

# Main Estimate memorandum (2022-23) for the Department for Digital, Culture, Media and Sport

## 1 Overview

### 1.1 Objectives

The Department for Digital, Culture, Media and Sport (DCMS) works on some of the most exciting, positive and important policies for the future of the UK. The department **drives growth** and **enriches lives** and at this moment in time its role is more important than ever.

- **DCMS drives growth** by providing the digital infrastructure to boost productivity and harness the power of digital and data across the economy, helping to make the UK a scientific and tech superpower. It supports the fastest growing and most innovative sectors of the economy such as digital and tech, media and creative. It helps sustain and promote the valuable jobs created in areas like culture, tourism and broadband.
- **DCMS enriches lives** because much of its work involves the things that people up and down the country love, that bring happiness. They also help strengthen communities, and ‘level up’ access to opportunity from supporting the voluntary and community sector to greater participation in sport, culture and creativity.

### 1.2 Spending controls

DCMS’ spending is broken down into several different spending totals, for which Parliament’s approval is sought.

The spending totals which Parliament votes are:

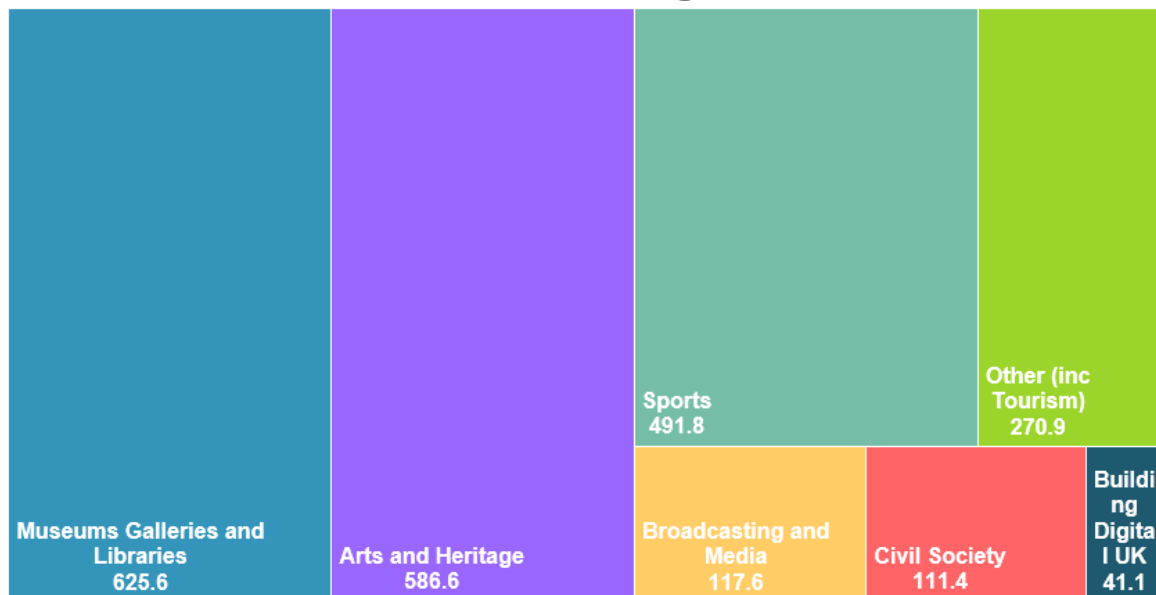
- Resource Departmental Expenditure Limit (“**Resource DEL**”): day to day running costs;
- Capital Departmental Expenditure Limit (“**Capital DEL**”): investment in infrastructure;
- Resource Annually Managed Expenditure (“**Resource AME**”): less predictable day to day spending: in DCMS’ case, expenditure incurred primarily via BBC Licence fees; and
- Capital Annually Managed Expenditure (“**Capital AME**”): in DCMS’ case, capital expenditure incurred primarily via BBC Licence fees.

In addition, Parliament votes a net cash requirement, designed to cover the elements of the above budgets which require DCMS to pay out cash in year.

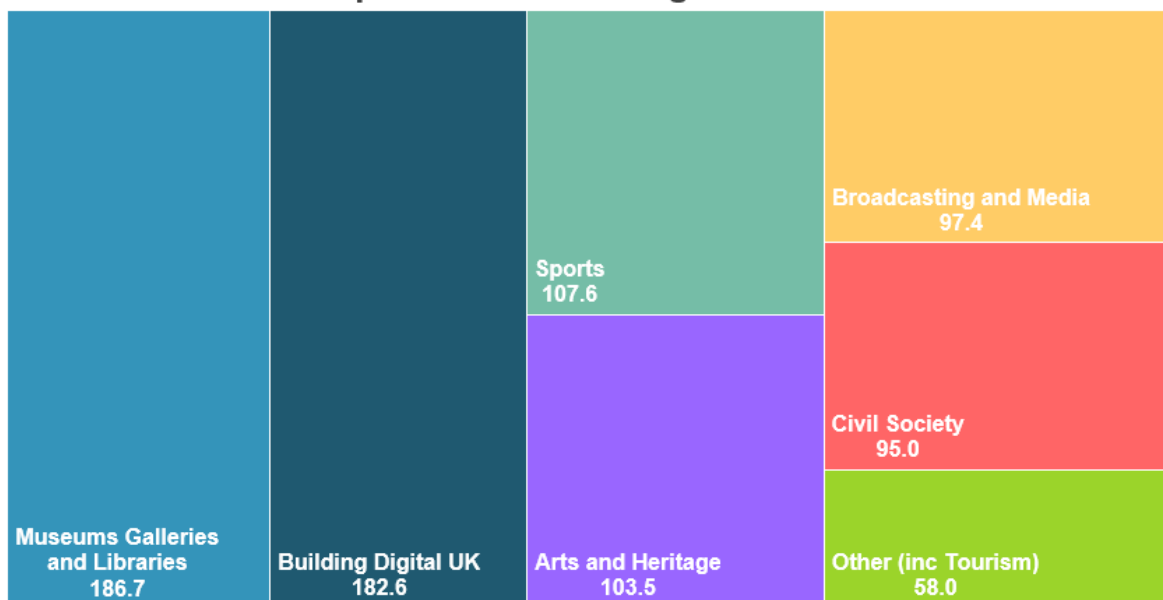
### 1.3 Main areas of spending

The graphics below show the main components of DCMS' proposed budget for the new year, included in the latest Main Estimate, and the proportions of funds spent on its main activities.

