

Main Estimate memorandum (2024-25) for the Department for Culture, Media and Sport

1 Overview

1.1 Objectives

DCMS sectors deliver a significant impact on our economy and people's everyday lives. With the wider DCMS family of public bodies, we reach into every community across the UK. Our mission is to drive growth and enrich lives, which we are doing through:

- Maximising the potential of our sectors
- Creating opportunities for young people across the UK
- Upholding media freedom

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:

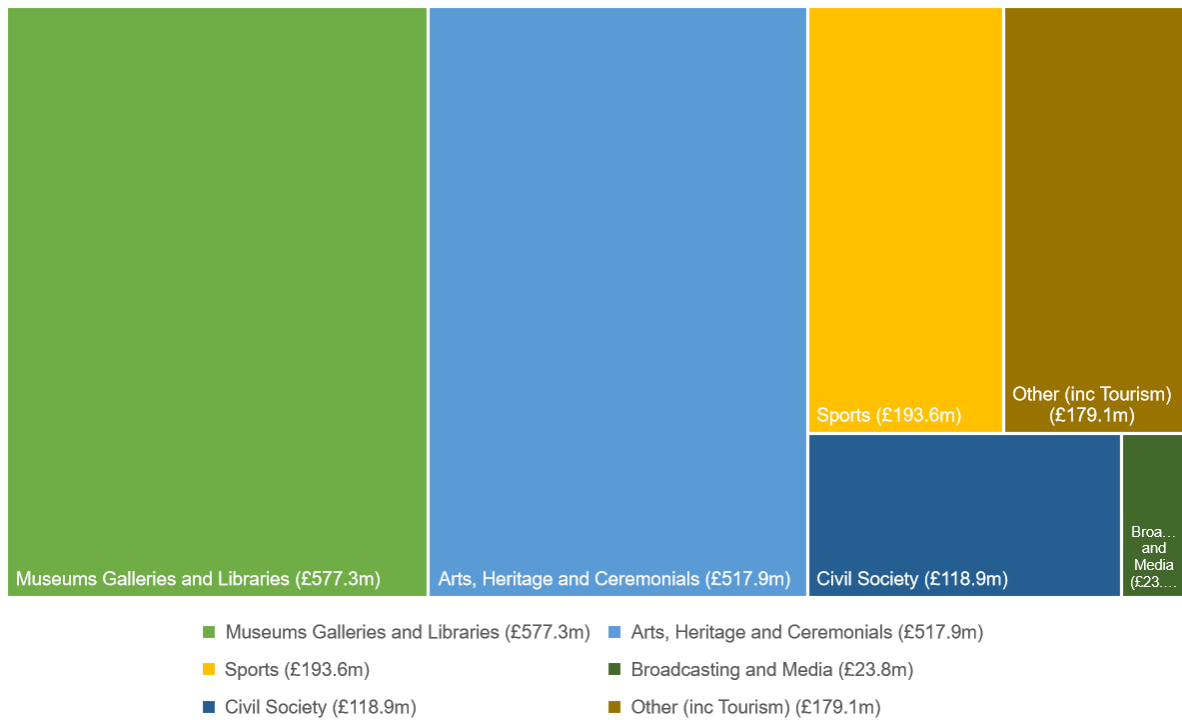
- Resource Departmental Expenditure Limit ("**Resource DEL**"): day to day running costs;
- Capital Departmental Expenditure Limit ("**Capital DEL**"): investment in infrastructure and research and development;
- Resource Annually Managed Expenditure ("**Resource AME**"): less predictable day to day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

