24 £m	2022-23 £m
Sport England	15	3
UK Sport	108	181
National Lottery Heritage Fund	406	330
National Lottery Community Fund	9	7
British Film Institute	1	2
<b>Total</b>	<b>538*</b>	<b>523</b>

*\*Not the sum of the LDB's due to figures being rounded to closest million.*

##### *Guarantee of British Horseracing Authority (BHA) Pension Scheme*

On 30 July 2007 the Board of HBLB entered into an agreement with the British Horseracing Authority (BHA), the Jockey Club and Trustees of the Jockey Club Pension Fund and Life Assurance Scheme, now known as the BHA Pension Scheme (the 'Scheme'), to guarantee the payment by the BHA of certain contributions to the Scheme. The last completed formal valuation of the Scheme took place in December 2017. Until 2020-21 HBLB provided two separate guarantees: an annual repair deficit guarantee of £0.6m valid until September 2024 if BHA were unable to pay and a maximum wind up guarantee of £30.3m valid until December 2024.

HBLB was approached by the trustees of the Scheme during 2020-21 to consider an extension to the wind-up guarantee. This was agreed by the Board with the necessary approvals from DCMS and HM Treasury subsequently received.

Accordingly, the Board now has a contingent liability in the event of the BHA becoming unable to meet its obligations and if such circumstances arise to:

- Meet the entire annual deficit contributions £0.6m per annum for the period ending 30 September 2024;
- Guarantee until the earlier of (i) 31 December 2032 and (ii) the date a future actuarial valuation of the Scheme discloses that there is no longer a past deficit on the basis of the December 2006 Actuarial Assumptions, the full Scheme wind-up liabilities; up to a maximum of £30.3m, 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.

##### *Sport England*

In 1979, the Football Association (FA) contributed £0.5m towards the construction of a hostel at Lilleshall National Sports and Conferencing Centre. 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. It is considered unlikely that the agreement will be terminated by Sport England.

#### *British Film Institute*

The BFI Locked Box initiative enables UK-filmmakers supported through the BFI to benefit from their film's success. In short, a share of income from supported film productions is put aside (into a BFI Locked Box) and can be used by the filmmakers for the development and/or production of future projects. The value of this contingent liability as at 31 March 2024 is £2.6m (31 March 2023: £2.6m).

#### *National Lottery Community Fund*

Within dormant accounts, NLCF has recognised a contingent liability of £5.0m at 31 March 2024 (31 March 2023: £5.5m) in respect of possible obligations to pay up to £500k per annum to The Oversight Trust – Assets for the Common Good (formerly named The Big Society Trust (OST) for their administration costs. This possible obligation is as per a deed of agreement between OST and NLCF made on 10 December 2019, which is valid for 15 years from that date. Therefore, the contingent liability is for the remaining 10 years.

### **24.1.2 Unquantifiable**

#### **Group**

##### *The British Library*

The British Library has undertaken the digitisation of millions of pages of newspaper from the archive using a commercial partner to take on the costs of digitisation in return for being able to exploit the digital archive commercially.

The supplier has warranted in its 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 £5m.

DCMS has agreed 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 £5m would be extremely unlikely but in the event that the liability is called, provision for any payment will be sought through the normal supply procedure.

The British Library is aware of a personal injury claim which has been investigated. The Library does not believe it has any liability and nothing has been heard from the claimant for over two years so no provision has been made in the accounts.

A complaint has been made against the Library relating to copyright due on material licensed to 3rd parties. The Library has taken legal advice which confirms that no contract exists and no backdated royalties are due so no provision has been made in the accounts.

The Library is dealing with two employment tribunal cases with hearing dates set for October 2024. Provision has been made in the accounts for the estimated legal and associated costs of bringing the cases to tribunal. The outcome of the cases cannot be determined with sufficient certainty to make a provision for damages.

The Library is aware of a further three claims being raised by employees. One is "out of time" and the Library has requested the case be struck out. No provision has been made for this. The Library is seeking legal advice on how to proceed with the other two cases. These are in very early stages and the costs of these disputes cannot be determined with sufficient certainty to make a provision, it is considered unlikely that the worst case outcomes would result in material costs to the Library.

A complaint has been made by a member of the public against the Library under the Equality Act 2010, alleging that the reader registration process is discriminatory because registration requires attendance

onsite. This is currently under investigation. It is not yet possible to say with certainty what any liability and related costs might be so no provision has been made in the accounts. Whilst the costs of these disputes cannot be determined with sufficient certainty to make a provision, it is considered unlikely that the worst case outcomes would result in material costs to the Library.

In October 2023 the Library was affected by a significant ransomware cyber-attack, which resulted in a reportable data breach. The Library reported the attack to the Information Commissioner's Office (ICO) within the statutory timeframe and from the outset has actively cooperated with the ICO's investigation, providing regular updates and responses to questions. The Library understand that the ICO will publish its findings on the incident in due course and the Library will abide by the recommendations of that report. Until the ICO's investigation is concluded it is not possible to say with any certainty whether the ICO will choose to impose a monetary penalty or what the value of any penalty might be. Accordingly no provision has been made in the accounts.

#### *4th National Lottery Licence Legal Challenge*

The Gambling Commission considers the liability to be a contingent liability in accordance with IAS 37. Due to the ongoing legal action and complexity of the case, including the varied consequences of multiple possible scenarios and permutations, we are unable to provide reliable financial estimates. Furthermore, there are a number of commercial sensitivities surrounding the legal challenges, and disclosure of further information could be prejudicial to the ongoing case. The liabilities will remain until the legal challenges are settled, because they relate to possible obligations in respect of enduring legal challenges as a result of the Gambling Commission's decision.

#### *British Tourist Authority – India Subsidiary*

BTA are continuing to work on the challenges of regulatory compliance in relation to their India operations. A decision was made in 2023-24 to seek new advisors who were appointed in December 2023 and who have now been onboarded; BTA are working closely with them as well as engaging with the British High Commission. The sale of Transport for London products in Indian visa shops has now ceased.

#### *BBC*

The Indian Income Tax Department conducted tax surveys at the offices of BBC Global News India Private Limited, BBC Global News Limited, BBC World Service India Private Limited and BBC Studios India Private Limited in February 2023. The BBC has co-operated in full, and will continue to do so, with all requests made to it including document and information requests, supported by its external legal and tax advisers. Matters arising from the surveys are ongoing. In respect of matters yet to conclude it is not possible at this stage to identify if a liability exists and/or to quantify any such liability with reasonable certainty.

#### *UK Competition and Markets Authority*

On 12 July 2022, the UK Competition and Markets Authority (CMA) launched an investigation into suspected breaches of competition law in relation to the purchase of freelance services supporting the production and broadcasting of sports content in the UK. In April 2023, the investigation was widened to include the BBC and one other party. In March 2024 the investigation was narrowed to exclude suspected breaches of competition law in relation to the employment of staff supporting the production and broadcasting of sports content in the UK. The investigation has not yet reached a conclusion.

On 11 October 2023, the CMA launched a second investigation into a number of named undertakings, including the BBC, in relation to the purchase of services from freelance providers, and the employment of staff, who support the production, creation and /or broadcasting of television content in the UK, excluding sport content. The investigation remains at an early stage.

It is not currently possible to reliably quantify any liability that might result from the investigations. The BBC is cooperating with the CMA's enquiries on both investigations.



### *BBC Media Action*

BBC Media Action is the BBC's International charity (a private company limited by guarantee and a registered charity) that operates independently of the BBC, with a management team that is answerable to a Board of Directors (more commonly referred to as Trustees). The BBC provides services to the charity, as it does to BBC Children in Need, including the use of property space. UK-based Media Action staff are employed by the BBC and recharged to Media Action. Given the continued challenging external context (including limited UK aid budgets) and the environments in which Media Action operates, their income projections to return to pre-Covid levels are slower than anticipated. Media Action's Trustees have developed an operational plan to allow the charity to return to a sustainable position. The BBC has provided written assurance of support (due for review in October 2025) whilst the operational plan is delivered. It is not currently possible to calculate any financial outflow with any reasonable accuracy while the short term implications of the operational plan are further developed and costed.

### *Arts Council*

As at 31 March 2024 an employment tribunal case had been lodged against Arts Council England, which is yet to go to a full hearing. At this stage Arts Council England believe that the case will be defended successfully and therefore no provision has been made in the accounts.

## **24.2 Contingent assets**

### **Group**

#### *Land sales on the Greenwich Peninsula*

As successor to the Millennium Commission, the National Lottery Community Fund (NLCF) is entitled to a share of the proceeds of land sales on the Greenwich Peninsula made by the Greater London Authority (GLA), once certain costs have been covered. Payments of £50.3m (31 March 2023: £55.2m) are forecast to be received between 2016 and 2048, of which £10.5m had been received by 31 March 2024. No additional income has been accrued as at 31 March 2024.

#### *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. The arrangements are set out in a legal agreement between the Secretary of State and the GLA dated 29 March 2012 which sets out the distribution of funds between the GLA and the Lottery Distributors (via the core department). We expect that the GLA will communicate directly with the Lottery Distributing Bodies on forecast of land receipts due to the National Lottery and the timing on when such payments will be made.

#### *British Museum Legacies*

Fourteen legacies were bequeathed to the British Museum group (31 March 2023: 13 legacies). The amount and timing of these payments are uncertain, as the museum's interest is in the residuary estates, but are estimated at around £1.4m (31 March 2023: £2.9m).

#### *Dormant Assets*

Under the provisions of the Dormant Bank and Building Society Accounts Act 2008, amended by the Dormant Assets Act 2022, banks and building societies may pass funds from dormant accounts to Reclaim Fund Ltd (RFL), a not-for-profit entity authorised to act as the reclaim fund. RFL transfers funds which it is satisfied are not required to meet future claims from the owners of the dormant account money to the NLCF for onward distribution. RFL calculate the liability due to the NLCF and recognise this as a creditor, which corresponds to a debtor and related income being accounted for by the NLCF. In addition, RFL note a provisional amount of future income which may be passed to the NLCF. The NLCF now recognises this as a contingent asset according to IAS 37: *Provisions, Contingent Liabilities and Contingent Assets*. RFL have indicated this value is likely to be £143.4m at 31 March 2024 (31 March 2023: between £83m-£93m).

## *Arts Impact Fund*

The Arts Council Lottery has potential income of £0.5m to be paid annually over the period 2022-2026. This relates to surplus funds generated by National Endowment for Science, Technology and the Arts (NESTA) following a previous grant award.

## **25. Related party transactions**

### **Core department**

At 31 March 2024, DCMS was the sponsor of the ALBs listed in Note 28. 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 on an arm's length basis.

The department made a number of material transactions with other government bodies, these are set out below:

The National Lottery Distribution Fund is maintained under the control and management of the Secretary of State for Culture, Media and Sport. During the year, a number of staff employed by the core department worked on National Lottery Distribution related activities and also used systems owned by the department. These costs were recharged to the fund 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.

### **Departmental Group**

Other than those listed below, no Minister, Board Member, or other related parties have undertaken any material transactions with the group during the year.

#### *Ministers*

Lucy Frazer KC MP, former Secretary of State for Culture, Media and Sport (until 4th July 2024), is married to the Chief Executive of Alexander Mann Solutions Ltd (AMS). In 2023-24 AMS received £4,519k from the core department (£108k payable at year end), £223k from Arts Council England Exchequer (£30k payable at year end) and £3k from Arts Council England Lottery. The majority of this cost relates to payments to agency staff but an element covers the services provided by AMS to source these temporary workers. The Minister had no role in the decisions relating to this expenditure.

Her husband is also Trustee of Action for M.E.. In 2023-24 Action for M.E. received £226k from the National Lottery Community Fund (£191k payable at year end).

#### *Audit and Risk Committee Members*

William Priest (Independent Audit and Risk Committee Member) is a Non-Executive Director at Digital Catapult. In 2023-24 £50k was payable by Arts Council England Exchequer.

#### *Non- Executive Board Members*

Ralph Rimmer is a Non-Executive Director at DCMS and a Director at RR Sporting Solutions Limited, which received £3K from the DCMS Core.

Larissa Joy is a Non-Executive Director at DCMS and has the following declaration of her interests for the financial year 23-24:

- Larissa is the Chair of the Trust Board at Hawkins Brown Architects, which received £43K from the DCMS Core and less than £10k from the Natural History Museum.
- Larissa is a Non-Executive Director at Saxton Bampfylde Hever Limited, which received £81k from DCMS core, and less than £30k from each of the following: British Museum, National Gallery, Sir

John Soane's Museum, Victoria and Albert Museum, and Tate Gallery. Larissa was not involved in the appointments of Hawkins Brown Architects or Saxton Bampfylde Hever Limited.

- Lastly, Larissa is the Chair of The Foundling Museum, which received £150K from Arts Council England Exchequer and £5K from the National Gallery. The decision by Arts Council England to award funds to the Foundling Museum predated Larissa's appointment at DCMS.