**Resource DEL 22/23 Budget: £2244.9m**



**Capital DEL 22/23 Budget: £830.9m**

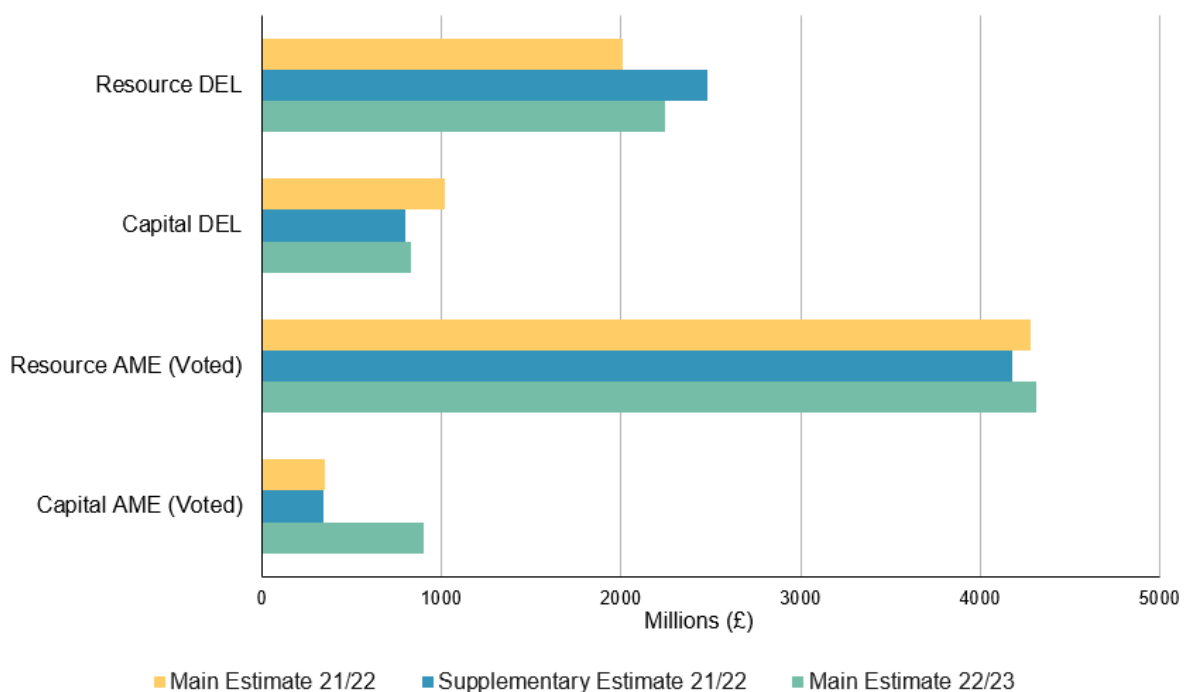


### 1.4 Comparison of spending totals sought

The table and graphic below show how the totals sought by DCMS in its Main Estimate compare with last year:

| Spending Total     | Amounts sought this year (Main Estimate 2022-23) | Compared to final budget last year (Supplementary Estimate 2021-22) |        |         | Compared to original budget last year (Main Estimate 21-22) |        |         |
|--------------------|--------------------------------------------------|---------------------------------------------------------------------|--------|---------|-------------------------------------------------------------|--------|---------|
|                    | £m                                               | £m                                                                  | Var £m | Var %   | £m                                                          | Var £m | Var %   |
| DEL Resource       | 2,244.9                                          | 2,484.9                                                             | -240.1 | -9.66%  | 2,011.4                                                     | 233.5  | 11.61%  |
| DEL Capital        | 830.9                                            | 802.1                                                               | 28.8   | 3.59%   | 1,018.5                                                     | -187.5 | -18.41% |
| AME Resource Voted | 4,309.8                                          | 4,176.4                                                             | 133.5  | 3.20%   | 4,283.8                                                     | 26.0   | 0.61%   |
| AME Capital voted  | 904.5                                            | 341.1                                                               | 563.4  | 165.17% | 354.5                                                       | 550.1  | 155.19% |

**DCMS 21/22 Voted Control Totals v Proposed 22/23 Main Estimate**



## 1.5 Key drivers of spending changes since last year

### *Resource DEL*

The main causes of the changes in Resource DEL are:

- **Increase:** Funding provided as part of the 2021 Spending Round for a range of major events taking place in 2022-23, including the 2022 Birmingham Commonwealth Games; Unboxed Festival 2022 and the Platinum Jubilee 2022.
- **Increase:** relating to the Departmental Unallocated Provision (DUP) provided as part of the SR21 settlement.
- **Decrease:** Cessation of one-off funding provided in 2021-22 for the Covid recovery, including the Cultural Recovery Fund, Production Restart Scheme, Sports Survival Package, and the Live Events Reinsurance Scheme.

### **Capital DEL**

The main causes of the changes in Capital DEL are:

- **Increase:** Additional funding provided as part of the 2021 Spending Round for British Library Leeds & Boston Spa project, the Natural History Museum Research Facility, Arm's Length Bodies Capital Maintenance, Grassroots Facilities Investment, the Youth Accelerator Fund and various Digital Infrastructure projects.
- **Decrease:** Cessation of one-off funding provided in 2021-22 for the Covid recovery, including the Cultural Recovery Fund and Sports Survival Package.

Further detail of spending within these totals is given in the Table at Annex A(i).

### **Resource AME**

The increase in Voted Resource AME is driven mostly by an increase to BBC PSB operating costs in 2022-23 resulting from major sports events and investment in content, delayed from 2021-22.

### **Capital AME**

The increase in Voted Capital AME is driven mostly by the BBC's continued expenditure on major strategic investments, renewals and new finance leases.