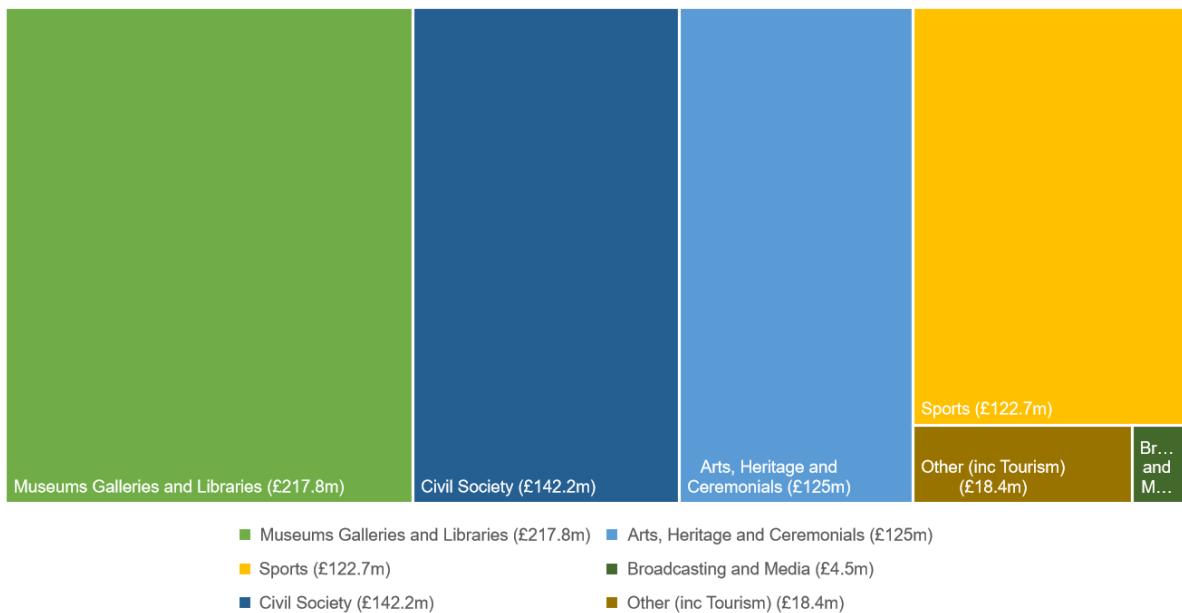
1.3 Main areas of spending

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

Resource DEL 2024-25 Budget: £1610.6m



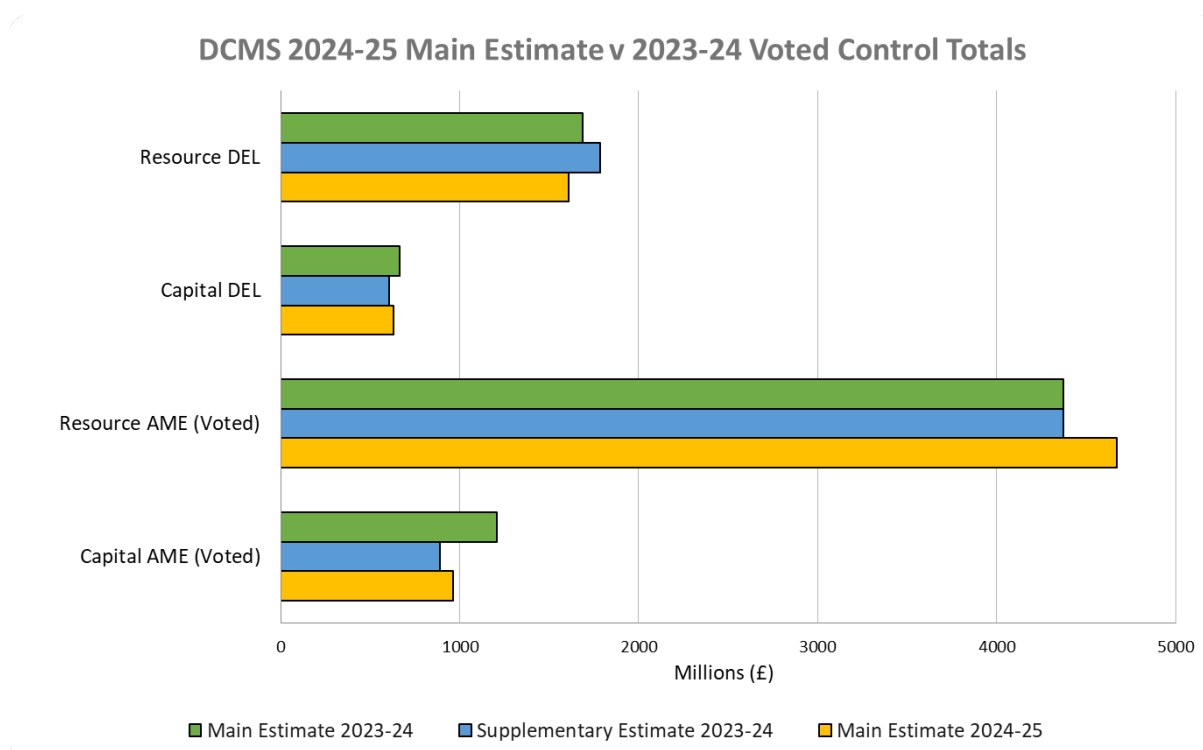
Capital DEL 2024-25 Budget: £630.6m



1.4 Comparison of spending totals sought

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

Spending Total	Amounts sought this year (Main Estimate 2024-25)	Compared to final budget last year (Supplementary Estimate 2023-24)			Compared to original budget last year (Main Estimate 2023-24)		
	£m	£m	Var £m	Var %	£m	Var £m	Var %
DEL Resource	1,610.6	1,775.6	-165.0	-9.3%	1,685.6	-75.0	-4.5%
DEL Capital	630.6	603.7	26.9	4.5%	662.3	-31.7	-4.8%
AME Resource Voted	4,671.1	4,374.0	297.1	6.8%	4,374.0	297.1	6.8%
AME Capital Voted	960.3	889.7	70.6	7.9%	1,209.3	-249.0	-20.6%



1.5 Key drivers of spending changes since last year

Resource DEL

The £165m decrease (-9.3%) compared to the 2023-24 Supplementary Estimate in Resource DEL is mostly driven by:

- **Increase:** Additional resource funding announced as part of the 2021 Spending Review for the Youth Investment Fund;
- **Increase:** Funding was surrendered through the 2023-24 Supplementary Estimate relating to Cultural Recovery Fund, Sports Survival Package and Rugby Football League Loans repayments and technical adjustments. Adjustments for 2024-25 will be agreed at the 2024-25 Supplementary Estimate;
- **Decrease:** Reduction due to one-off funding provided in 2023-24 for support for Voluntary, community and social enterprise (VCSE) organisations through the VCSE Support Package and HM The King's Coronation;