Hemant Patel, former Non-Executive & ARC Chair at DCMS (until 16th July 2023) is also a director at Premier Inn International Development Limited and Whitbread PLC. Premier Inn International Development Limited received £27K from Imperial War Museum, whilst Whitbread PLC received £14k from the Sports Ground Safety Authority (£2k payable at year end).

#### *Executive Board Members*

Louise Smith, the Director for Corporate Strategy at DCMS, serves as the Strategy Director at Aurora Orchestra. In 2023-24 Aurora Orchestra received £144k from Arts Council England Exchequer.

Emma Squire, interim Director General of Culture, Sport, and Civil Society (from 7th February 2023 to 11th July 2023), is married to a director at Permira Advisers LLP. This year, the National Portrait Gallery received £5,625K from Permira Advisers LLP (£5,625k payable at year end).

Sarah Tebbutt, the Director for People and Workspace at DCMS, husband is the Finance and Operations Director of the RC Diocese of East Anglia, Diocese received £9K from Historic England this year.

Georgia Hutchinson, interim Director of Corporate Strategy at DCMS (from 17th July 2023 to 6th November 2023) until November 2023, is married to a partner at Sheridans Solicitors LLP. At the end of the year, Sport England Exchequer has a payable balance of £10K with Sheridans Solicitors LLP.

Craig Woodhouse, former Director of Communications at DCMS (from 1st September to 5th January 2024), is also a Director and Trustee at The Black Prince Trust. This year, The Black Prince Trust received £8K from the Sport England Lottery. Craig had no role in either the decision to award Black Prince Trust any money, or in Black Prince Trust 's application.

Sam Lister, the Director General of Strategy & Operations, is married to a Senior Vice President of Sony Music. This year, Sony Music received £14K from the British Film Institute (BFI) and £15K from the Victoria and Albert Museum. Since March 2024, Sam has also been a trustee of the Whitehall & Industry Group, which received £8K from the core department this year, with £1K payable at year-end.

Susannah Storey's husband is a director of Premier Rugby Limited which paid £19k to Sport England Exchequer (£4k receivable at year end). During 2023-24 he was also director of Pro Rugby Championship DAC which received £4,200k from S4C Welsh Fourth Channel. The department actively manages these conflicts via recusals on all policy and Accounting Officer matters relating to rugby.

#### *Additional transparent reporting from the Permanent Secretary*

In the interests of transparency, Susannah Storey would like to voluntarily disclose the following information:

- The Permanent Secretary's husband is a Managing Partner and Shareholder in CVC Capital Partners. As part of his role at CVC, he is Director of Away Resorts (a domestic tourism company). The department actively manages this conflict via a recusal on all policy and Accounting Officer matters relating to holiday parks. This is not required to be disclosed as there have been no transactions with this entity or any of its subsidiaries in 2023-24.
- The Permanent Secretary's mother part-owns Ash Hole Cavern in Devon which is a scheduled monument designated by Historic England (a DCMS Arms Length Body). Its scheduling in 1966 precedes Susannah's position as Permanent Secretary and prior appointment as Director General. Any and all grant funding decisions made by Historic England regarding scheduled monuments are made at an arm's length from the government, and the Permanent Secretary has no role in those decisions. This is not required to be disclosed as there have been no transactions with this scheduled monument by Historic England in 2023-24 and this relationship does not meet the definitions from IAS24 'Related Parties Disclosures'.

The Remuneration Report (page 81) contains details of payments made to key personnel.

## 26. Events after the reporting period

In accordance with the requirements of IAS 10 Events after the Reporting Period, post year end events are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

On the 12th November 2024 it was announced to the House of Commons with regards to the National Citizen Service Trust, one of our Arm's Length Bodies, that the NCS programme will be wound down by the end of the financial year, and the National Citizen Service Trust as parliamentary time allows.

### Changes to Ministerial Team

Following the general election on 4 July 2024, The Rt Hon Lucy Frazer was replaced as Secretary of State for Culture, Media & Sport by The Rt Hon Lisa Nandy MP.

The following changes to the ministerial team were made on revised portfolios:

Sir Chris Bryant MP was appointed Minister of State for Creative Industries, Arts & Tourism on 8 July 2024.

Stephanie Peacock MP was appointed Parliamentary Under-Secretary of State (Minister) for Sport, Media, Civil Society and Youth on 9 July 2024.

Baroness Fiona Twycross was appointed Parliamentary Under-Secretary of State (Lords Minister) for Gambling on 11 July 2024.

They replaced Julia Lopez MP, Minister of State for Media, Tourism and Creative Industries, The Rt Hon Stuart Andrew MP, Parliamentary Under-Secretary of State for Sport, Gambling and Civil Society, and Lord Parkinson of Whitley Bay, Parliamentary Under-Secretary of State (Lords Minister) for Arts and Heritage.

### Changes to the Executive Team

Sam Lister left his role as Director-General for Strategy and Operations on 8 November 2024, his duties being covered on a temporary basis by Andrew Pattison and Jon Martin.

## 27. Third-party assets

The core department does not hold significant 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 group does not have a direct beneficial interest in them.

As at 31 March 2024 the NLCF held assets of £10.6m (31 March 2023: £9.3m). These assets represent third party bank balances for whom NLCF manage grant programmes and the National Lottery Promotions Unit to meet payments processed by the Fund under service level contracts.

## 28. List of bodies within the group

The entities within the group during 2023-24 listed below, comprised the core department, and those bodies included in the Government Resources and Accounts Act 2000 (Estimates and Accounts) (Amendment) Order 2022.

The following developments have been noted:

- Festival 2022 Limited is a subsidiary of Birmingham Organising Committee for the 2022 Commonwealth Games Ltd (BOCCG). BOCCG (and Festival 2022) entered liquidation on 15 March 2023. Once dissolution has been confirmed, both entities will need to be removed from the 2024-25 Designation Order. This will be confirmed in the 2024-25 Amendment Order process.
- Due to a MoG change, there are a number of changes to the Designation Order that affect the DCMS group within 2023-24. The details of the MoG changes are included on note 1.34.

Body name	Legal status	Website
<b>Heritage</b>		
The Historic Buildings and Monuments Commission for England (Historic England) *	Statutory Body	<a href="http://www.historicengland.org.uk">www.historicengland.org.uk</a>
National Heritage Memorial Fund (NHMF) <sup>67</sup> *s	Statutory Body	<a href="http://www.nhmf.org.uk">www.nhmf.org.uk</a>
Churches Conservation Trust	Statutory Body and Registered Charity	<a href="http://www.visitchurches.org.uk">www.visitchurches.org.uk</a>
<b>Media/Creative Industries</b>		
British Broadcasting Corporation (BBC) <sup>68</sup>	Royal Charter Body	<a href="http://www.bbc.co.uk">www.bbc.co.uk</a>
S4C (Sianel Pedwar Cymru) <sup>69</sup>	Statutory Body	<a href="http://www.s4c.cymru">www.s4c.cymru</a>
British Film Institute *s	Royal Charter Body and Registered Charity	<a href="http://www.bfi.org.uk">www.bfi.org.uk</a>
<b>Museums and Galleries</b>		
British Museum *	Statutory Body and Exempt Charity	<a href="http://www.britishmuseum.org">www.britishmuseum.org</a>
Geffrye Museum (Museum of the Home)*	Limited Company and Registered Charity	<a href="http://www.museumofthehome.org.uk">www.museumofthehome.org.uk</a>
Horniman Public Museum and Public Park Trust *	Limited Company and Registered Charity	<a href="http://www.horniman.ac.uk">www.horniman.ac.uk</a>
Imperial War Museum *	Statutory Body and Exempt Charity	<a href="http://www.iwm.org.uk">www.iwm.org.uk</a>
National Gallery *	Statutory Body and Exempt Charity	<a href="http://www.nationalgallery.org.uk">www.nationalgallery.org.uk</a>
National Museums Liverpool *	Statutory Body and Exempt Charity	<a href="http://www.liverpoolmuseums.org.uk">www.liverpoolmuseums.org.uk</a>
National Portrait Gallery *	Statutory Body and Exempt Charity	<a href="http://www.npg.org.uk">www.npg.org.uk</a>
Royal Armouries Museum *	Statutory Body and Exempt Charity	<a href="http://www.royalarmouries.org">www.royalarmouries.org</a>
National Maritime Museum (Royal Museums Greenwich) *	Statutory Body and Exempt Charity	<a href="http://www.rmg.co.uk">www.rmg.co.uk</a>
Science Museum Group *	Statutory Body and Exempt Charity	<a href="http://www.sciencemuseum.org.uk">www.sciencemuseum.org.uk</a>
Sir John Soane's Museum *	Registered Charity	<a href="http://www.soane.org">www.soane.org</a>
Tate Gallery (Tate) *	Statutory Body and Exempt Charity	<a href="http://www.tate.org.uk">www.tate.org.uk</a>
Victoria and Albert Museum *	Statutory Body and Exempt Charity	<a href="http://www.vam.ac.uk">www.vam.ac.uk</a>
Wallace Collection *	Statutory Body and Exempt Charity	<a href="http://www.wallacecollection.org">www.wallacecollection.org</a>
Natural History Museum *	Statutory Body and Exempt Charity	<a href="http://www.nhm.ac.uk">www.nhm.ac.uk</a>
<b>Sport</b>		
UK Anti-Doping <sup>70</sup> *	Limited Company	<a href="http://www.ukad.org.uk">www.ukad.org.uk</a>
Birmingham Organising Committee for the 2022 Commonwealth Games (Birmingham 2022) <sup>71</sup>	Limited Company	<a href="http://www.birmingham2022.com">www.birmingham2022.com</a>
The English Sports Council (Sport England) *s	Royal Charter Body	<a href="http://www.sportengland.org">www.sportengland.org</a>
The United Kingdom Sports Council (UK Sport) *s	Royal Charter Body	<a href="http://www.uksport.gov.uk">www.uksport.gov.uk</a>
Sports Grounds Safety Authority *	Statutory Body	<a href="http://www.sgsa.org.uk">www.sgsa.org.uk</a>
<b>Tourism</b>		
British Tourist Authority (operating as VisitBritain * and VisitEngland *)	Statutory Body	<a href="http://www.visitbritain.org">www.visitbritain.org</a>
<b>Gambling</b>		
Gambling Commission *	Statutory Body	<a href="http://www.gamblingcommission.gov.uk">www.gamblingcommission.gov.uk</a>
Horseshoe Betting Levy Board *	Statutory Body	<a href="http://www.hblb.org.uk">www.hblb.org.uk</a>
<b>Arts and Libraries</b>		
Arts Council England *s	Royal Charter Body and Registered Charity	<a href="http://www.artscouncil.org.uk">www.artscouncil.org.uk</a>
British Library *	Statutory Body and Exempt Charity	<a href="http://www.bl.uk">www.bl.uk</a>
<b>Civil Society</b>		
Big Lottery Fund (operating as National Lottery Community Fund)*	Statutory Body	<a href="http://www.tnlcommunityfund.org.uk">www.tnlcommunityfund.org.uk</a>
National Citizen Service Trust	Royal Charter Body	<a href="http://www.ncsyes.co.uk">www.ncsyes.co.uk</a>
<b>Cultural Property</b>		
Reviewing Committee on the Export of Works of Art and Objects of Cultural Interest †	Committee funded by the department	<a href="http://www.artscouncil.org.uk/collections/reviewing-committee">www.artscouncil.org.uk/collections/reviewing-committee</a>
Treasure Valuation Committee †	Committee funded by the department	<a href="http://www.gov.uk/government/organisations/treasure-valuation-committee">www.gov.uk/government/organisations/treasure-valuation-committee</a>

67 NHMF carries out its lottery distribution activities as the National Lottery Heritage Fund

68 The BBC is governed by Royal Charter and an associated Framework 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. The definition of the BBC as consolidated in these accounts is provided in note 1.3 (Basis of Consolidation).

69 S4C is a statutory corporation, and the Welsh Fourth Channel Authority (Awdurdod Sianel Pedwar Cymru) is responsible for S4C's strategic policy and for ensuring the fulfilment of its statutory functions.

70 United Kingdom Anti-Doping Limited and Birmingham 2022 are companies limited by guarantee of which the Secretary of State for Culture, Media and Sport is the sole member.

71 Festival 2022 Limited is a 100% owned subsidiary of Birmingham 2022; figures are consolidated in these accounts. Both Birmingham 2022 and Festival 2022 entered liquidation on 15 March 2023.



\* Executive NDPBs per Cabinet Office's [Public Bodies 2020 report](#)

† Advisory NDPBs per Cabinet Office's [Public Bodies 2020 report](#)

\$ These bodies also produce a lottery distribution account

Seven bodies (Churches Conservation Trust, Sports Grounds Safety Authority, Horniman Public Museum and Public Park Trust, Royal Armouries Museum, Sir John Soane's Museum, Wallace Collection and UK Anti-Doping) have not been consolidated in the 2023-24 or 2022-23 DCMS group accounts on a line-by-line basis on the grounds of materiality.