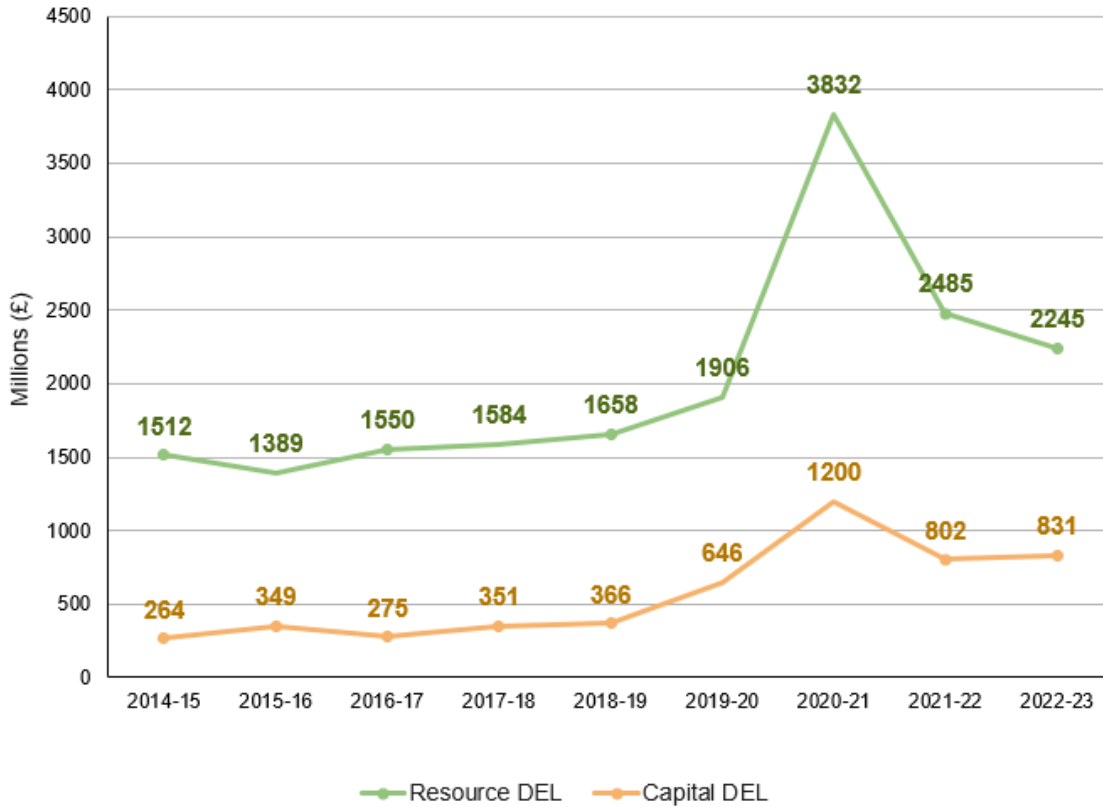
## **1.6 New policies and programmes; ambit changes**

Clarifications and minor updates have been added to existing ambit entries to ensure up to date naming, terminology and clarity of language.

## **1.7 Spending trends**

The charts below show overall spending trends in recent years, as well as the final budget as at the Supplementary Estimate for 2022-22 and plans presented in the 2022-23 Main Estimates.

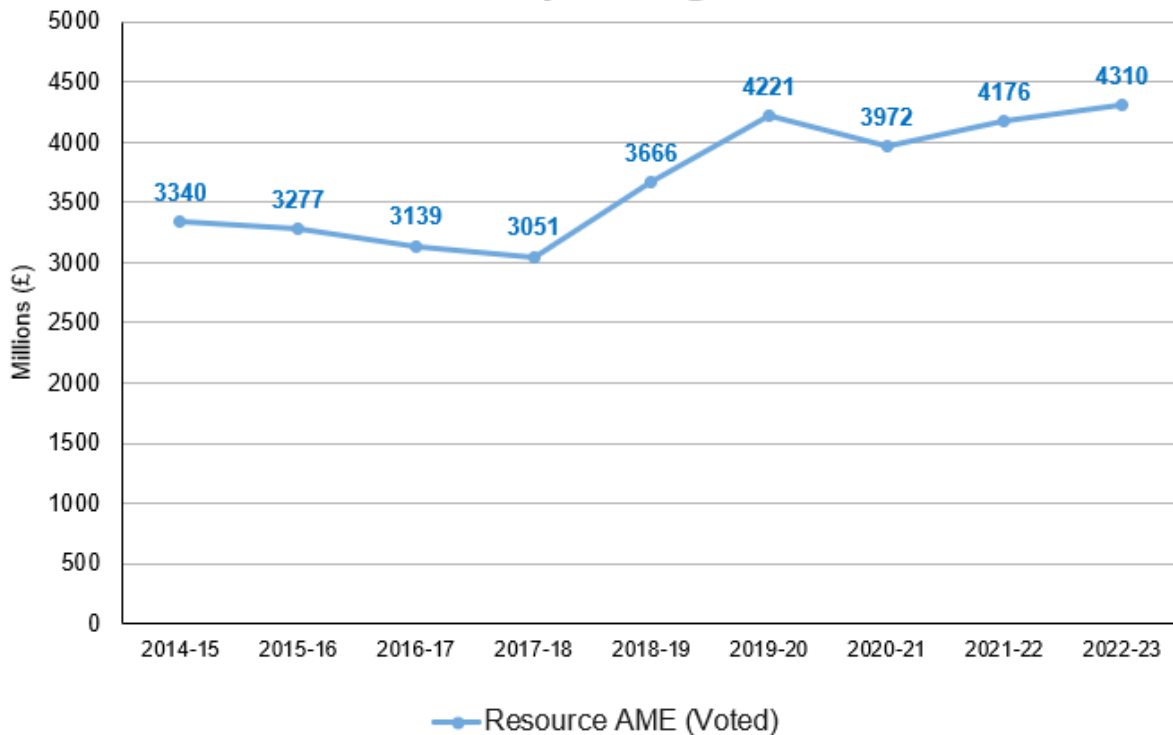
## DEL Spending Trends



Resource DEL has been on an upward trend since 2015-16. From 2016-17, the department's staff costs have increased as it has grown with additional scope being added. Prior to 2020-21, the largest increase during this period was the Machinery of Government transfer of the Office for Civil Society, which included the National Citizen Service. The significant increase in Resource DEL in 2020-21 was due to funding provided for COVID support packages. COVID recovery funding drives the increase in 2020-21 and 2021-22 allocations. 2022-23 funding remains higher than the longer term trend due to significant additional funding for major events such as the 2022 Commonwealth Games, Unboxed: Creativity in the UK and the Platinum Jubilee.