- **Decrease:** Reduction due to additional resource funding provided at the 2023-24 Supplementary Estimate allowing arms-length bodies' to utilise historic reserves under the Museums' Freedoms Scheme. Budget cover for 2024-25 will be agreed at the 2024-25 Supplementary Estimate;
- **Decrease:** Reduction due to additional funding agreed at 2024-25 Supplementary Estimates for ongoing programmes such as Listed Places of Worship; and
- **Decrease:** Reduction in depreciation funding.

Capital DEL

The £26.9m increase (4.5%) compared to the 2023-24 Supplementary Estimate in Capital DEL is mostly driven by:

- **Increase:** Additional capital funding announced as part of the 2021 Spending Review for the Youth Investment Fund and as part of the 2023 Spring Budget for Voluntary, community and social enterprise (VCSE) organisations through the VCSE Support Package;
- **Decrease:** A reduction of funding relating to the reprofile of the Natural History Museum's Unlocked project; and
- **Decrease:** Reduction due to additional capital funding provided at the 2023-24 Supplementary Estimate allowing arms-length bodies' to utilise historic reserves under the Museums' Freedoms Scheme. Budget cover for 2024-25 will be agreed at the 2024-25 Supplementary Estimate

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

Resource AME

The £297.1m (6.8%) increase in voted Resource AME is driven mostly by the BBC with increased expenditure reflecting a significant sports year with events such as 2024 Paris Olympic Games and 2024 Men's UEFA Euros.