## 28.1 Bodies excluded from the boundary

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.

### 28.1.1 Non-ministerial government departments

Non-ministerial government departments are not consolidated within the group accounts.

- The Charity Commission for England and Wales. The Charity Commission's annual report and accounts can be found at <https://www.gov.uk/government/publications/charity-commission-annual-report-and-accounts-2023-to-2024>
- The National Archives. The National Archives annual report and accounts can be found at <https://www.gov.uk/government/publications/the-national-archives-annual-report-and-accounts-2023-to-2024>

### 28.1.2 Public Corporations sponsored by DCMS

Public corporations, as defined by the Office for National Statistics, are market bodies that derive more than 50% of their income from the sale of goods and services and they have substantial day to day operating independence:

- Channel Four Television Corporation\*
- Historic Royal Palaces\*
- The Royal Parks Limited\*

\*Since the department has no financial asset in these public corporations, they are not recognised as financial investments in the group accounts.

In addition, a large number of bodies within the departmental accounting boundary have subsidiaries that are trading companies which are, or we expect would be, classified as public corporations.

### 28.1.3 National Lottery Distribution Fund

The department is responsible for the operation of a lottery fund which is separately accounted for and is not consolidated in these accounts. The accounts can be found [here](#).

## **29. Restatement of Statement of Financial Position and Statement of Comprehensive Net Expenditure**

Prior periods have been restated to include one MoG change which took effect from 1 April 2023. The MoG change to transfer functions is outlined in note 1.34. The comparative figures within the 2023-24 DCMS accounts have been restated to remove the elements that have transferred to the Department for Science, Innovation and Technology (DSIT). The business areas no longer in DCMS's remit are cyber security and digital identity, data policy, BDUK, digital infrastructure, security and online harms, the Centre for Data Ethics and Innovation and elements of international engagement and as well as the following ALBs: BDUK, Information Commissioner's Office (ICO), Ofcom and Phone-paid Services Authority. The financial impact of this transfer has been included in the tables below.

The columns for BDUK, Ofcom, ICO and Phone-paid Services Authority include intra-group eliminations and group level adjustments, so will not agree to the ALBs' own published accounts. Within the DCMS core department impact columns, the "departmental group" column in this section includes the core side any of elimination adjustments with the group.

Consolidated Statement of Comprehensive Net Expenditure as at 31 March 2023	Published 2022-23		DCMS Core department		BDUK		Ofcom	ICO	Phone-paid Services Authority	Restated 2022-23	
	2022-23: Core department	2022-23: Departmental group	Core department	Departmental group	Core department	Departmental group	Departmental group	Departmental group	Departmental group	2022-23: Core department	2022-23: Departmental group
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	148,984	2,245,165	(58,476)	(58,419)	(19,220)	(19,220)	(111,223)	(56,844)	(2,687)	71,288	1,996,772
Grants and subsidies to sponsored bodies	5,667,429	1,233	(10,297)	-	-	-	-	-	-	5,657,132	1,233
Other grants	294,218	2,681,390	(51,795)	(51,795)	(41,233)	(41,233)	-	(106)	-	201,190	2,588,256
Purchase of goods and services	107,923	833,423	(55,538)	(55,538)	(10,329)	(10,329)	(51,384)	(15,240)	146	42,056	701,078
Depreciation, amortisation, impairment charges and expected credit loss adjustments	57,171	412,983	(9,282)	(9,282)	(570)	(570)	(7,386)	(6,404)	(177)	47,319	389,164
Provisions expense	(3,823)	153,239	-	-	-	-	25	(123)	-	(3,823)	153,141
Finance cost	1,084	57,326	(855)	(855)	(3)	(3)	(952)	(518)	-	226	54,998
Other operating expenditure	182,394	3,373,286	(115,702)	(126,056)	91,458	91,458	5,513	13,839	(3,183)	158,150	3,354,857
<b>Total operating expenditure</b>	<b>6,455,380</b>	<b>9,758,045</b>	<b>(301,945)</b>	<b>(301,945)</b>	<b>20,103</b>	<b>20,103</b>	<b>(165,407)</b>	<b>(65,396)</b>	<b>(5,901)</b>	<b>6,173,538</b>	<b>9,239,499</b>
Income from contracts with customers	(54,706)	(749,378)	155	155	78	78	45,681	65,692	-	(54,473)	(637,772)
Current grant income	(104,033)	(215,985)	-	-	-	-	136	30	-	(104,033)	(215,819)
Other operating income	(42,743)	(2,599,150)	(1,978)	(1,978)	-	-	123,573	1,687	5,905	(44,721)	(2,469,963)
<b>Total operating income</b>	<b>(201,482)</b>	<b>(3,564,513)</b>	<b>(1,823)</b>	<b>(1,823)</b>	<b>78</b>	<b>78</b>	<b>169,390</b>	<b>67,409</b>	<b>5,905</b>	<b>(203,227)</b>	<b>(3,323,554)</b>
<b>Net expenditure for the year</b>	<b>6,253,898</b>	<b>6,193,532</b>	<b>(303,768)</b>	<b>(303,768)</b>	<b>20,181</b>	<b>20,181</b>	<b>3,983</b>	<b>2,013</b>	<b>4</b>	<b>5,970,311</b>	<b>5,915,945</b>
<b>Other comprehensive net expenditure</b>											
Items which will not be reclassified to net operating expenditure:											
Net (gain)/loss on:											
- revaluation of property, plant & equipment, intangible assets, heritage assets and right of use assets	-	(432,588)	-	-	-	-	-	-	-	-	(432,588)
- pension remeasurements	-	398,651	-	-	-	-	(9,284)	-	-	-	389,367
Net (gain)/loss on:											
- impairments		40,562	-	-	-	-	-	-	-	-	40,562
- other revaluations including financial assets through OCI		(159,964)	-	-	-	-	-	-	-	-	(159,964)
<b>Total other comprehensive net expenditure</b>	<b>-</b>	<b>(153,339)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,284)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(162,623)</b>
<b>Total comprehensive expenditure for the period</b>	<b>6,253,898</b>	<b>6,040,193</b>	<b>(303,768)</b>	<b>(303,768)</b>	<b>20,181</b>	<b>20,181</b>	<b>(5,301)</b>	<b>2,013</b>	<b>4</b>	<b>5,970,311</b>	<b>5,753,322</b>

Consolidated Statement of Financial Position	Published 2022-23		DCMS Core department		BDUK		Ofcom	ICO	Phone-paid Services Authority	Restated 2022-23	
	2022-23: Core department	2022-23: Departmental group	Core department	Departmental group	Core department	Departmental group				2022-23: Core department	2022-23: Departmental group
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Non-current assets</b>											
Property, plant & equipment	41,667	6,756,241	(3,313)	(3,313)	-	(15,186)	(870)	(419)		38,354	6,736,453
Right of use assets	52,134	1,285,561	(14,498)	(14,498)	-	(35,663)	(4,587)	-		37,636	1,230,813
Heritage assets	17,534	1,621,263	-	-	-	-	-	-		17,534	1,621,263
Intangible assets	22,924	96,022	(17,220)	(17,220)	(5,616)	(154)	(1,463)	-		88	71,569
Contract assets	-	-	-	-	-	-	-	-		-	-
Investment properties	-	31,968	-	-	-	-	-	-		-	31,968
Trade and other receivables*	-	240,046	-	-	-	(2,023)	(197)	-		-	237,826
Investments in associates and joint ventures	-	32,814	-	-	-	-	-	-		-	32,814
Other financial assets	338,594	3,133,297	-	-	-	-	-	-		338,594	3,133,297
<b>Total non-current assets</b>	<b>472,853</b>	<b>13,197,212</b>	<b>(35,031)</b>	<b>(35,031)</b>	<b>(5,616)</b>	<b>(53,026)</b>	<b>(7,117)</b>	<b>(419)</b>		<b>432,206</b>	<b>13,096,003</b>
<b>Current assets</b>											
Assets classified as held for sale	-	3,600	-	-	-	-	-	-		-	3,600
Contract assets	-	499	-	-	-	-	-	-		-	499
Inventories	-	245,062	-	-	-	-	-	-		-	245,062
Trade and other receivables*	57,087	1,010,819	(20,463)	(13,997)	(778)	(14,461)	(6,847)	(1,845)		35,846	972,891
Other financial assets	23,276	550,443	-	-	-	-	-	-		23,276	550,443
Cash and cash equivalents	166,689	2,974,686	(74,791)	(74,791)	(23,974)	(13,396)	(17,820)	(6,439)		67,924	2,838,266
<b>Total current assets</b>	<b>247,052</b>	<b>4,785,109</b>	<b>(95,254)</b>	<b>(88,788)</b>	<b>(24,752)</b>	<b>(27,857)</b>	<b>(24,667)</b>	<b>(8,284)</b>		<b>127,046</b>	<b>4,610,761</b>
<b>Total assets</b>	<b>719,905</b>	<b>17,982,321</b>	<b>(130,285)</b>	<b>(123,819)</b>	<b>(30,368)</b>	<b>(80,883)</b>	<b>(31,784)</b>	<b>(8,703)</b>		<b>559,252</b>	<b>17,706,764</b>
<b>Current liabilities</b>											
Trade and other payables	(345,564)	(2,869,324)	70,662	64,196	10,102	25,687	12,401	6,143		(264,800)	(2,750,795)
Contract liabilities	-	(3,262)	-	-	-	-	-	-		-	(3,262)
Provisions	-	(115,071)	-	-	-	12	34	-		-	(115,025)
Lease liabilities	(5,549)	(133,381)	228	228	-	4,892	1,455	-		(5,321)	(126,806)
Other financial liabilities	-	(7,546)	-	-	-	-	-	-		-	(7,546)
<b>Total current liabilities</b>	<b>(351,113)</b>	<b>(3,128,584)</b>	<b>70,890</b>	<b>64,424</b>	<b>10,102</b>	<b>30,591</b>	<b>13,890</b>	<b>6,143</b>		<b>(270,121)</b>	<b>(3,003,434)</b>
<b>Non-current assets plus/ (less) net current assets/ liabilities</b>	<b>368,792</b>	<b>14,853,737</b>	<b>(59,395)</b>	<b>(59,395)</b>	<b>(20,266)</b>	<b>(50,292)</b>	<b>(17,894)</b>	<b>(2,560)</b>		<b>289,131</b>	<b>14,703,330</b>

Consolidated Statement of Financial Position as at 31 March 2023	Published 2022-23		DCMS Core department		BDUK		Ofcom	ICO	Phone-paid Services Authority	Restated 2022-23	
	2022-23: Core department	2022-23: Departmental group	Core department	Departmental group	Core department	Departmental group	Departmental group	Departmental group	Departmental group	2022-23: Core department	2022-23: Departmental group
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Non-current liabilities</b>											
Trade and other payables	-	(1,469,337)	-	-	-	-	237	-	-	-	(1,469,100)
Contract liabilities	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	(143,288)	-	-	-	-	106	1,085	185	-	(141,912)
Lease liabilities	(61,070)	(1,807,566)	7,824	7,824	-	-	34,163	3,345	-	(53,246)	(1,762,234)
Other financial liabilities	-	(483,824)	-	-	-	-	-	-	-	-	(483,824)
Net retirement benefit obligations	-	720,999	-	-	-	-	(10,654)	-	-	-	710,345
<b>Total non-current liabilities</b>	<b>(61,070)</b>	<b>(3,183,016)</b>	<b>7,824</b>	<b>7,824</b>	<b>-</b>	<b>-</b>	<b>23,852</b>	<b>4,430</b>	<b>185</b>	<b>(53,246)</b>	<b>(3,146,725)</b>
<b>Total assets less liabilities</b>	<b>307,722</b>	<b>11,670,721</b>	<b>(51,571)</b>	<b>(51,571)</b>	<b>(20,266)</b>	<b>(20,266)</b>	<b>(26,440)</b>	<b>(13,464)</b>	<b>(2,375)</b>	<b>235,885</b>	<b>11,556,605</b>
<b>Current assets</b>											
Other financial assets	23,276	550,443	-	-	-	-	-	-	-	-	550,443
Cash and cash equivalents	166,689	2,974,686	(74,791)	(74,791)	(23,974)	(23,974)	(13,396)	(17,820)	(6,439)	67,924	2,838,266
<b>Total current assets</b>	<b>247,052</b>	<b>4,785,109</b>	<b>(95,254)</b>	<b>(88,788)</b>	<b>(24,752)</b>	<b>(24,752)</b>	<b>(27,857)</b>	<b>(24,667)</b>	<b>(8,284)</b>	<b>127,046</b>	<b>4,610,761</b>
<b>Total assets</b>	<b>719,905</b>	<b>17,982,321</b>	<b>(130,285)</b>	<b>(123,819)</b>	<b>(30,368)</b>	<b>(30,368)</b>	<b>(80,883)</b>	<b>(31,784)</b>	<b>(8,703)</b>	<b>559,252</b>	<b>17,706,764</b>
<b>Taxpayers' equity and other reserves</b>											
<b>Taxpayers' funds</b>											
General fund	263,081	4,059,429	(51,571)	(51,571)	(20,266)	(20,266)	(26,440)	(13,464)	(2,375)	191,244	3,945,313
Revaluation reserve	44,641	2,191,278	-	-	-	-	-	-	-	44,641	2,191,278
<b>Total taxpayers' equity</b>	<b>307,722</b>	<b>6,250,707</b>	<b>(51,571)</b>	<b>(51,571)</b>	<b>(20,266)</b>	<b>(20,266)</b>	<b>(26,440)</b>	<b>(13,464)</b>	<b>(2,375)</b>	<b>235,885</b>	<b>6,136,591</b>
Lottery funds	-	(790,675)	-	-	-	-	-	-	-	-	(790,675)
Charity funds	-	6,210,689	-	-	-	-	-	-	-	-	6,210,689
<b>Total reserves</b>	<b>307,722</b>	<b>11,670,721</b>	<b>(51,571)</b>	<b>(51,571)</b>	<b>(20,266)</b>	<b>(20,266)</b>	<b>(26,440)</b>	<b>(13,464)</b>	<b>(2,375)</b>	<b>235,885</b>	<b>11,556,605</b>