The large increases in Capital DEL since 2017-18 reflect the additional funds allocated to the 5G and Local Full Fibre Networks as part of the National Productivity Investment Fund. In 2019-20 the increase was mostly driven by the capitalisation of leases following the department's early adoption of the accounting standard IFRS16. The significant increase in Capital DEL in 2020-21 was due to the UK's Covid recovery response. The heightened 2021-22 and 2022-23 position versus 2019-20 is also in part due to COVID recovery funding and additional funding agreed as part of the 2020 and 2021 Spending Rounds.

## AME Spending Trends



Voted Resource AME predominantly reflects BBC licence Fee expenditure. It was also significantly affected in 2018-19 by the recognition of litigation against Ofcom by Mobile Network Operators for annual licence fees. The 2019-20 budget increased substantially as part of the adoption of accounting for IFRS 16 and the necessary impairments to the initial capitalisation in order to reflect the capitalised leases at their fair value. In 2021-22 and 2022-23, the increase mostly relates to catch up on BBC broadcast spend which had been delayed due to Covid and due to major sporting events.

### 1.8 Administration costs

| Spending Total       | Amounts sought this year (Main Estimate 2022-23) | Compared to final budget last year (Supplementary Estimate 21-22) |        |       | Compared to original budget last year (Main Estimate 21-22) |        |        |
|----------------------|--------------------------------------------------|-------------------------------------------------------------------|--------|-------|-------------------------------------------------------------|--------|--------|
|                      |                                                  | £m                                                                | Var £m | Var % | £m                                                          | Var £m | Var %  |
| Administration Costs | 324.3                                            | 312.2                                                             | 12.1   | 3.87% | 269.3                                                       | 55.0   | 20.41% |

The Department's admin budget is higher (£12.1m) than last year's final Supplementary Estimates budget. This is mostly driven by:

- £31.9m increase in admin funding agreed through 2021 Spending Round including additional funding relating to the Youth Investment Fund, the Departmental Unallocated Provision (DUP), and additional departmental and Arm's Length Bodies baseline funding;
- £1.6m additional admin funding relating to the Machinery of Government transfer of National Cyber Security Programme funding;
- £14.1m reduction in admin funding associated with one-off Covid Support Packages provided in 2021-22;
- £5.3m reduction in admin funding relating to one-off funding provided through the 2021-22 Supplementary Estimates relating to claims on the HMT Reserve for IFRS 16 adjustments and approved budget switches; and
- £2m reduction in admin funding associated with a one-off transfer of Green Recovery Fund budget to the National Heritage Memorial Fund in 2021-22.

Compared to last year's Main Estimate budget, admin funding has increased by £55m, or 20.4%. This is mostly driven by:

- £31.9m increase in admin funding agreed through 2021 Spending Round (outlined above);
- £12.4m increase in admin funding provided for the National Citizen Service through 2021 Spending Round; and
- £9.9m of additional admin funding relating to the Machinery of Government transfer of National Cyber Security Programme funding.

## 1.9 Funding : Spending Review and Budgets

The levels of DEL funding for DCMS for 2022-23 are based on plans published in the 2021 Spending Round for the Department. No further changes were made in the Spring 2022 Budget.

### 1.10 Other funding announcements

At the 2021-22 Supplementary Estimate, the following budget exchanges and reprofiles were agreed to move budgets into 2022-23:

- £5.5m Programme DEL for Birmingham Commonwealth Games 2022; and
- £0.7m Capital DEL for National History Museum Research Facility.

## 2. Spending detail

### 2.1 Explanations of changes in spending

#### **Resource DEL**

The table below shows how DCMS' spending plans for Resource DEL compare with last year:

| Subheads | Grouping                           | Resource DEL                                                   |                                                                            |                       |              |
|----------|------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------|--------------|
|          |                                    | £ million                                                      |                                                                            | %                     |              |
|          |                                    | This year<br>(2022-23<br>Main<br>Estimate<br>budget<br>sought) | Last year<br>(2021-22<br>Supplement<br>ary Estimate<br>budget<br>approved) | Change from last year |              |
| A,B,C    | Museums Galleries<br>and Libraries | 625.6                                                          | 654.4                                                                      | -28.9                 | -4.4%        |
| D,E,H,I  | Arts and Heritage                  | 586.6                                                          | 835.2                                                                      | -248.6                | -29.8%       |
| F,G,R    | Sports                             | 491.8                                                          | 379.4                                                                      | 112.4                 | 29.6%        |
| K,L      | Broadcasting and<br>Media          | 117.6                                                          | 249.6                                                                      | -132.0                | -52.9%       |
| P,Q      | Civil Society                      | 111.4                                                          | 126.0                                                                      | -14.6                 | -11.6%       |
| J,M,N,O  | Other (inc Tourism)                | 270.9                                                          | 240.4                                                                      | 30.5                  | 12.7%        |
| S        | Building Digital UK                | 41.1                                                           | 0.0                                                                        | 41.1                  | n/a          |
|          | <b>Total Voted</b>                 | <b>2,244.9</b>                                                 | <b>2,484.9</b>                                                             | <b>-240.1</b>         | <b>-9.7%</b> |

Key variances are explained below by grouping. Further detail of spending within these totals is given in the Table at Annex A(i).

### 1. Museums, Galleries and Libraries

Resource DEL budget under these subheads is £28.9m lower than last year's 2021-22 Supplementary Estimate.

This decrease is mostly driven by one-off funding provided in the 2021-22 Supplementary Estimates for Covid related sector support including the Cultural Recovery Fund (£86.4m). This is offset by increases in Resource DEL funding relating to:

- Additional £29.3m of funding to support Arm's Length Bodies Covid Recovery;
- Increases of £17.3m relating to the Blythe House programme and the Cultural Protection Fund; and
- £2.9m of additional depreciation funding provided for Arm's Length Bodies.

### 2. Arts & Heritage

Resource DEL spending under these subheads is £248.6m lower than last year's 2021-22 Supplementary Estimate.