Capital AME

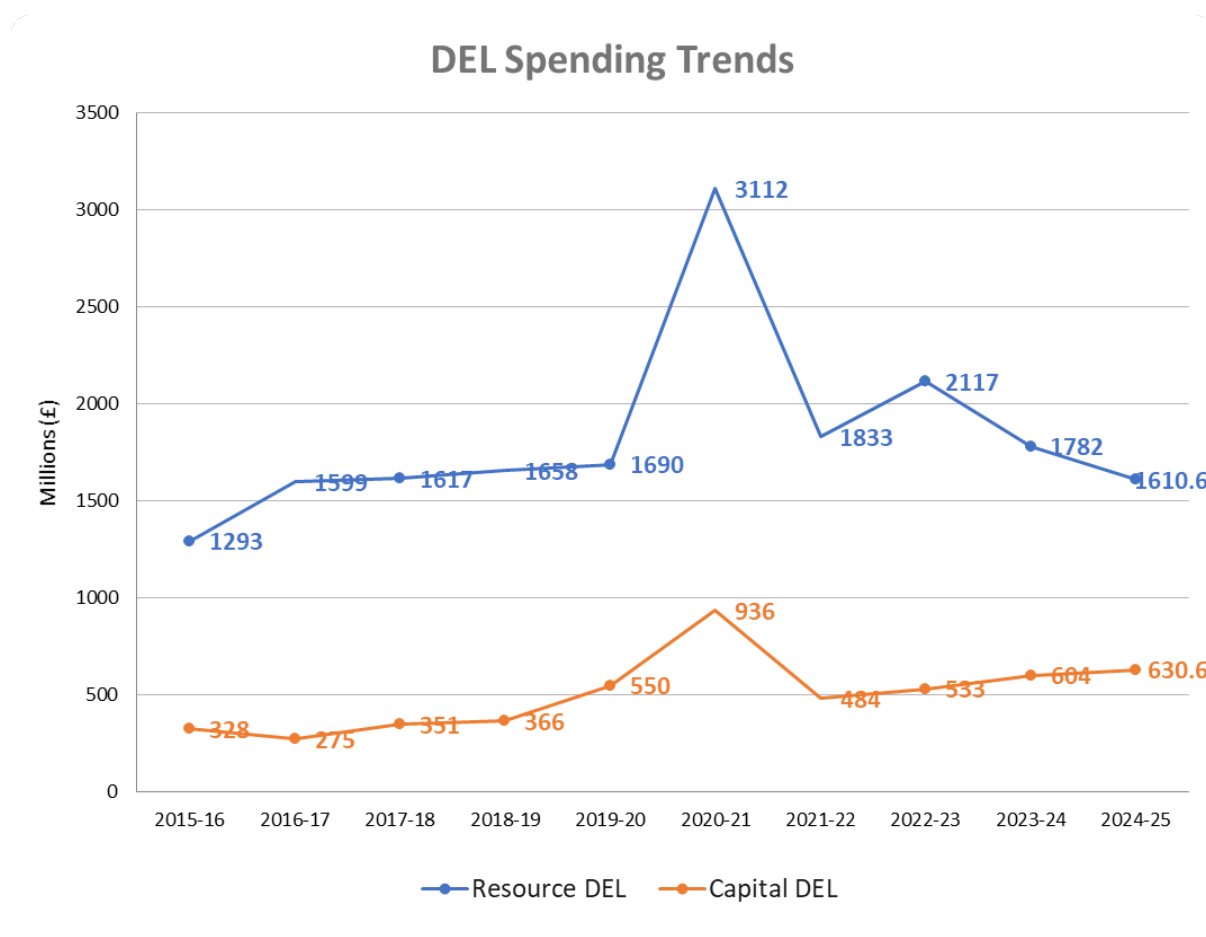
The £70.6m (7.9%) increase in Voted Capital AME is driven mostly by the BBC's continued expenditure on major strategic investments and accounting changes on leases.