Consolidated Statement of Financial Position as at 31 March 2022	Published 2021-22		DCMS Core department		BDUK		Ofcom	ICO	Phone-paid Services Authority	Restated 2021-22	
	2021-22: Core department	2021-22: Departmental group	Core department	Departmental group	Core department	Departmental group				2021-22: Core department	2021-22: Departmental group
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Non-current assets</b>											
Property, plant & equipment	28,103	6,510,884	-	-	-	-	(12,186)	(985)	(419)	28,103	6,497,294
Right of use assets	58,391	1,133,649	(17,046)	(17,046)	-	-	(39,623)	(3,458)	(177)	41,345	1,073,345
Heritage assets	17,149	1,631,795	-	-	-	-	-	-	-	17,149	1,631,795
Intangible assets	27,624	101,994	(27,117)	(27,117)	-	-	(35)	(797)	-	507	74,045
Contract assets	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	28,126	-	-	-	-	-	-	-	-	28,126
Trade and other receivables*	-	227,484	-	-	-	-	(542)	-	-	-	226,942
Investments in associates and joint ventures	-	33,283	-	-	-	-	-	-	-	-	33,283
Other financial assets	371,828	2,965,654	-	-	-	-	-	-	-	371,828	2,965,654
<b>Total non-current assets</b>	<b>503,095</b>	<b>12,632,869</b>	<b>(44,163)</b>	<b>(44,163)</b>	-	-	<b>(52,386)</b>	<b>(5,240)</b>	<b>(596)</b>	<b>458,932</b>	<b>12,530,484</b>
<b>Current assets</b>											
Assets classified as held for sale	-	3,600	-	-	-	-	-	-	-	-	3,600
Contract assets	-	18,775	-	-	-	-	-	-	-	-	18,775
Inventories	-	265,585	-	-	-	-	-	-	-	-	265,585
Trade and other receivables*	88,881	1,077,219	(36,943)	(36,943)	-	-	(19,834)	(20,150)	(1,845)	51,938	1,021,808
Other financial assets	12,095	320,171	-	-	-	-	-	-	-	12,095	320,171
Cash and cash equivalents	195,598	3,128,835	-	-	-	-	(20,920)	(20,721)	(6,439)	195,598	3,080,755
<b>Total current assets</b>	<b>296,574</b>	<b>4,814,185</b>	<b>(36,943)</b>	<b>(36,943)</b>	-	-	<b>(40,754)</b>	<b>(40,871)</b>	<b>(8,284)</b>	<b>259,631</b>	<b>4,710,694</b>
<b>Total assets</b>	<b>799,669</b>	<b>17,447,054</b>	<b>(81,106)</b>	<b>(81,106)</b>	-	-	<b>(93,140)</b>	<b>(46,111)</b>	<b>(8,880)</b>	<b>718,563</b>	<b>17,241,178</b>
<b>Current liabilities</b>											
Trade and other payables	(413,736)	(2,881,251)	129,973	129,973	-	-	33,526	30,314	6,143	(283,763)	(2,704,656)
Contract liabilities	-	(20,222)	-	-	-	-	-	-	-	-	(20,222)
Provisions	(3,823)	(74,513)	-	-	-	-	12	2	-	(3,823)	(74,499)
Lease liabilities	(13,131)	(130,934)	16,956	16,956	-	-	4,766	997	(700)	3,825	(108,915)
Other financial liabilities	-	(2,206)	-	-	-	-	-	-	-	-	(2,206)
<b>Total current liabilities</b>	<b>(430,690)</b>	<b>(3,109,126)</b>	<b>146,929</b>	<b>146,929</b>	-	-	<b>38,304</b>	<b>31,313</b>	<b>5,443</b>	<b>(283,761)</b>	<b>(2,910,498)</b>
<b>Non-current assets plus/ (less) net current assets/ liabilities</b>	<b>368,979</b>	<b>14,337,928</b>	<b>65,823</b>	<b>65,823</b>	-	-	<b>(54,836)</b>	<b>(14,798)</b>	<b>(3,437)</b>	<b>434,802</b>	<b>14,330,680</b>

Consolidated Statement of Financial Position as at 31 March 2022	Published 2021-22		DCMS Core department		BDUK		Ofcom	ICO	Phone-paid Services Authority	Restated 2021-22	
	2021-22: Core department	2021-22: Departmental group	Core department	Departmental group	Core department	Departmental group				2021-22: Core department	2021-22: Departmental group
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Non-current liabilities</b>											
Trade and other payables	-	(1,426,441)	-	-	-	-	5,547	-	-	-	(1,420,894)
Contract liabilities	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	(67,639)	-	-	-	-	143	994	185	-	(66,317)
Lease liabilities	(68,123)	(1,848,702)	-	-	-	-	36,009	2,597	881	(68,123)	(1,809,215)
Other financial liabilities	-	(582,885)	-	-	-	-	-	-	-	-	(582,885)
Net retirement benefit obligations	-	1,035,725	-	-	-	-	(18,604)	-	-	-	1,017,121
<b>Total non-current liabilities</b>	<b>(68,123)</b>	<b>(2,889,942)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,095</b>	<b>3,591</b>	<b>1,066</b>	<b>(68,123)</b>	<b>(2,862,190)</b>
<b>Total assets less liabilities</b>	<b>300,856</b>	<b>11,447,986</b>	<b>65,823</b>	<b>65,823</b>	<b>-</b>	<b>-</b>	<b>(31,741)</b>	<b>(11,207)</b>	<b>(2,371)</b>	<b>366,679</b>	<b>11,468,490</b>
<b>Taxpayers' equity and other reserves</b>											
Taxpayers' funds											
General fund	256,215	4,665,027	65,823	65,823	-	-	(31,741)	(11,207)	(2,371)	322,038	4,685,531
Revaluation reserve	44,641	1,798,735	-	-	-	-	-	-	-	44,641	1,798,735
<b>Total taxpayers' equity</b>	<b>300,856</b>	<b>6,463,762</b>	<b>65,823</b>	<b>65,823</b>	<b>-</b>	<b>-</b>	<b>(31,741)</b>	<b>(11,207)</b>	<b>(2,371)</b>	<b>366,679</b>	<b>6,484,266</b>
Lottery funds	-	(904,141)	-	-	-	-	-	-	-	-	(904,141)
Charity funds	-	5,888,365	-	-	-	-	-	-	-	-	5,888,365
<b>Total reserves</b>	<b>300,856</b>	<b>11,447,986</b>	<b>65,823</b>	<b>65,823</b>	<b>-</b>	<b>-</b>	<b>(31,741)</b>	<b>(11,207)</b>	<b>(2,371)</b>	<b>366,679</b>	<b>11,468,490</b>

# ANNEXES

## Annex A – Core tables

These Tables present actual expenditure by the department for the years 2018-19 to 2022-23 and planned expenditure for the years 2023-24 to 2024-25 (derived from the Spending Review 2021 and subsequent fiscal events). The data relates to the department's expenditure on an Estimate and budgeting basis.

The format of the tables is determined by HM Treasury, and the disclosure in Tables 1 and 2 follow that of the Supply Estimate functions.

All years have been restated for the effect of Machinery of Government changes and other restatements.

**Table 1 Public spending** – summarises expenditure on functions administered by the department. Consumption of resources includes Departmental Expenditure Limits (DEL) for administration, programme and capital costs, and Annually Managed Expenditure (AME) both Voted and Non-Voted expenditure. The figures are derived from the OSCAR database and the mappings replicate the lines in SOPS note 1.

**Table 2 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. The figures are derived from the OSCAR database and the mappings replicate the lines in SOPS note 1.

**Table 1 – Public spending**

Resource DEL (£'000s)	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans
Support for the Museums and Galleries sector	25,719	24,342	20,079	21,407	32,349	12,504
Museums and Galleries sponsored ALBs (net) <sup>72</sup>	369,006	429,655	389,798	420,273	419,384	424,242
Libraries sponsored ALBs (net)	117,105	111,097	104,898	123,656	127,565	120,534
Support for the Arts sector <sup>73</sup>	(79,289)	(31,072)	(51,512)	(66,522)	(100,856)	(75,684)
Arts and culture ALBs (net) <sup>74</sup>	465,976	1,180,937	610,447	481,986	485,000	480,204
Support for the Sports sector <sup>75</sup>	5,061	16,090	54,985	24,517	(8,529)	13,728
Sport sponsored ALBs (net) <sup>76</sup>	142,204	303,568	151,001	167,963	189,366	179,894
Ceremonial and support for the Heritage sector <sup>77</sup>	50,936	43,260	41,726	106,557	96,988	38,344
Heritage sponsored ALBs (net) <sup>78</sup>	72,039	203,061	109,247	79,767	87,722	75,036
Tourism sponsored ALBs (net) <sup>79</sup>	51,654	37,725	49,078	52,283	50,587	40,496
Support for the Digital, Broadcasting and Media sector <sup>80</sup>	75,560	83,691	113,936	98,953	13,984	20,250
Broadcasting and Media sponsored ALBs (net) <sup>81</sup>	66,244	99,158	59,407	24,430	28,627	23,579
Administration and Research <sup>82</sup>	100,733	114,206	93,277	156,214	94,381	137,239
Support for Horseracing and the Gambling sector <sup>83</sup>	(16,161)	(17,851)	(26,790)	(21,817)	(14,440)	(34,949)
Gambling Commission (net) <sup>84</sup>	17,598	19,280	24,569	14,867	13,670	36,277
Olympics - legacy programmes <sup>84</sup>	-	-	(14)	-	(10)	-
Civil Society and Youth <sup>85</sup>	58,472	385,990	31,862	47,973	129,522	66,814
National Citizen Service <sup>86</sup>	151,723	72,258	71,086	73,587	47,004	52,049
Birmingham 2022 and Festival 2022 (net) <sup>87</sup>	15,434	36,407	146,242	304,319	-	-
Building Digital UK <sup>88</sup>	-	-	-	30,956	-	-
<b>Total Resource DEL</b>	<b>1,690,014</b>	<b>3,111,802</b>	<b>1,993,322</b>	<b>2,141,369</b>	<b>1,692,314</b>	<b>1,610,557</b>

72 Museums and Galleries sponsored ALBs shows an increase in expenditure in 2020-21 and 2021-22 due to additional funding provided to support Museums and Galleries impacted by the COVID-19 pandemic.

73 Support for the Arts Sector. The income relates to contributions from the Department for Education towards the cost of Music Hubs and other programmes managed by Arts Council England. The increase in 2020-21 and 2021-22 relates to additional funding to support the Arts sector and ALBs impacted by the COVID-19 pandemic.

74 Arts and culture ALBs shows an increase in expenditure in 2020-21 and 2021-22 due to the Cultural Recovery Fund announced in response to the COVID-19 pandemic.

75 Support for the Sports sector shows an increase in expenditure in 2021-22 mainly due to Expected Credit Loss adjustments resulting from Sports Sector Covid Recovery Loans and additional expenditure relating to Major Sporting Events.

76 Sport sponsored ALBs shows an increase in expenditure in 2020-21 due to Sports sector and Leisure Centre recovery programmes announced in response to the COVID-19 pandemic.

77 Ceremonial and Support for the Heritage sector included funding for World War One commemorations in 2017-18. The Listed Places of Worship budget for 2022-23 will be provided for at the Supplementary Estimate 2022-23.