This decrease is mostly driven by one-off funding provided in the 2021-22 Supplementary Estimates for Covid related sector support including funding related to Cultural Recovery Fund (£268.4m), and a reserve claim for the Listed Places of Worship scheme (£19.5m higher than the 2022-23 Main Estimate). This is offset by increases in Resource DEL funding agreed in the 2021 Spending Round for 2022-23 relating to Unboxed: Creativity in the UK (£26.4m) and the Platinum Jubilee (£14.3m).

### 3. Sports

Resource DEL spending under these subheads is £112.4m higher than last year's 2021-22 Supplementary Estimate.

This increase is mostly driven by additional funding agreed in the 2021 Spending Round for:

- Additional funding for 2022 Commonwealth Games (£194.6m);
- Additional funding for UK Sport (£23.6m); and
- Mega Events and Men's Euros (£9.4m).

This is offset by one-off funding provided in the 2021-22 Supplementary Estimates for Covid related sector support including funding related to Sports Survival Package (£115.2m).

### 4. Digital, Broadcasting & Media

Resource DEL spending under these subheads is £132.0m lower than last year's 2021-22 Supplementary Estimate.

This decrease is mostly driven by one-off funding provided in the 2021-22 Supplementary Estimates for:

- Covid related sector support including £58.9m in relation to the Film and TV production restart scheme;
- £13.2m of sector support funding announced in response to the Covid pandemic; and
- £11.7m of additional funding due to a write-off in relation to the Trans-Pennine Railway Initiative (TPI) Royalty Agreement.

Additionally £41.4m of funding has been reallocated from this subhead to the Building Digital UK subhead (line K) due the organisation's transition to Executive Agency status in 2022-23. Funding for S4C has also been reduced by £13.8m due to a change in their funding mechanism from 2022-23.

### 5. Civil Society

Resource DEL spending under these subheads is £14.6m lower than last year's 2021-22 Supplementary Estimate.

This decrease is mostly driven by one-off funding provided in the 2021-22 Supplementary Estimates for:

- Additional funding for the National Citizen Service (£13.7m) relative to 2022-23 funding agreed through the 2021 Spending Round; and
- A reserve claim for the Tampon Tax Fund (£9.7m).

This is offset by increases in Resource DEL funding received as part of 2021 Spending Round relating to the Youth Investment Fund and Research and Evaluation (£5.3m) and the Life Chances Fund (£3.2m).

## 6. Other (inc. Tourism)

Resource DEL spending under these subheads is £30.5m higher than at last year's 2021-22 Supplementary Estimate.

This is driven by:

- An increase of £22.6m in central Core Department costs mostly driven by an increase in the Department's funding agreed at the 2021 Spending Round as well as combined changes in core department budget allocations across subheads as an outcome of internal business planning;
- £20.8m increase in funding relating to the Departmental Unallocated Provision (DUP);
- £6.8m of additional funding for TV Projects; and,
- £5m of additional funding relating to the Youth Investment Fund.

This is partly offset by a:

- £14.2m reduction in the amount of funding allocated to administer Covid sector support programmes in 2021-22; and
- £12.3m budget cover transfer from the Department for International Trade for the GREAT campaign, which is designed to promote Britain abroad, was made at the 2021-22 Supplementary Estimate.

## 7. Building Digital UK

Resource DEL funding of £41.1m under this subhead relates Building Digital UK (BDUK) which was previously captured under the Digital, Broadcasting & Media subheading and has shifted to this subhead due to the organisation's transition to Executive Agency status in 2022-23.

## Capital DEL

The table below shows how spending plans for Capital DEL compare with last year.

| Subheads    | Grouping                           | Capital DEL                                                    |                                                                            |                       |             |
|-------------|------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------|-------------|
|             |                                    | £ million                                                      |                                                                            |                       | %           |
|             |                                    | This year<br>(2022-23<br>Main<br>Estimate<br>budget<br>sought) | Last year<br>(2021-22<br>Supplement<br>ary Estimate<br>budget<br>approved) | Change from last year |             |
| DEL Capital |                                    |                                                                |                                                                            |                       |             |
| A,B,C       | Museums Galleries and<br>Libraries | 186.7                                                          | 139.7                                                                      | 47.1                  | 33.7%       |
| D,E,H,I     | Arts and Heritage                  | 103.5                                                          | 247.1                                                                      | -143.5                | -58.1%      |
| F,G,R       | Sports                             | 107.6                                                          | 182.7                                                                      | -75.1                 | -41.1%      |
| K,L         | Broadcasting and Media             | 97.4                                                           | 218.0                                                                      | -120.5                | -55.3%      |
| P,Q         | Civil Society                      | 95.0                                                           | 11.0                                                                       | 84.1                  | 767.2%      |
| J,M,N,O     | Other (inc Tourism)                | 58.0                                                           | 31.0                                                                       | 27.0                  | 87.3%       |
|             | Olympics - legacy<br>programmes    | 0.0                                                            | -27.3                                                                      | 27.3                  | -100.0%     |
| S           | Building Digital UK                | 182.6                                                          | 0.0                                                                        | 182.6                 | n/a         |
|             | <b>Total Voted</b>                 | <b>830.9</b>                                                   | <b>802.1</b>                                                               | <b>28.8</b>           | <b>3.6%</b> |

Key variances are explained below. Further detail of spending within these totals is given in the Table at Annex A(i).

### 7. Museums, Galleries and Libraries

Capital DEL spending under these subheads is £47.1m lower than last year's 2021-22 Supplementary Estimate.

This is mostly driven by the following:

- A net increase of £36.9m relating to Museums Maintenance funding provided through the 2021 Spending Round settlement;
- Additional £25.4m provided through the 2021 Spending Round for 2022-23 for the British Library Boston Spa project;

- £18.9m increase relating to the Natural History Museums new Research Facility;
- A reduction of £19.7m relating to Reserve Claims made at the 2021-22 Supplementary Estimate allowing access to the arms-length bodies' historic reserves under the Museums' Freedoms Scheme. Historic reserve access for 2022-23 will be finalised at Supplementary Estimate;
- A £6m reduction relating to the Cultural Investment Fund provided in 2021-22 to the Science Museum relating to funding provided last financial year for a National Railway Museum project;
- Capital DEL budget for Blythe House has reduced by £5.6m, from £15.6m last year to £10m this year at the Main Estimate stage, as the project enters its final stages; and
- A £2.9m reduction relating to the IFRS 16 accounting treatment of leases where requirements for Arm's Length Bodies in 2022-23 are expected to be lower than that of 2021-22.