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

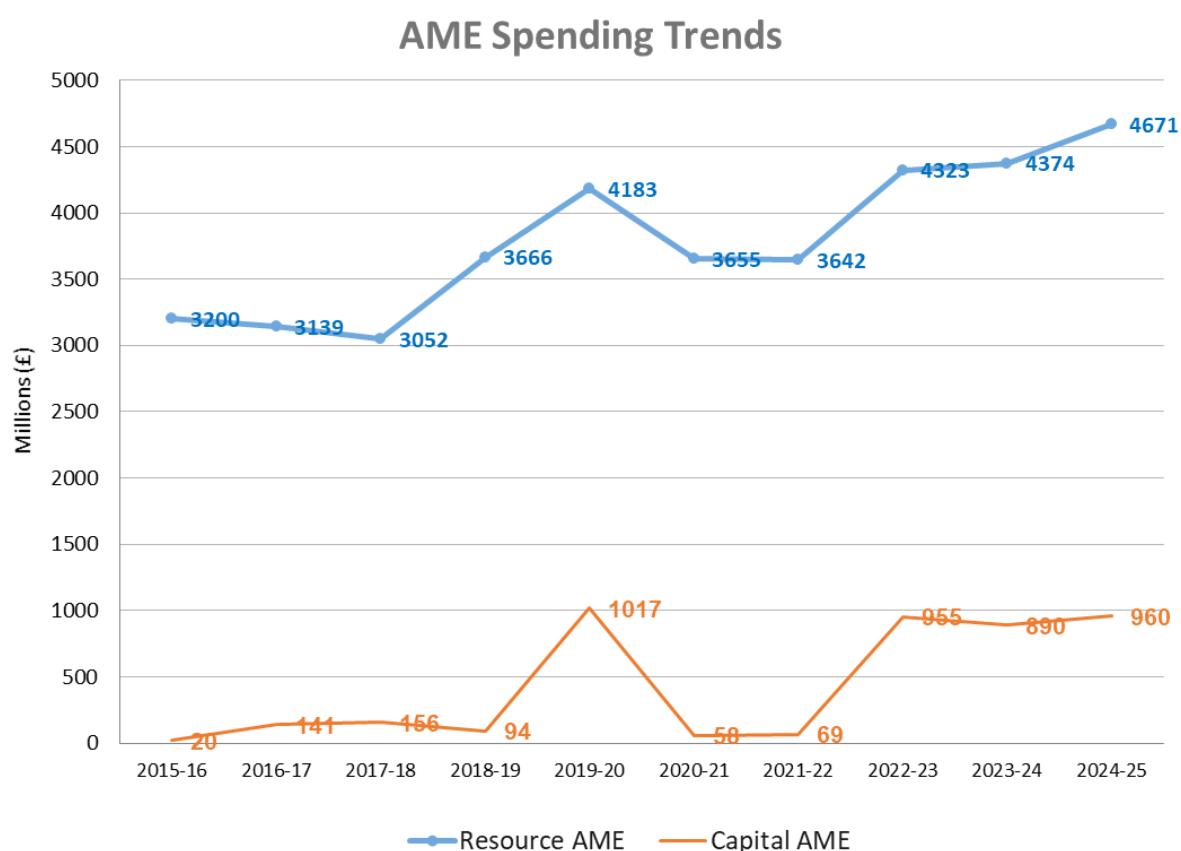
The charts below show overall spending trends in recent years, as well as the final budget as at the Supplementary Estimate for 2023-24 and plans presented in the 2024-25 Main Estimate. 2021-22 and 2022-23 data has been restated to reflect Machinery of Government changes which were implemented in 2023-24. Prior historical figures do not include any restatement for Machinery of Government changes.



Resource DEL has been on an upward trend since 2015-16. Prior to 2020-21, the largest increase was the Machinery of Government transfer of the Office for Civil Society, which included the National Citizen Service. Covid recovery funding drives the increase in 2020-21 and 2021-22. 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, the Platinum Jubilee and HM The Queen's Funeral. 2023-24 and 2024-25 funding reduces significantly following these one-off events held in 2022-23. Additional funding through the 2024-25 Supplementary Estimate is expected to result in an increase in resource funding to a similar level to 2023-24.

The large increase in Capital DEL in 2019-20 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. From 2021-22, figures have been restated to remove digital infrastructure spending due to Machinery of Government changes announced in February 2023. The increases since then are mostly driven by increased funding for the Public Bodies Infrastructure Fund, the Youth Investment Fund, the Cultural Investment Fund and Grassroots Sports Facilities investment agreed through the 2021 Spending Review. In addition, new capital measures were announced at the 2023 Spring Budget for the Swimming Pool Support Fund and support for charities and community organisations through the Voluntary, community and social enterprises (VCSE) Support Package.