78 Heritage sponsored ALBs shows an increase in expenditure in 2020-21 and 2021-22 due to the Cultural Recovery Fund announced in response to the COVID-19 pandemic.

79 Tourism sponsored ALBs line shows a drop in expenditure in 2019-20 which reflects the end of the current Discover England funding stream. The decrease in 2020-21 relates to the British Tourist Authority withdrawing or cancelling planned marketing activity during the Covid-19 pandemic in line with government guidelines on international travel restrictions. GREAT funding for 2022-23 will be provided for at the Supplementary Estimate 2022-23.

80 Support for Digital, Broadcasting and Media - On 1 April 2018, the Data Policy and Governance functions of the Government Digital Service (GDS) were transferred from the Cabinet Office to the DCMS. The Core Tables have been restated (2017-18) as required by HM Treasury, however the financial accounts were not restated as the impact was considered immaterial. In the 2020 Budget statement, the Government confirmed its commitment to invest a total of £5bn to roll out gigabit-capable broadband in the most difficult to reach areas of the UK. The decrease in 2022-23 plans relates to Building Digital UK being accounted for under its own estimate heading following the organisation's transition to Executive Agency status in 2022-23.

81 Broadcasting and Media sponsored ALBs shows an increase in 2019-20 which relates to the Contestable Fund and S4C payment of VAT. The increase in 2020-21 relates to the additional funding for British Film Institute as part of the Cultural Sector Support package announced in response to the COVID-19 pandemic.

82 The rise in Administration and Research expenditure since 2017-18 reflects the substantial growth of the department since the 2015 spending review, particularly in the digital and data protection areas. There have also been administration funding uplifts relating to EU Exit and Festival 2022.

83 Support for the Horseracing and Gambling Sector, and the Gambling Commission. The National Lottery Commission and the subsequent income it receives is recorded on a year by year basis.

84 Olympics legacy relates to the staging of the Olympic and Paralympic games 2012. This includes income from the sale of the Olympic Village, residual costs and final settlements with the Greater London Authority (GLA) and Olympic Lottery Distribution Fund (OLDF), most of which concluded by 2016-17.

85 Office for Civil Society - The increase in 2020-21 reflects funding relating to Civil and Youth Initiatives announced in response to the COVID-19 pandemic

86 On 1 December 2018, the National Citizen Service Trust was set up as an Arm's Length Body, with expenditure for the National Citizen Service moving from the Office for Civil Society. The large increase in funding from 2018-19 to 2019-20 reflects the full year budget for 2019-20 in comparison to the funding from 1 December 2018 for 2018-19. The reduction in 2020-21 and 2021-22 relates to programme underspends and lower than budgeted programme prepayments.

87 On 1 February 2019, the Birmingham Organising Committee for the 2022 Commonwealth Games Ltd was set up as an Arm's Length Body. The increase from 2020-21 reflects the step up in activity relating to the 2022 Commonwealth Games.

88 Building Digital UK planned expenditure in 2022-23 has been moved from the Support for the Digital, Broadcasting and Media sector heading following the organisation's transition to Executive Agency status in 2022-23.

Resource DEL (£'000s)	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans
<b>Total Resource DEL</b> (brought forward from previous page)	<b>1,690,014</b>	<b>3,111,802</b>	<b>1,993,322</b>	<b>2,141,369</b>	<b>1,692,314</b>	<b>1,610,557</b>
<b>Of which:</b>						
Staff costs <sup>89</sup>	718,014	778,852	814,545	868,871	663,071	[ ]
Purchase of goods and services <sup>90</sup>	802,264	588,088	835,485	1,248,695	645,922	[ ]
Income from sales of goods and services	(67,518)	(43,493)	(37,840)	(134,732)	(44,505)	(128,153)
Current grants to local government (net)	65,150	197,455	82,311	79,175	119,770	-
Current grants to persons and non-profit (net)	640,431	1,912,362	739,105	617,414	706,652	-
Current grants abroad (net)	(1,092)	(932)	444	274	1,367	-
Subsidies to public corporations	13,296	21,178	10,146	4,292	1,542	-
Net public service pensions	6,658	9,286	6,846	7,152	5,944	-
Rentals	4,076	1,505	9,149	2,221	1,945	-
Depreciation <sup>90</sup>	155,075	212,611	206,844	160,173	183,761	162,503
Take up of provisions	-	19	9,828	29,557	(49,874)	-
Change in pension scheme liabilities <sup>91</sup>	-	-	-	-	-	-
Unwinding of discount rate on pension scheme liabilities <sup>92</sup>	1,445	1,144	1,225	1,172	-	-
Other resource	(647,785)	(566,273)	(684,766)	(742,895)	-	-

89 Figures for Plans for staff costs and purchase of goods and services are redacted to avoid publishing any assumptions about future price or pay movements.

90 Depreciation includes impairments.

91 Pension schemes report under IAS 19 *Employee Benefits* accounting requirements. These figures, therefore, include cash payments made and contributions received, as well as certain non-cash items.



Resource AME (£'000s)	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans
British Broadcasting Corporation (net) <sup>92</sup>	3,987,714	3,589,746	3,626,012	3,690,084	3,471,162	4,549,497
Channel Four Television	-	-	-	-	-	-
Provisions, Impairments and other AME spend <sup>93</sup>	211,575	51,329	5,732	57,675	(2,150)	54,586
Levy bodies <sup>94</sup>	(14,901)	14,165	11,094	498	(12,861)	1
S4C (net)	-	-	-	88,726	94,580	-
Provisions, Impairments and other AME spend (ALB) (net)	-	-	-	-	51,711	67,057
Lottery Grants <sup>95</sup>	1,110,895	1,097,707	1,618,333	1,426,605	1,191,849	1,415,007
<b>Total Resource AME</b>	<b>5,295,283</b>	<b>4,752,947</b>	<b>5,261,171</b>	<b>5,263,588</b>	<b>4,794,291</b>	<b>6,086,148</b>
<b>Of which:</b>						
Staff costs <sup>96</sup>	1,190,180	1,405,618	1,261,796	1,218,378	1,284,284	[ ]
Purchase of goods and <sup>97</sup> services	2,498,997	1,879,611	2,511,256	2,816,900	2,747,054	[ ]
Income from sales of goods and services	(137,000)	(106,000)	(105,053)	(116,000)	(137,000)	-
Current grants to local government (net)	27,310	53,437	71,141	33,003	29,881	-
Current grants to persons and non-profit (net)	984,298	1,258,883	1,578,371	1,391,196	1,280,787	-
Subsidies to public corporations	6,150	5,799	2,342	12,578	500	-
Net public service pensions	-	(9,286)	(6,846)	(7,152)	(5,944)	-
Rentals	(60,040)	(72,475)	(93,877)	(116,647)	(98,770)	-
Depreciation	913,712	391,296	168,002	184,604	252,658	54,587
Take up of provisions	136,034	138,745	17,046	152,497	47,147	-
Release of provision	(2,961)	-	-	-	-	-
Change in pension scheme liabilities <sup>97</sup>	244,200	204,610	234,483	185,966	107,606	-
Unwinding of discount rate on pension scheme liabilities <sup>98</sup>	22,286	4,513	9,209	(21,695)	(27,968)	-
Release of provisions covering pension benefits <sup>96</sup>	(6,658)	-	-	-	-	-
Other resource	(521,225)	(401,804)	(386,699)	(470,040)	(685,944)	-
<b>Total Resource Budget<sup>98</sup></b>	<b>6,985,297</b>	<b>7,864,749</b>	<b>7,254,493</b>	<b>7,404,957</b>	<b>6,486,605</b>	<b>7,696,705</b>
<b>Of which:</b>						
Depreciation <sup>99</sup>	1,068,787	603,907	374,846	344,777	436,419	217,090

92 BBC Commercial Limited and its holding companies have been consolidated in these accounts, reflected in the outturn from 2017-18.

93 The increase from 2017-18 to 2018-19 relates to Ofcom provision for litigation costs. The 2019-20 figures contain the impact of lease impairments on the initial adoption of IFRS 16. The decrease in 2021-22 is due to unanticipated depreciation, revaluation and provision movements.

94 Levy Expenditure is only recorded at year end via the annual accounts, hence no forward plans data.

95 The group accounts exclude the Devolved Administrations.

96 Figures for Plans for staff costs and purchase of goods and services are redacted to avoid publishing any assumptions about future price or pay movements.

97 Pension schemes report under IAS 19 *Employee Benefits* accounting requirements. These figures, therefore, include cash payments made and contributions received, as well as certain non-cash items.

98 Total Resource Budget is the sum of the Resource DEL budget and the Resource AME budget, including depreciation.

99 Depreciation includes impairments.

Capital DEL (£'000s)	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans
Support for the Museums and Galleries sector	1,800	(3)	2	304	2,217	32
Museums and Galleries sponsored ALBs (net) <sup>100</sup>	230,985	73,039	115,948	211,370	181,121	183,204
Libraries sponsored ALBs (net) <sup>101</sup>	3,281	6,815	7,144	12,485	28,248	34,606
Support for the Arts sector <sup>102</sup>	4,498	255,658	3,445	(1,344)	(5,887)	19,830
Arts and culture ALBs (net) <sup>103</sup>	26,625	68,098	70,689	60,586	65,948	75,903
Support for the Sports sector <sup>104</sup>	(13)	117,955	105,551	9,167	5,180	21,170
Sport sponsored ALBs (net)	46,034	40,385	57,282	92,620	144,861	101,577
Ceremonial and support for the Heritage sector	2,055	1,637	5,460	10,484	1,061	(4,250)
Heritage sponsored ALBs (net) <sup>105</sup>	38,801	177,027	147,113	58,504	69,855	33,498
Tourism sponsored ALBs (net)	365	2,179	1,343	2,244	2,469	2,814
Support for the Digital, Broadcasting and Media sector <sup>106</sup>	121,006	158,060	152,577	71,374	3,552	3,425
Broadcasting and Media sponsored ALBs (net) <sup>107</sup>	75,890	29,567	17,640	12,618	2,232	1,069
Administration and Research <sup>108</sup>	901	8,460	(10,878)	4,635	(14,546)	15,599
Gambling Commission (net)	783	258	265	317	529	-
Olympics - legacy programmes <sup>109</sup>	-	-	(27,350)	8,558	332	-
Office for Civil Society <sup>110</sup>	1,487	(3,263)	6,543	40	43,087	142,170
National Citizen Service <sup>111</sup>	9	(12)	-	(2,060)	-	-
Birmingham 2022 and Festival 2022 (net) <sup>112</sup>	(3,812)	43	1,601	44,326	-	-
<b>Total Capital DEL</b>	<b>550,695</b>	<b>935,903</b>	<b>654,375</b>	<b>596,228</b>	<b>530,259</b>	<b>630,647</b>

100 Museums and Galleries Sponsored ALBs were allocated additional Capital funding for 2016-17 in the Spending Review 2015, with reserves access granted to them as part of the new Museums Freedoms programme. The Museums Freedoms Reserves can only be accessed at the Supplementary Estimate stage and so are not yet incorporated in funding data for 2022-23. The higher outturn in 2019-20 is due to the initial recognition of lease assets under IFRS 16. The increase in 2021-22 relates to additional funding for the Public Bodies Infrastructure Fund.

101 Libraries sponsored ALBs increased expenditure in 2022-23 relates to the British Library Leeds and Boston Spa project.

102 Support for the Arts sector increased expenditure in 2020-21 relates to the Cultural Sectors Support Package announced in response to the COVID-19 pandemic.

103 Arts and culture ALBs includes funding in 2017-18 and 2018-19 for the Factory Manchester as part of the Northern Powerhouse. At the Spring Budget 2020, the government confirmed a £250m Cultural Investment Fund for culture, heritage, local museums, and neighbourhood libraries. The increase in 2020-21 and 2021-22 relates to the Cultural Sectors Support Package announced in response to the COVID-19 pandemic, additional funding relating to Regional Cultural Infrastructure, and the Cultural Investment Fund.

104 Support for the Sports sector shows an increase in 2020-21 and 2021-22 due to Sports Sector loans packages announced in response to the COVID-19 pandemic.

105 Heritage sponsored ALBs shows an increase in 2020-21 and 2021-22 due to Cultural Sectors Support Package announced in response to the COVID-19 pandemic, transfer of funding to support grants distribution of the Green Recovery Fund and step up in planned activity for the High-Street Heritage Action Zones programme.

106 Support for Digital, Broadcasting and Media sector relates to Broadband Delivery UK (BDUK) programmes. In the 2020 Budget statement, the Government confirmed its commitment to invest a total of £5bn to roll out gigabit-capable broadband in the most difficult to reach areas of the UK. 2020-21 and 2021-22 outturn is higher than prior years due to programmes stepping up to full delivery and funding reprofiled from previous years.