## 8. Arts & Heritage

Capital DEL spending under these subheads is £143.5m lower than last year's 2021-22 Supplementary Estimate. The reduction is driven by:

- £49.2m reduction relating to one-off Covid recovery funding provided in 2021-22 for loans issued as part of the Cultural Recovery Covid (£45.6m) and budget cover for potential claims under the Government's Live Events Reinsurance Scheme (£3.6m);
- £46.3m reduction in funding relating to transfers provided to DCMS in the 2021-22 Supplementary Estimates for projects undertaken by National Heritage Memorial Fund as part of the Green Recovery fund. A decision on funding requirements in 2022-23 will be taken at the Supplementary Estimates;
- £18.8m reduction relating to a Reserve Claim in 21-22 for one-off Regional Cultural Infrastructure undertaken by Arts Council England;
- £9.2m reduction relating to the IFRS 16 accounting treatment of leases where requirements for Arm's Length Bodies in 2022-23 are expected to be lower than that of 2021-22;
- £5.8m reduction relating to one-off transfers in 2021-22 from other government departments for grants to National Heritage Memorial Fund;
- £5.8m reduction relating to funding allocated to Royal Parks and Historic Royal Palaces from the historic museums infrastructure fund; and
- £4.7m reduction in funding to Historic England including for work on Heritage High Streets Programme.

## 9. Sports

Capital DEL spending under these subheads is £75.1m lower than last year's 2021-22 Supplementary Estimate. This decrease is mostly driven by one-off funding provided in the 2021-22 for Covid related support through the Sports Survival Package (£120.5m).

In addition to the large Covid recovery reduction the following change have occurred:

- An increase of £25m relating to an uplift in Grassroots Facilities Investment funding (£50m in 2022-23 vs £25m in 2021-22) across the UK. This funding was part of Government's announcement to spending £205m of CDEL funding up to 2025 on Grassroot Facilities (committed at SR21), and £550m by 2030;
- £14.2m increase to funding as part of Government's announcement in October 2021 to provide £22m of additional funding to refurbish tennis courts in the UK; and

- £4m increase relating to the IFRS 16 accounting treatment of leases where requirements for Arm's Length Bodies in 2022-23 are expected to be higher than that of 2021-22.

#### 9. Digital, Broadcasting & Media

Capital DEL spending under these subheads is £120.5m lower than last year's 2021-22 Supplementary Estimate. The reduction is mostly driven by the movement of Building Digital UK activity to heading S (£85.2m). The remaining £35.3m reduction is driven by the following changes:

- £44m reduction for the 5G Trials and Testbeds Programme as it closes down in 2022-23;
- £19.4m increase in funding for the Telecoms Diversification strategy as more R&D grant programmes are launched and the UK Telecoms Lab develops;
- £7.5m reduction in funding to OFCOM mainly driven by the completion of the 700MHz clearance programme in 2021-22; and
- £6m reduction relating to the IFRS 16 accounting treatment of leases where requirements for Arm's Length Bodies in 22-23 are expected to be lower than that of 2021-22.

#### 10. Civil Society

Capital DEL spending under these subheads is £84.1m higher than the 2021-22 Supplementary Estimate. This is driven by the increased allocation of £84.3m to deliver phase 2 of the Youth Investment Fund.

#### 11. Other (including Tourism)

Capital DEL spending under these subheads is £27m higher than last year's 2021-22 Supplementary Estimate.

The main driver of this is funding for the capitalisation of leases under the adoption of IFRS16 (£45.1m), funding allocated to the Core Department last year was £19.8m, a £25.3m increase. The increase is driven by the capitalisation requirements for some Arm's Length Bodies not yet being finalised. Therefore funding is to be held centrally and the requirement reviewed for the 2022-23 Supplementary Estimates. The remaining increase is driven by a £2.3m increase of funding to Visit Britain as part of the 2021 Spending Review settlement.

#### 12. Building Digital UK (2022-23) and Olympics - legacy programmes

The Olympics legacy Programmes Estimates line is discontinued in 2022-23 with no planned expenditure or income. The £27.3m movement from the 21-22 Supplementary Estimate relates to a one-off receipt received in that year by the Department where final sales proceeds were received by DCMS for the Olympic village.

Heading S in 2022-23 has been repurposed to provide a new Estimate line for Building Digital UK (BDUK) following its move to become a new Executive Agency. The £182m increase is firstly driven by the movement from heading K where at the 2021-22 Supplementary Estimate the comparison figure was £85.2m, creating an activity increase of £97.3m. The £97.3m activity increase is driven across the BDUK UK Gigabit and Shared Rural Network Programmes as activity ramps up in 2022-23.

## Resource AME

The table below shows how spending plans for voted Resource AME compare with last year. Key variances are explained below

| Subheads           | Grouping                                    | Resource AME                                    |                                                            |                       |             |
|--------------------|---------------------------------------------|-------------------------------------------------|------------------------------------------------------------|-----------------------|-------------|
|                    |                                             | £ million                                       |                                                            |                       | %           |
| AME Resource Voted |                                             | This year (2022-23 Main Estimate budget sought) | Last year (2021-22 Supplementary Estimate budget approved) | Change from last year |             |
| T                  | British Broadcasting Corporation            | 4,193.9                                         | 4,060.4                                                    | 133.5                 | 3.3%        |
| V                  | Provisions, Impairments and other AME spend | 115.9                                           | 115.9                                                      | 0.0                   | 0.0%        |
|                    | <b>Total Voted</b>                          | <b>4,309.8</b>                                  | <b>4,176.4</b>                                             | <b>133.5</b>          | <b>3.2%</b> |

### 12. British Broadcasting Corporation

The BBC's Resource AME requirement has increased by £133.5m from last year's 2021-22 Supplementary Estimate, mostly driven by a catch up on BBC broadcast spend which had been delayed due to Covid and due to major sporting events.