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 (since removed from the DCMS remit following the Machinery of Government changes announced in February 2023). The 2019-20 budget increased substantially as part of the adoption of accounting for IFRS16 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 BBC broadcast spend which had been delayed due to Covid and due to major sporting events. In 2024-25, the increase mostly relates to increased expenditure reflecting a significant sports year due to events such as the 2024 Paris Olympic Games and 2024 Men's UEFA Euros.

Voted Capital AME spiked in 2019-20 due to implementation of the IFRS16 accounting standard for the BBC. The increases since 2022-23 reflect increased budgetary cover for BBC borrowing and other capital investments.

1.8 Administration costs

Spending Total	Amounts sought this year (Main Estimate 2024-25)	Compared to final budget last year (Supplementary Estimate 2023-24)			Compared to original budget last year (Main Estimate 2023-24)		
		£m	Var £m	Var %	£m	Var £m	Var %
Administration Costs	202.6	212.3	-9.7	-4.6%	215.2	-12.6	-5.9%

The Department's admin budget is £9.7m lower than last year's final Supplementary Estimates budget. Additional admin funding will be sought through the 2024-25 Supplementary Estimate which is expected to increase admin funding to a similar level to 2023-24. This includes additional funding relating to GPA Estates costs, Creative Industries and administration of the Swimming Pool Support Fund.

1.9 Funding: Spending Review and Budgets

The levels of DEL funding for DCMS for 2024-25 are based on plans published in the 2021 Spending Review for the Department. Additional funding was announced at the 2023 Spring Budget relating to:

- £1.7m Resource DEL and £10m Capital DEL will be provided in 2024-25 for support for charities and community organisations. This will be supplemented by additional funding for the programme which was reprofiled from 2023-24.
- Edinburgh Festivals Funding will be confirmed through the 2024-25 Supplementary Estimate.

Additional funding was also announced at the 2023 Autumn Statement for the British Film Commission and the British Film Institute Certification Unit for 2024-25 (£2.1m) and the Hay Festival (£0.5m).

1.10 Other funding announcements

At the 2023-24 Supplementary Estimate, the following budget exchanges were agreed to move budgets into 2024-25:

- £32m Capital DEL and £11m Resource DEL for the Youth Investment Fund was moved into 2024-25 primarily due to a re-scoping and reprofiling of spend in line with the emerging pipeline of capital works;

- £13.1m Capital DEL was moved into 2024-25 for the British Library's Boston Spa Renewed project due to rescoping and moving planned construction activity into future years;
- £10m Capital DEL and £2.8m Resource DEL relating to financial support for voluntary, community and social enterprise (VCSE) organisations was moved in 2024-25 based on the latest expenditure profiles of Individual Energy Assessments and subsequent capital works;
- £0.3m Resource DEL for the Shared Outcomes Fund was moved into 2024-25 due to revised expenditure profiles and timing in appointing a delivery partner.

HMT has advised that funding for these budget exchanges will be formally approved through the 2024-25 Supplementary Estimate and therefore these figures are not reflected within this Estimate.

2. Spending detail

2.1 Explanations of changes in spending

Resource DEL

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

Subheads	Grouping	Resource DEL			
		£ million			%
		This year (2024-25 Main Estimate budget sought)	Last year (2023-24 Supplementary Estimate budget approved)	Change from last year	
A,B,C	Museums Galleries and Libraries	577.3	629.4	-52.1	-8.3%
D,E,H,I	Arts, Heritage and Ceremonials	517.9	560.1	-42.2	-7.5%
F,G,R	Sports	193.6	203.8	-10.2	-5.0%
K,L	Broadcasting and Media	23.8	32.5	-8.7	-26.7%
P,Q	Civil Society	118.9	182.4	-63.5	-34.8%
J,M,N,O	Other (inc Tourism)	179.1	167.5	11.6	6.9%
	Total Voted	1,610.6	1,775.7	-165.1	-9.3%

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 £52.1m lower than last year's 2023-24 Supplementary Estimate.