107 Broadcasting and Media sponsored ALBs. In the 2015 Spending Review it was announced the government would invest up to £550m during the Spending Review period to make the 700 MHz spectrum band available for mobile broadband use. Additional funding was provided for clearance and auction of the band which was completed in August 2021 hence the decline from 2020-21.

108 The decline in 2021-22 outturn is driven by technical adjustments relating to accounting for leases under IFRS 16.

109 Olympics legacy programmes relate to the staging of the Olympic and Paralympic games 2012. This includes income from the sale of the Olympic Village, residual costs and final settlements with the Greater London Authority and Olympic Lottery Distribution Fund.

110 On 15 July 2016 the Office for Civil Society moved from the Cabinet Office to the Department for Digital, Culture, Media and Sport via a Machinery of Government transfer. The increase in 2022-23 plans relates to additional funding provided for the Youth Investment Fund.

111 On 1 December 2018, the National Citizen Service Trust was set up as an Arm's Length Body, with expenditure for the National Citizen Service moving from the Office for Civil Society.

112 On 1 February 2019, the Birmingham Organising Committee for the 2022 Commonwealth Games Ltd was set up as an Arm's Length Body. Negative outturn in 2019-20 is driven by timing differences between matching capital additions to grant income, and the implementation of IFRS 16 leases.

Capital DEL (£'000s)	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans
<b>Total Capital DEL</b> (brought forward from previous page)	<b>550,695</b>	<b>935,903</b>	<b>654,375</b>	<b>596,228</b>	<b>530,259</b>	<b>630,647</b>
<b>Of which:</b>						
Staff costs <sup>113</sup>	8,676	8,289	13,220	17,931	14,035	[ ]
Purchase of goods and services <sup>113</sup>	5,400	5,451	9,471	28,874	11,952	[ ]
Income from sales of goods and services	(9,075)	(7,396)	(4,991)	(7,334)	(11,981)	-
Current grants to persons & non-profit (net)	7,336	6,439	8,187	7,424	7,491	-
Subsidies to public corporations	2,951	-	-	-	-	-
Subsidies to private sector companies	-	2,023	313	367	3,398	-
Capital support for local government (net)	77,678	161,673	99,753	39,483	92,935	6,920
Capital grants to persons & non-profit (net)	47,697	107,823	105,270	74,574	(159,523)	113,070
Capital grants to private sector companies (net)	65,415	40,062	92,224	94,924	66,803	-
Capital grants abroad (net)	-	(62)	-	-	-	-
Capital support for public corporations	2,909	17,684	21,310	(2,443)	(2,588)	4,900
Purchase of assets	337,159	266,314	264,791	274,141	554,969	473,987
Income from sales of assets	(5,327)	(29,440)	(30,582)	(21,045)	(38,224)	-
Net lending to the private sector and abroad	16,760	367,409	91,298	93,636	4,165	-
Take up of provisions					-	58,520
Other capital	(6,884)	(10,366)	(15,889)	(4,304)	(13,173)	(26,750)

<sup>113</sup> Figures for Plans for staff costs and purchase of goods and services are redacted to avoid publishing any assumptions about future price or pay movements.

Capital AME (£'000s)	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans
British Broadcasting Corporation (net) <sup>114</sup>	941,101	48,633	167,193	271,074	458,486	760,291
Channel Four Television <sup>115</sup>	76,734	8,751	(76,296)	(864)	39,129	200,000
Provisions, Impairments and other AME spend	-	-	-	-	-	-
Levy bodies <sup>116</sup>	(314)	317	(21,878)	(8,257)	(571)	-
S4C (net)	-	-	-	112	22	-
Lottery Grants <sup>117</sup>	308,721	220,060	188,739	221,353	384,751	383,541
<b>Total Capital AME</b>	<b>1,326,242</b>	<b>277,761</b>	<b>257,758</b>	<b>483,418</b>	<b>881,817</b>	<b>1,343,832</b>
<b>Of which:</b>						
Staff costs <sup>118</sup>	13,338	13,561	12,942	17,207	17,576	[ ]
Purchase of goods and services	3,535	2,259	2,226	3,587	3,146	[ ]
Income from sales of goods and services	(2,004)	(2,358)	(2,947)	(3,387)	(2,801)	-
Capital support for local government (net)	75,477	74,396	32,711	37,490	120,479	-
Capital grants to persons & non-profit (net)	181,414	109,988	123,173	151,818	238,190	-
Capital grants to private sector companies (net)	-	-	-	-	-	-
Capital support for public corporations	165,369	(42,267)	4,686	127,781	344,817	200,000
Purchase of assets	844,631	88,269	99,015	154,201	147,156	1,143,832
Release of provision	-	-	(21,520)	(7,980)	(302)	-
Income from sales of assets	(3,191)	(1,143)	(24,470)	(29,010)	(8,430)	-
Net lending to the private sector and abroad	18,234	18,068	15,510	13,644	8,701	-
Other capital	29,439	16,988	16,432	18,067	13,285	-
<b>Total Capital Budget<sup>119</sup></b>	<b>1,876,937</b>	<b>1,213,664</b>	<b>912,133</b>	<b>1,079,646</b>	<b>1,412,076</b>	<b>1,974,479</b>
<b>Total Departmental Spending<sup>120</sup></b>	<b>7,793,447</b>	<b>8,474,506</b>	<b>7,791,780</b>	<b>8,139,826</b>	<b>7,462,262</b>	<b>9,454,094</b>
<b>Of which:</b>						
Total DEL <sup>121</sup>	2,085,634	3,835,094	2,440,853	2,577,424	2,038,812	2,078,701
Total AME <sup>122</sup>	5,707,813	4,639,412	5,350,927	5,562,402	5,423,450	7,375,393

114 BBC capital expenditure is net of property disposals. BBC Commercial Limited and its holding companies have been consolidated in these accounts, reflected in the outturn from 2017-18. There was a one-off impact in 2019-20 relating to asset recognition on the adoption of IFRS 16. The planned increase in 2022-23 is mainly due to continued expenditure on major strategic investments, renewals and new leases.

115 This AME expenditure represents cover for commercial borrowings. This facility was not required prior to 2019-20. In 2021-22 the negative outturn relates to a credit repayment in relation to Channel 4's credit facility.

116 Levy Expenditure is only recorded at year end via the annual accounts, so there is no forward plans data.

117 The group accounts exclude the Devolved Administrations and records expenditure on an accruals basis since 2014-15. The funding profile is agreed on a year by year basis. Plans data will be refined at the 2022-23 Supplementary Estimate.

118 Figures for Plans for staff costs and purchase of goods and services are redacted to avoid publishing any assumptions about future price or pay movements.

119 Total Capital Budget is the sum of the Capital DEL budget and the Capital AME budget.

120 Total Departmental Spending is the sum of the resource budget and the capital budget less depreciation.

121 Total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL.

122 Total AME is the sum of the resource budget AME and the capital budget AME less depreciation in AME.

**Table 2 – Administration budgets**

Resource DEL (£'000s)	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans
Libraries sponsored ALBs (net)	8,341	7,998	7,936	7,490	7,260	9,453
Support for the Arts sector	90	88	(674)	(765)	(3,122)	(1,499)
Arts and culture ALBs (net)	17,849	19,876	24,311	23,273	20,135	16,567
Sport sponsored ALBs (net)	13,467	19,281	17,532	18,058	15,172	16,047
Ceremonial and support for the Heritage sector	597	601	617	1,052	640	(32)
Heritage sponsored ALBs (net) <sup>123</sup>	15,021	4,717	23,464	20,095	17,733	24,471
Tourism sponsored ALBs (net)	30,819	26,371	27,374	28,401	-	-
Support for the Digital, Broadcasting and Media sector	5,917	7,082	10,301	6,683	29,335	29,985
Broadcasting and Media sponsored ALBs (net) <sup>124</sup>	13,948	12,904	11,431	15,547	2	1,554
Administration and Research <sup>125</sup>	97,598	111,771	92,628	151,164	-	40
National Citizen Service <sup>126</sup>	11,605	9,354	10,033	11,827	102,187	101,074
Spectrum Management Receipts <sup>127</sup>	-	-	-	-	4,668	4,920
<b>Total Administration Budget</b>	<b>215,252</b>	<b>220,043</b>	<b>224,953</b>	<b>282,825</b>	<b>-</b>	<b>-</b>
<b>Of which:</b>						
Staff costs <sup>128</sup>	164,962	189,699	223,363	233,079	129,687	[ ]
Purchase of goods and services <sup>128</sup>	85,372	77,321	86,922	107,196	89,517	[ ]
Income from sales of goods and services	(24,731)	(7,813)	(11,370)	(19,343)	(21,098)	(3,105)
Current grants to local government (net)	(91)	-	(115)	(98)	(160)	-
Current grants to persons and non-profit (net)	311	577	2,713	875	3,601	-
Net public service pensions	799	3,095	510	1,217	362	-
Rentals	7,348	2,390	6,616	3,438	723	-
Depreciation	32,167	24,468	21,986	25,904	16,485	16,338
Unwinding of discount rate on pension scheme liabilities	570	337	248	347	278	-
Take up of provisions	-	-	1,102	4,066	-	-
Other resource	(51,455)	(70,031)	(107,022)	(73,856)	(25,385)	-

123 Heritage sponsored ALBs shows a reduced outturn in 2020-21 due to a one-off credit in relation to the liquidation of a National Heritage Memorial Fund financial asset.

124 Broadcasting and Media Sponsored ALBs shows a fall in spend from 2017-18 onwards because from this point Ofcom retained Spectrum Management Receipts as income.

125 The rise in Administration and Research expenditure since 2017-18 reflects the substantial growth of the department since the 2015 spending review, particularly in the digital and data protection areas. There have also been administration funding uplifts relating to EU Exit and Festival 2022.

126 On 1 December 2018, The National Citizen Service Trust was set up as an Arm's Length Body, with expenditure for the National Citizen Service moving from the Office for Civil Society.

127 Spectrum Management receipts, which directly offset Broadcasting Administration expenditure, have been shown as income in the Broadcasting and Media Sponsored ALBs line from 2017-18.

128 Figures for Plans for staff costs and purchase of goods and services are redacted to avoid publishing any assumptions about future price or pay movements.



# Annex B – Sustainability

## Greening Government Commitments

The Department’s sustainability report has been prepared in line with the requirements under the Greening Government Commitments. The tables below demonstrate our continuing commitment to sustainable development. We plan to reduce our use of materials and energy, minimise waste and water use and increase sustainable procurement to minimise our carbon footprint.

**Table A – 2023-24 Performance against 2017-18 Baseline\***

	2025 Government target	Position as at 31 March 2024
Greenhouse gas emissions	Reduce from Baseline	29% reduction
Waste	15% Reduction	25% increase**
Water	8% reduction	13% reduction
Paper	50% reduction	68% reduction
Government Fleet Commitment	25% categorised as ultra-low emission vehicle	20% categorised

\* Baseline has been adjusted to exclude ALBs that have move to DSIT as part of the Machinery of Government change in note 29. We have also excluded the following entities that had no figures included within the baseline for 2017-18: UK Anti Doping, Churches Conservation Trust, Geffrye Museum (Museum of the Home), Horniman Museum, National Citizen Service, Royal Armouries Museum, Sport England, UK sport and Sir John Soanes Museum. The reporting requirements have been amended since 2017-18 and therefore more ALBs have been included within our current year figures than included in 2017-18 baselines.

\*\*This is predominantly relating to the Science Museum Group and was one-off construction waste, mainly around energy efficiency improving schemes. If this ALB was excluded the waste would be 5,974 tonnes of waste, with a 41% reduction on 2017-18 baseline.

Commentary relating to the Department’s current year performance is provided below.

DCMS can report that in three out of the five baseline performance targets for these have been exceeded for the current year. The targets exceeded are reductions in water, paper and greenhouse gas emissions. The waste target has been impacted by a one-off construction waste at the Science Museum Group and if this was excluded the figures the target for waste would also have been exceeded. The government fleet commitment we currently across the group have 20% as defined as ultra-low emissions an improvement from 10% in the prior year; however we remain below our 2025 target of 25%.

Figures on building emissions (electricity, waste and water consumption) for the core department are reported as a percentage of the total figures for 100 Parliament Street based on allocated seating in the building. DCMS building emission figures are not reported in Government totals as these are already counted under HMRC’s figures. As DCMS’ data are indicative only statistics derived from the above exercises and may not accurately represent the Department activities as DCMS does not have control over the building wide activities of other departments based at 100 Parliament Street, or policies around building sustainability made by HMRC.

DCMS are committed to the removal of Consumer Single Use Plastics from the group estate. We have been working closely with our supply chain to maintain and monitor the removal of items such as plastic cups, drink stirrers, plastic sauce sachets and cutlery, working to ensure biodegradable alternatives are used.

The core department pays a fixed price for utilities in parts of the building and a percentage of utilities in other areas, we have used the average of the ALB’s expenditure per usage to estimate the DCMS core costs for usage.