## Capital AME

The table below shows how spending plans for voted Capital AME compare with last year. Key variances are explained below.

| Subheads | Grouping | Resource AME |   |
|----------|----------|--------------|---|
|          |          | £ million    | % |

|                          |                                           | This year<br>(2022-23<br>Main<br>Estimate<br>budget<br>sought) | Last year<br>(2021-22<br>Supplementar<br>y Estimate<br>budget<br>approved) | Change from last year |               |
|--------------------------|-------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------|---------------|
| <b>AME Capital Voted</b> |                                           |                                                                |                                                                            |                       |               |
| T                        | British<br>Broadcasting<br>Corporation    | 704.5                                                          | 217.4                                                                      | 487.2                 | 224.1%        |
| U                        | Channel Four<br>Television<br>Corporation | 200.0                                                          | 123.7                                                                      | 76.3                  | 61.6%         |
|                          | <b>Total Voted</b>                        | <b>904.5</b>                                                   | <b>341.1</b>                                                               | <b>563.4</b>          | <b>165.2%</b> |

### 13. British Broadcasting Corporation

The BBC's Capital AME requirement has decreased by £487.2m from last year's 2021-22 Supplementary Estimate, mainly due continued expenditure on major strategic investments, renewals and new finance leases.

### 14. Channel Four Television Corporation

A £200m budget is included in the 2022-23 Main Estimate to provide cover only for Channel 4's maximum entitled borrowing limit. This has increased from last year's 2021-22 Supplementary Estimate due to the repayment by Channel 4 of its £75m revolving credit facility. Seeking budget cover in this way does not constitute DCMS's pre-approval for Channel 4 to borrow, nor does it have any cash impact. Rather, it forms part of DCMS's prudent financial management and it is consistent with the approach taken with BBC's borrowing limit.

## 2.2 Restructuring

During the 2021 Spending Round it was agreed that all department's recurrent National Cyber Security Programme (NCSP) funding would be moved from the Ministry of Defence baseline to those of the receiving departments. Through the 2022-23 Main Estimate, RDEL Admin (£9.871m) and RDEL Programme (£6.688m) funding was transferred to the DCMS baseline.

## 2.3 Ring-fenced budgets

Within the totals, the following elements are ring fenced i.e. savings in these budgets may not be used to fund pressures on other budgets without specific agreement from the Chief Secretary to the Treasury. These ringfences have been determined following the 2021 Spending Round as set out in the DCMS settlement letter.

## Resource DEL

| Spending Total                        | Amounts sought this year (Main Estimate 2022-23) | Compared to final budget last year (Supplementary Estimate 2021-22) |        |         | Compared to final budget last year (Main Estimate 2021-22) |        |         |
|---------------------------------------|--------------------------------------------------|---------------------------------------------------------------------|--------|---------|------------------------------------------------------------|--------|---------|
|                                       |                                                  | £m                                                                  | £m     | Var £m  | Var %                                                      | £m     | Var £m  |
| Cultural Recovery Fund*               | 0.0                                              | 292.1                                                               | -292.1 | -100.0% | 101.1                                                      | -101.1 | -100.0% |
| Sports Survival Package*              | 0.0                                              | 99.0                                                                | -99.0  | -100.0% | 87.8                                                       | -87.8  | -100.0% |
| National Citizen Service*             | 0.0                                              | 87.3                                                                | -87.3  | -100.0% | 62.4                                                       | -62.4  | -100.0% |
| EU Exit*                              | 0.0                                              | 28.1                                                                | -28.1  | -100.0% | 28.1                                                       | -28.1  | -100.0% |
| Football Euro 2020*                   | 0.0                                              | 0.5                                                                 | -0.5   | -100.0% | 12.1                                                       | -12.1  | -100.0% |
| Football World Cup                    | 4.5                                              | 1.1                                                                 | 3.4    | 305.5%  | 2.7                                                        | 1.8    | 65.2%   |
| Official Development Assistance       | 11.1                                             | 1.1                                                                 | 10.0   | 910.9%  | 1.1                                                        | 10.0   | 910.9%  |
| Regional Cultural Infrastructure*     | 0.0                                              | 0.5                                                                 | -0.5   | -100.0% | 0.5                                                        | -0.5   | -100.0% |
| Live Events Reinsurance Scheme*       | 0.0                                              | 3.3                                                                 | -3.3   | -100.0% | 0.0                                                        | 0.0    | n/a     |
| Production Restart Scheme             | 2.2                                              | 60.8                                                                | -58.6  | -96.4%  | 0.0                                                        | 2.2    | n/a     |
| Youth Investment Fund**               | 5.0                                              | 0.0                                                                 | 5.0    | n/a     | 0.0                                                        | 5.0    | n/a     |
| Commonwealth Games**                  | 396.4                                            | 0.0                                                                 | 396.4  | n/a     | 0.0                                                        | 396.4  | n/a     |
| National Cyber Security (NCSP)**      | 16.3                                             | 0.0                                                                 | 16.3   | n/a     | 0.0                                                        | 16.3   | n/a     |
| AI Conversion Courses                 | 6.0                                              | 0.0                                                                 | 6.0    | n/a     | 0.0                                                        | 6.0    | n/a     |
| Diversification**                     | 6.0                                              | 0.0                                                                 | 6.0    | n/a     | 0.0                                                        | 6.0    | n/a     |
| Project Roland**                      | 8.4                                              | 0.0                                                                 | 8.4    | n/a     | 0.0                                                        | 8.4    | n/a     |
| ALB Covid Recovery and Levelling Up** | 48.0                                             | 0.0                                                                 | 48.0   | n/a     | 0.0                                                        | 48.0   | n/a     |
| Corporate transformation              | 5.0                                              | 0.0                                                                 | 5.0    | n/a     | 0.0                                                        | 5.0    | n/a     |
| Shared Outcomes Fund**                | 6.2                                              | 0.0                                                                 | 6.2    | n/a     | 0.0                                                        | 6.2    | n/a     |
| Legacy IT                             | 0.6                                              | 0.0                                                                 | 0.6    | n/a     | 0.0                                                        | 0.6    | n/a     |
| Mega Events (incl. Women's Euros)     | 7.5                                              | 0.0                                                                 | 7.5    | n/a     | 0.0                                                        | 7.5    | n/a     |
|                                       |                                                  |                                                                     |        |         |                                                            |        |         |

\* 2022-23 funding is not ringfenced following latest agreements from HMT and therefore is excluded from this table

\*\* 2021-22 amounts are omitted as ringfences did not previously apply. This does not mean no funding was provided in that year.