The amount and type of travel in the Department is determined by business needs and is restrained by a robust travel policy that requires all travel to be necessary and cost efficient. Lower carbon options are considered first as an alternative to each planned flight.

The Department currently operates a hybrid approach between remote and office working. Since the introduction of this working model paper consumption has fallen, resulting in a reduction against the baseline of 2017-18. DCMS continues to monitor its finite resource usage and other key metrics with support from its staff networks.

### Sustainability Report - Group Performance

Data has only been included from ALBs that meet the required threshold for sustainability reporting. We have excluded from the comparatives Ofcom, ICO and BDUK because of the Machinery of Government change effective 1 April 2023, the figures for 2020-21, 2021-22 and 2022-23 have therefore been restated.

The de-minimis threshold is for arm's length bodies and executive agencies occupying less than a total of 500m<sup>2</sup> of floor area and with fewer than 50 FTE staff. This sustainability report is not based on the same Departmental accounting boundary as the 2023-24 accounts. The ALBs exempt for 2023-24 are:

Horse Race Betting Levy Board	Wallace Collection*
Sports Grounds Safety Authority	

\*Wallace information is not included

In the 2021-22 and 2020-21, Churches Conservation Trust, Sir John Soane's Museum, Geffrye Museum (Museum of the Home), UK Anti Doping and National Citizen Service Trust were also exempt from sustainability reporting and are not included in the comparative figures.

**Table 1 - Greenhouse gas emissions**

	2023-24		2022-23 restated		2021-22 restated		2020-21 restated	
	Core department	Group	Core department	Group	Core department	Group	Core department	Group
<b>Non-financial indicators (1,000 tCO<sub>2</sub>e)</b>	<b>Total gross emissions</b>	<b>122.8</b>	<b>0.7</b>	<b>124.5</b>	<b>0.0</b>	<b>113.5</b>	<b>0.3</b>	<b>111.2</b>
	Gross emissions Scope 1 (direct) (gas, oil & fuel)	0.0	0.0	46.1	0.0	52.7	0.0	47.7
	Gross emissions Scope 2 (indirect) (electricity)	0.2	60.2	0.3	59.3	0.0	59.1	0.3
	Gross emission Scope 3 (indirect) (Official domestic business travel) <sup>2,3</sup>	0.0	8.6	0.0	7.8	0.0	1.7	1.1
	Gross emission Scope 3 (indirect) (Official international business travel)	0.2	13.2	0.4	11.3	0.0	0.0	0.0
	<b>Total energy consumption</b>	<b>1.8</b>	<b>501.6</b>	<b>2.0</b>	<b>519.9</b>	<b>0.7</b>	<b>565.0</b>	<b>1.9</b>
<b>Related energy consumption (million kWh)</b>	Electricity: non-renewable	0.0	0.0	180.5	0.0	220.9	0.0	216.7
	Electricity: renewable	0.9	118.5	1.2	114.8	0.1	96.4	85.2
	Gas	0.9	196.5	0.8	219.0	0.6	242.6	252.9
	LPG	0.0	0.1	0.0	0.3	0.0	0.6	0.4
	Other	0.0	15.1	0.0	5.3	0.0	4.5	1.4
<b>Total expenditure</b>	<b>1.7</b>	<b>133.0</b>	<b>1.3</b>	<b>122.3</b>	<b>0.0</b>	<b>72.3</b>	<b>0.2</b>	<b>71.5</b>
<b>Financial indicators (£m)</b>	Expenditure on energy	0.3	96.8	0.0	88.5	0.0	48.9	47.0
	CRC licence expenditure (2010 onwards)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Expenditure on official business travel	1.4	36.2	1.3	33.8	0.0	23.4	24.5

<sup>129</sup> In 2021-22 and 2020-21 the domestic and international emissions were not disaggregated.

**Table 2 - Waste**

	2023-24		2022-23 restated		2021-22 restated		2020-21 restated	
	Core department	Group	Core department	Group	Core department	Group	Core department	Group
<b>Total waste</b>	<b>33.0</b>	<b>14,441.0</b>	<b>20.0</b>	<b>10,002.0</b>	<b>20.5</b>	<b>6,318.5</b>	<b>9.1</b>	<b>3,405.1</b>
Hazardous waste <sup>130</sup>	0.0	12.0	0.0	1,084.0	0.0	14.0	0.0	69.0
Landfill <sup>131</sup>	0.0	4,946.0	0.0	880.0	0.0	775.0	0.0	150.0
Reused/ recycled	21.0	4,821.0	13.0	4,398.0	15.0	2,385.0	4.5	1,439.5
ICT waste recycled, reused and recovered (externally)	0.0	221.0	0.0	140.0	0.0	182.0	0.0	0.0
Composted	2.0	649.0	0.0	463.0	0.0	208.0	0.5	128.5
Incinerated with energy recovery	10.0	3,589.0	7.0	2,828.0	4.0	2,621.0	4.1	1,618.1
Incinerated without energy recovery	0.0	203.0	0.0	209.0	1.5	133.5	0.0	0.0
<b>Total disposal cost<sup>132</sup></b>	<b>4</b>	<b>1,730</b>	<b>1</b>	<b>1,580</b>	<b>0</b>	<b>1,306</b>	<b>0</b>	<b>1,050</b>
Hazardous waste	0	10	0	12	0	14	0	44
Landfill	0	89	1	60	0	74	0	229
Reused/ recycled	3	755	0	681	0	489	0	345
ICT waste recycled, reused and recovered (externally)	0	15	0	11	0	18	0	0
Composted	0	111	0	93	0	39	0	30
Incinerated with energy recovery	1	692	0	686	0	652	0	402
Incinerated without energy recovery	0	58	0	37	0	20	0	0

**Non-financial indicators (tonnes)**

**Financial indicators (£'000)**

<sup>130</sup> The British Library accounts for the majority of the hazardous waste because they carried out major construction work with a view to renew their Boston Spa Site and outdated buildings demolished in the year contained asbestos materials.

<sup>131</sup> Works at the Science Museum, mainly to improve energy efficiency within the building, resulted in a large consequential waste disposal figure from that ALB equating to 4,878 tonnes of waste in the current year at a cost of £123k. There are costs associated with construction contracts above £300k but we have not been able to split these out.

<sup>132</sup> Total disposal costs include some costs that are not in the itemised lines. These were not provided by some ALBs due to limitations in their current service contracts, this includes the costs for British Library's disposal of hazardous waste.

**Table 3 - Finite resource consumption**

	2023-24		2022-23 restated		2021-22 restated		2020-21 restated	
	Core department	Group	Core department	Group	Core department	Group	Core department	Group
<b>Total water consumption</b>								
Water consumption (office estate)								
Supplied	2.0	539.5	2.8	530.6	3.5	372.6	3.2	372.0
Abstracted	0.0	0.6	0.0	26.3	0.0	7.9	0.0	13.6
per FTE	0.002	0.017	0.003	0.016	0.002	0.011	0.004	0.023
Water consumption (non-office estate)								
Supplied	0.0	420.9	0.0	413.7	0.0	326.7	0.0	271.7
Abstracted	0.0	8.9	0.0	0.0	0.0	80.6	0.0	0.0
<b>Total water cost</b>	<b>7.4</b>	<b>3,053.8</b>	<b>0</b>	<b>2,509.6</b>	<b>0.0</b>	<b>2,088.4</b>	<b>10.0</b>	<b>1,870.1</b>
Water supply costs (office estate)	7.4	2,022.6	0	1,403.0	0	1,516.6	10.0	1,258.7
Water supply costs (non-office estate)	0	1,031.2	0	1,106.6	0	571.8	0	611.4

**Non-financial indicators**  
(<sup>133</sup>'000m<sup>3</sup>)

**Financial indicators**  
(£'000)

<sup>133</sup> Total water cost in contrast with total water consumption may not align due to timing differences in relation to the receipt of utility invoices by ALBs.

**Table 4 - Air travel**

	2023-24		2022-23 restated		2021-22 restated		2020-21 restated	
	Core department	Group	Core department	Group	Core department	Group	Core department	Group
<b>Total distance travelled by inter-national business flights</b>	1,236.9	58,698.1	2,818.1	70,474.3				
Disaggregated by category								
Long-haul flights	986.0	44,550.2	2,264.6	53,686.3				
Short-haul flights	250.9	14,148.0	553.5	16,919.2				
<b>Disaggregated by class</b>								
Economy	981.3	50,916.3	2,061.3	62,920.3				
Premium Economy	118.6	4,588.1	318.6	3,866.8				
Business	203.7	3,206.6	401.5	3,705.1				
First	8.1	50.0	36.7	39.0				
<b>Non-financial Indicators ('000km distance)</b>								
Distance travelled by domestic business flights	74.9	5,109.0	182.5	4,920.1				
Number of domestic business flights	102.0	9,597.0	242.0	9,121.0				



# Annex C – Disaggregated information on Arm’s Length Bodies (2023-24)

Arm’s Length Body	Total operating income £’000	Total operating expenditure £’000	Net expenditure for the year (including financing) £’000	Permanently employed staff		Other staff	
				Number of employees	Staff costs £’000	Number of employees	Staff costs £’000
DCMS core department	(190,193)	5,810,806	5,601,355	932	68,464	52	4,011
Arts Council England\$	(235,948)	243,795	7,995	620	33,962	5	368
BBC PSB Group*	(356,641)	352,715	(97,624)	17,611	1,261,700	-	-
Big Lottery Fund	(827,237)	876,522	48,829	776	40,822	13	1,100
British Film Institute\$	(76,694)	60,263	(15,921)	573	34,572	21	946
British Library	(20,486)	18,478	(1,862)	1,438	70,298	31	1,844
British Museum	(163,144)	38,176	(128,597)	802	37,451	109	3,635
Churches Conservation Trust	(9,316)	8,711	(605)	78	3,936	-	-
Gambling Commission	(30,811)	30,291	(1,073)	321	23,283	42	565
Geffrye Museum Trust Limited (Museum of the Home)	(905)	936	31	42	1,661	1	8
Historic England	(12,658)	13,390	1,994	867	49,265	98	3,952
Horniman Public Museum and Park Trust	(3,538)	5,736	2,198	141	9,986	6	205
Horse Race Betting Levy Board	(105,303)	95,885	(12,861)	16	1,548	-	-
Imperial War Museum	(30,521)	23,214	(7,444)	398	20,198	3	168
National Citizen Service Trust	(1,336)	(81)	(1,416)	148	9,715	-	-
National Gallery	(75,369)	23,627	(51,623)	257	18,784	89	436
National Heritage Memorial Fund\$	(361,555)	414,709	50,260	325	18,673	10	770
Royal Museums Greenwich	(15,922)	13,751	(2,208)	472	16,432	29	137
National Museums Liverpool	(10,098)	2,777	(7,314)	355	16,145	-	-
National Portrait Gallery	(24,748)	7,986	(16,731)	225	11,301	78	3,658
Natural History Museum	(50,244)	32,185	(19,764)	1,000	50,026	49	1,984
Royal Armouries Museum	(3,542)	406	(2,529)	160	6,400	1	82
S4C	(834)	7,916	6,709	116	7,405	-	-
Science Museum Group	(45,624)	31,125	(17,235)	970	36,278	20	163
Sir John Soane’s Museum	-	(1,190)	(1,190)	47	2,074	-	-
Sport England\$	(226,994)	162,625	(65,126)	312	19,405	22	1,250
Sports Grounds Safety Authority	(395)	279	(116)	21	1,666	-	-
Tate Gallery	(88,557)	78,291	(9,501)	736	45,479	136	3,841
UK Anti-Doping	(2,306)	7,164	4,885	77	11,144	1	64
UK Sport\$	(90,683)	77,706	(13,104)	585	28,822	3	322
Victoria and Albert Museum	(109,162)	60,993	(51,433)	914	42,561	10	346
Visit Britain	(12,751)	11,155	(1,171)	244	13,096	29	5,404
Wallace Collection	(4,407)	2,689	(1,718)	90	4,094	-	-
<b>Total</b>	<b>(3,187,922)</b>	<b>8,513,031</b>	<b>5,196,090</b>	<b>31,669</b>	<b>2,016,646</b>	<b>858</b>	<b>35,259</b>

\* The BBC is governed by Royal Charter and an associated Framework 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. The definition of the BBC as consolidated in these accounts is provided in note 1.3 (Basis

of Consolidation).

\$ These bodies produce an exchequer and lottery distribution account, the figures presented are an aggregate of these.

The table above provides a breakdown of total operating income, total operating expenditure, net expenditure for the year, staff numbers and staff costs for the Department and for each of the component entities consolidated within these financial statements. This table does not include public corporations as these are outside the DCMS accounting boundary, as previously described in note 28.1. Other staff numbers/costs represent categories other than permanent per the staff report (others, contract and agency, Ministers and Special Advisers).

The figures above are the final consolidated figures in the departmental accounts and therefore include any adjustments at a consolidation level, including FReM alignment adjustments and intragroup eliminations. As a result, the figures above will not agree directly to the published ALB accounts. Furthermore, the DCMS core department line incorporates intra-group adjustments so may not reconcile exactly to the DCMS core figures in the accounts (as per the accounts, the core element of the intra-group adjustments is presented in the 'group' column, but here has been allocated to the DCMS core entity).

Seven bodies within the DCMS boundary (Churches Conservation Trust, Sports Grounds Safety Authority, Horniman Public Museum and Public Park Trust, Royal Armouries Museum, Sir John Soane's Museum, Wallace Collection and UK Anti-Doping) have not been consolidated on a line-by-line basis on the grounds of materiality. As such, for some of these bodies their staff numbers and staff costs are not split between permanently employed staff and other staff.

## Annex D – Other areas of significant expenditure

These amounts have been included within the appropriate notes to the accounts above

### Coronation of King Charles III and Queen Camilla

DCMS costs towards the Coronation of King Charles III and Queen Camilla were £50.3m, funded by HM Treasury. A further £21.7m was transferred to the Home Office as part of the Supplementary Estimate process for policing costs.

### Youth Investment Fund

£59.2m was invested in 2023-24 to create, expand, improve and level-up youth services across England.

- <https://youthinvestmentfund.org.uk/>

### Community Organisations Cost of Living Fund

£74.2m was spent in 2023-24 on grants to charities and community organisations carrying out vital work to help vulnerable people. Grants were targeted at organisations struggling with rising costs and increased demand, such as those providing food, emergency provisions, shelter, safe spaces, warmth and financial or housing advice.

- <https://www.gov.uk/government/news/charity-and-community-organisations-helping-vulnerable-people-set-to-benefit-from-76-million-government-support>

Other areas of significant expenditure	DEL programme	DEL admin	Total DEL
	£'000	£'000	£'000
Coronation of King Charles III and Queen Camilla	50,313	-	50,313
Youth Investment Fund	50,962	8,224	59,186
Cost of Living Fund	70,900	3,340	74,240
<b>Totals</b>	<b>172,175</b>	<b>11,564</b>	<b>183,739</b>

# Annex E – Reconciliation of contingent liabilities included in the supply estimate to the accounts

## Quantifiable Contingent Liabilities (non-IAS37 i.e. Remote Contingent Liabilities)

Description of Contingent Liability	Supply Estimate £'000	Amount disclosed in ARA £'000	Variance (Estimate – Amount disclosed in ARA, £'000)	Material variance
Government Indemnity Scheme – In-demnifying objects on loan to national and non-national institutions	17,253,925	7,008,050	10,245,875	The values are dependent on which items are at exhibitions at a point in time and this value fluctuates.
Artworks on loan to the Government Art Collection	1,728	1,728	-	N/A
Artworks on loan from the Royal Collection	253,800	418,900	(165,100)	The values are dependent on which items are at exhibitions at a point in time and this value fluctuates.
Guarantee for the 'Borrowing facility for Historic Royal Palaces'	4,000	4,000	-	N/A
The British Library has a remote contingent liability to cover items on loan from other organisations for inclusion in exhibitions	2,500	2,500	-	N/A
Gambling Commission legal costs	300	200	100	N/A

## Quantifiable Contingent Liabilities (IAS 37 – included in note 24 Contingent Assets and Liabilities)

Description of Contingent Liability	Supply Estimate £'000	Amount disclosed in ARA £'000	Variance (Estimate – Amount disclosed in ARA, £'000)	Material variance
Lottery Distribution Bodies (LDBs) - Future grant payments	523,000	538,000	(15,000)	The variance mainly relates to increased grant awards that do not satisfy the criteria of being treated as a liability.
Horse Race Betting Levy Board – Pension Scheme guarantee	30,300	30,600	(300)	N/A
Horse Race Betting Levy Board – Great British Bonus Scheme	534	-	534	No longer relevant
Potential payment by Sport England to the Football Association in the event of termination of the 500 Management Agreement for Lilleshall National Sports Centres.	500	500	-	N/A
Gambling Commission	100	-	(100)	N/A
BFI Locked Box	2,600	2,600	-	N/A
National Lottery Community Fund	25,500	5,000	20,500	A contingent liability of £20m is recognised which is in respect of (unsigned) contractual amounts owed to designated distributors no longer required.

## Unquantifiable Contingent Liabilities (non-IAS37 i.e. Remote Contingent Liabilities)

Description of Contingent Liability	Included in Supply Estimate (Yes/ No)	Disclosed in the ARA? (Yes/ No)	Explanation of difference
<p>Olympic Delivery Authority</p> <p>Upon dissolution of the Olympic Delivery Authority (ODA), the following contingent liabilities passed to DCMS:</p> <p>1. Contingent liability of up to £10m for one third of the cost of constructing new railway sidings at Lea Interchange.</p> <p>2. Indemnity to Lee Valley Regional Park Authority (LVRPA) against costs incurred for pollution / contamination from ODA's construction of the Lee Valley White Water Canoe Centre.</p> <p>3. Potential reimbursement to LVRPA of certain claw back liabilities payable to funders of the Lee Valley Hockey and Tennis Centre at Eton Manor.</p>	Yes	Yes	See the parliamentary accountability section for an update of this contingent liability.
<p>Jubilee Gardens</p> <p>Indemnity given to the Arts Council England and the Southbank Centre Limited for certain unquantifiable liabilities owed by Shirayama Shokusan Company Limited for potential costs in replacing the proposed new Jubilee Gardens.</p>	Yes	Yes	N/A
<p>Hague Convention and Cultural Property (armed Conflicts) Act 2017</p> <p>The government has ratified the 1954 Hague Convention for the Protection of Cultural Property in the Event of Armed Conflict and accede to its two Protocols. The Cultural Property (Armed Conflicts) Act 2017 created a number of new criminal offences in domestic law to enable the UK to ratify the Convention and accede to the Protocols. The offences include a serious breach of the Second Protocol, unauthorised use of the Cultural Emblem and the offence of dealing in unlawfully exported cultural property. The department has an unquantifiable contingent liability for the additional costs related to imprisonment and legal costs incurred by the Ministry of Justice for prosecutions brought solely under this new legislation. The department also has an unquantifiable contingent liability for any costs it may be required to cover relating to compensation, which may be payable to buyers of 'good faith' that forfeit any cultural property</p>	Yes	Yes	N/A
<p>The Royal Parks historic liabilities</p> <p>On 15 March 2017, an agreement to manage the Royal Parks was signed between The Royal Parks Limited and the Secretary of State setting out the elements transferred from The Royal Parks Agency (TRPA) and additional obligations and arrangements. Under the terms of the agreement, the core Department retains responsibility for the cost of historic liabilities of TRPA for 10 years</p>	Yes	Yes	N/A

## Unquantifiable Contingent Liabilities (IAS 37 – included in note 24 Contingent Assets and Liabilities)

Description of Contingent Liability	Included in Supply Estimate (Yes/ No)	Disclosed in the ARA? (Yes/ No)	Explanation of difference
The British Library has undertaken the digitisation of millions of pages of newspaper from the archive using a commercial partner to take on the costs of digitisation in return for being able to exploit the digital archive commercially. The supplier has warranted in its 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 £5m. DCMS has agreed 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 £5m would be extremely unlikely, but in the event that the liability is called, provision for any payment will be sought through the normal supply procedure.	Yes	Yes	N/A
The British Library is aware of a personal injury claim which has been investigated. The Library does not believe it has any liability and nothing has been heard from the claimant for over 2 years, so no provision has been made in the accounts.	Yes	Yes	N/A
A complaint has been made against the Library relating to copyright on material licensed to 3rd parties. The Library has taken legal advice which confirms that no contract exists and no backdated royalties are due, so no provision has been made in the accounts.	Yes	Yes	N/A
The Library is dealing with two employment tribunal cases. It is not yet possible to say with certainty what any liability and related costs might be so no provision has been made in the accounts.	Yes	Yes	N/A
A complaint has been made by a member of the public against the Library under the Equality Act 2010, alleging that the reader registration process is discriminatory because registration requires attendance onsite. This is currently under investigation. It is not yet possible to say with certainty what any liability and related costs might be, so no provision has been made in the accounts. Whilst the costs of these disputes cannot be determined with sufficient certainty to make a provision, it is considered unlikely that the worst-case outcomes would result in material costs to the Library.	Yes	Yes	N/A
The Library is aware of a further three claims being raised by employees. One is "out of time" and the Library has requested the case be struck out. No provision has been made for this. The Library is seeking legal advice on how to proceed with the other two cases. These are in very early stages and the costs of these disputes cannot be determined with sufficient certainty to make a provision, it is considered unlikely that the worst-case outcomes would result in material costs to the Library.	No	Yes	New disclosure supplied by the British Library
In October 2023 the Library was affected by a significant ransomware cyber-attack, which resulted in a reportable data breach. The Library reported the attack to the Information Commissioner's Office (ICO) within the statutory timeframe and from the outset has actively cooperated with the ICO's investigation, providing regular updates and responses to questions. The Library understand that the ICO will publish its findings on the incident in due course and the Library will abide by the recommendations of that report. Until the ICO's investigation is concluded it is not possible to say with any certainty whether the ICO will choose to impose a monetary penalty or what the value of any penalty might be. Accordingly, no provision has been made in the accounts.	No	Yes	New disclosure supplied by the British Library
4th National Lottery Licence Legal Challenge  The Gambling Commission considers the liability to be a contingent liability in accordance with IAS 37. The liabilities will remain until the legal challenges are settled, because they relate to possible obligations in respect of enduring legal challenges as a result of the Gambling Commission's decision.	Yes	Yes	N/A



Description of Contingent Liability	Included in Supply Estimate (Yes/ No)	Disclosed in the ARA? (Yes/ No)	Explanation of difference
<p>British Tourist Authority – India Subsidiary</p> <p>BTA continue to work on an on-going challenge in relation to their India operations. There is uncertainty over whether there may be non-compliance with local rules and whether any fines could arise as a consequence. BTA are reviewing a way forward for operations in India and decisions are expected in the first half of 2023-24. The conclusion as to whether there are non-compliance issues is likely to take a significant amount of research and BTA continue to work with its advisers in India to resolve</p>	Yes	Yes	N/A
<p>BBC Tax Survey</p> <p>From 14 – 16 February 2023, the Indian Income Tax Department conducted a tax survey on the BBC's Indian operations in Mumbai and Delhi. This involved tax surveys carried out at the offices of BBC World Service India Private Limited and BBC Studios India Private Limited.</p> <p>The BBC has co-operated in full, and will continue to do so, with all requests made to it including document and information requests, supported by its external legal and tax advisers. As matters are ongoing and have not yet concluded, it is not possible at this stage to identify if in any or all instances a liability exists and/or to quantify any such liability with reasonable certainty.</p>	Yes	Yes	N/A
<p>On 12 July 2022, the CMA launched an investigation into suspected breaches of competition law in relation to the purchase of freelance services supporting the production and broadcasting of sports content in the UK. In April 2023, the investigation was widened to include the BBC and one other party. In March 2024 the investigation was narrowed to exclude suspected breaches of competition law in relation to the employment of staff supporting the production and broadcasting of sports content in the UK. The investigation has not yet reached a conclusion.</p> <p>On 11 October 2023, the CMA launched a second investigation into a number of named undertakings, including the BBC, in relation to the purchase of services from freelance providers, and the employment of staff, who support the production, creation and /or broadcasting of television content in the UK, excluding sport content. The investigation remains at an early stage.</p> <p>It is not currently possible to reliably quantify any liability that might result from the investigations. The BBC is cooperating with the CMA's enquiries on both investigations.</p>	No	Yes	New disclosure as per the BBC
<p>An employment tribunal has been lodged against the Arts Council England which is yet to go to a full hearing. Arts Council England believes that the case will be defended successfully.</p>	No	Yes	This is a new contingent liability that was not previously reported in the supplementary estimates.
<p>BBC Media Action is the BBC's International charity (a private company limited by guarantee and a registered charity) that operates independently of the BBC, with a management team that is answerable to a Board of Directors (more commonly referred to as Trustees). The BBC provides services to the charity, as it does to BBC Children in Need, including the use of property space. UK-based Media Action staff are employed by the BBC and recharged to Media Action. Given the continued challenging external context (including limited UK aid budgets) and the environments in which Media Action operates, their income projections to return to pre-Covid levels are slower than anticipated. Media Action's Trustees have developed an operational plan to allow the charity to return to a sustainable position. The BBC has provided written assurance of support (due for review in October 2024) whilst the operational plan is delivered. It is not currently possible to calculate any financial outflow with any reasonable accuracy while the short-term implications of the operational plan are further developed and costed.</p>	No	Yes	New disclosure as per the BBC



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