## Capital DEL

| Spending Total                            | Amounts sought this year (Main Estimate 2022-23) | Compared to final budget last year (Supplementary Estimate 2021-22) |        |         | Compared to final budget last year (Main Estimate 2021-22) |        |         |
|-------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------|--------|---------|------------------------------------------------------------|--------|---------|
|                                           | £m                                               | £m                                                                  | Var £m | Var %   | £m                                                         | Var £m | Var %   |
| Sports Survival Package*                  | 0.0                                              | 120.5                                                               | -120.5 | -100.0% | 152.0                                                      | -152.0 | -100.0% |
| UK Gigabit Programme                      | 157.3                                            | 69.4                                                                | 87.9   | 126.6%  | 120.0                                                      | 37.3   | 31.0%   |
| Research and Development                  | 92.6                                             | 82.0                                                                | 10.6   | 12.9%   | 103.9                                                      | -11.3  | -10.9%  |
| Local Full Fibre Network*                 | 0.0                                              | 23.6                                                                | -23.6  | -100.0% | 56.5                                                       | -56.5  | -100.0% |
| Youth Investment Fund                     | 95.0                                             | 10.8                                                                | 84.2   | 779.6%  | 30.0                                                       | 65.0   | 216.7%  |
| Football World Cup*                       | 0.0                                              | 4.0                                                                 | -4.0   | -100.0% | 25.0                                                       | -25.0  | -100.0% |
| Regional Cultural Infrastructure          | 0.0                                              | 18.8                                                                | -18.8  | -100.0% | 18.8                                                       | -18.8  | -100.0% |
| Superfast*                                | 0.0                                              | 6.4                                                                 | -6.4   | -100.0% | 11.0                                                       | -11.0  | -100.0% |
| Cultural Recovery Fund*                   | 0.0                                              | 45.6                                                                | -45.6  | -100.0% | 9.0                                                        | -9.0   | -100.0% |
| Live Events Reinsurance Scheme*           | 0.0                                              | 3.6                                                                 | -3.6   | -100.0% | 0.0                                                        | 0.0    | n/a     |
| British Library Boston Spa**              | 31.6                                             | 0.0                                                                 | 31.6   | n/a     | 0.0                                                        | 31.6   | n/a     |
| Arm's Length Bodies Maintenance Capital** | 90.0                                             | 0.0                                                                 | 90.0   | n/a     | 0.0                                                        | 90.0   | n/a     |
| Shared Rural Network**                    | 18.3                                             | 0.0                                                                 | 18.3   | n/a     | 0.0                                                        | 18.3   | n/a     |
| Diversification**                         | 22.4                                             | 0.0                                                                 | 22.4   | n/a     | 0.0                                                        | 22.4   | n/a     |
| IFRS16**                                  | 58.5                                             | 0.0                                                                 | 58.5   | n/a     | 0.0                                                        | 58.5   | n/a     |
| Shared Outcomes Fund**                    | 7.1                                              | 0.0                                                                 | 7.1    | n/a     | 0.0                                                        | 7.1    | n/a     |
| Legacy IT**                               | 2.0                                              | 0.0                                                                 | 2.0    | n/a     | 0.0                                                        | 2.0    | n/a     |

\* 2022-23 funding is not ringfenced following latest agreements from HMT and therefore is excluded from this table

\*\* 2021-22 amounts are omitted as ringfences did not previously apply. This does not mean no funding was provided in that year.

## 2.4 Changes to contingent liabilities

There have been movements in the estimates for existing indemnity scheme in relation to the following areas:

- British Museum is broadly in line with last year. A decrease from £1,450m to £1,198m for high value international loans coinciding (Stonehenge, Feminine Power and Beirut exhibitions and Decoding Hieroglyphs, Modern China, and Luxury exhibitions);
- National Gallery has increased from £4,150m to £6,827m. Doubled exhibition activity compared with previous year's programme, with high value international loan exhibitions running concurrently (major exhibitions including Raphael, Freud, and After Impressionism);
- National Maritime Museum broadly in line following a mid-year increase last year. It has increased from £295m (increased mid year to £405m) to £375m with long term loans and a high value Canaletto exhibition with items valued at £200m;
- National Portrait Gallery has increased. Last year £27m to £96m. This reflects the planned Reopening of the National Portrait Gallery in Spring 2023 after 2 years closed for major refurbishment;
- TATE (all Tate Sites: Tate Britain, Tate Liverpool, Tate Modern, Tate St Ives, Tate Store) an increase from £1,893m to £4,292m to reflect high value exhibition and long term loans and a £3bn Exhibition Programme at Tate Modern;
- Victoria and Albert Museum a decrease from £1,205m to £828m. Less than previous year but includes Faberge and Donatello Exhibitions with significant high profile and high value loans;
- The ceiling for Non-Nationals has increased from £4.2bn to £6bn to reflect high value international exhibitions (including Royal Academy – Francis Bacon £1.6bn)

## 3. Priorities and performance

### 3.1 Spending Review Provisional Priority Outcomes

At the 2021 Spending Review, DCMS agreed four priority outcomes for the coming year:

1. Increase economic growth and productivity through improved digital infrastructure
2. Grow and evolve our sectors domestically and globally, in particular those sectors most affected by Covid, including culture, sport, civil society, and the creative industries
3. Increase growth through expanding the use of data and digital technology and increasing innovation, while minimising digital harms to the UK's economy, security and society
4. Enhance the cohesiveness of our communities and nations including through major events and ceremonial occasions, and reduce inequalities of participation in society, particularly among young people

## 4. Other information

### 4.1 Additional specific information required by the select committee

Not applicable - none requested.

## 5. Accounting Officer Approval

This memorandum has been prepared according to the requirements and guidance set out by the House of Commons Scrutiny Unit, available on the Scrutiny Unit website.

The information in this Estimates Memorandum has been approved by myself as Departmental Accounting Officer.



Sarah Healey CB

Accounting Officer

Permanent Secretary

Department for Digital, Culture, Media and Sport

Xx April 2022