This is mostly driven by:

- A reduction relating to an additional £45.0m of funding provided at the 2023-24 Supplementary Estimate allowing museums to utilise historic reserves under the Freedoms Scheme. Additional cover for 2024-25 will be agreed at the 2024-25 Supplementary Estimate;
- A £8.0m reduction in depreciation requirement for Museums and Galleries ALBs.

2. Arts, Heritage and Ceremonials

Resource DEL spending under these subheads is £42.2m lower than last year's 2023-24 Supplementary Estimate.

This is mostly driven by:

- One-off funding provided in 2023-24 relating to HM King's Coronation (£53.0m);
- A further £12.9m decrease relates to reduction in funding for the Listed Places of Worship scheme with 2024-25 funding to be agreed via the 2024-25 Supplementary Estimate.

This is offset by an increase due to a £21.3m reduction in funding being agreed through the 2023-24 Supplementary Estimate relating to Cultural Recovery Fund loans repayments and technical adjustments which reduced spending under this subhead in 2023-24. Adjustments for 2024-25 will be agreed at the 2024-25 Supplementary Estimate.

3. Sports

Resource DEL spending under these subheads is £10.2m lower than last year's 2023-24 Supplementary Estimate.

This decrease is mostly driven:

- A decrease in funding announced in the 2023 Spring Budget relating to the Swimming Pool Support Fund (£21.1m),
- A reduction in funding relating to the Commonwealth Games Legacy Fund (£14.8m). 2024-25 funding for this programme will be sought through the 2024-25 Supplementary Estimate.

This is offset by an increase due to a £29m reduction in funding being agreed through the 2023-24 Supplementary Estimate relating to Sports Survival Package and Rugby Football League loans adjustments which reduced spending under this subhead in 2023-24. Adjustments for 2024-25 will be agreed at the 2024-25 Supplementary Estimate.

4. Broadcasting & Media

Resource DEL spending under these subheads is £8.7m lower than last year's 2023-24 Supplementary Estimate.

This decrease is mostly driven by a reduction relating to an additional £5.9m provided to the British Film Institute at the 2023-24 Supplementary Estimate for use of historic reserves under the Freedoms Scheme. Budget cover for 2024-25 will be agreed at the 2024-25 Supplementary Estimate.

5. Civil Society

Resource DEL spending under these subheads is £63.5m lower than last year's 2023-24 Supplementary Estimate.

This is driven by reduction in funding for the VCSE Support Package (£68.5m), Life Chances Fund (£11.8m) and One Million Hours Fund (£4m). 2024-25 funding for the One Million Hours Fund is expected to be agreed through the 2024-25 Supplementary Estimate.

This is offset by increases relating to the Youth Investment Fund (£17m) and National Citizen Service programme spend (£3.3m).

6. Other (inc. Tourism)

Resource DEL spending under these subheads is £11.6m higher than at last year's 2023-24 Supplementary Estimate.

This is driven by an increase in the Department's Resource budget from 2023-24 to 2024-25 agreed as part of the 2021 Spending Review as well as other movements in Central Contingency and the Departmental Unallocated Provision (DUP).

Capital DEL

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

Subheads	Grouping	Capital DEL			
		£ million			%
		This year (2024-25 Main Estimate budget sought)	Last year (2023-24 Supplementa ry Estimate budget approved)	Change from last year	
DEL Capital					
A,B,C	Museums Galleries and Libraries	217.8	234.2	-16.4	-7.0%
D,E,H,I	Arts, Heritage and Ceremonials	125.0	137.6	-12.6	-9.1%
F,G,R	Sports	122.7	151.3	-28.6	-18.9%
K,L	Broadcasting and Media	4.5	2.1	2.4	114.0%
P,Q	Civil Society	142.2	58.4	83.8	143.4%
J,M,N,O	Other (inc Tourism)	18.4	20.1	-1.7	-8.4%
	Total Voted	630.6	603.7	26.9	4.5%

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 £16.4m lower than last year's 2023-24 Supplementary Estimate.

This is mostly driven by:

- A reduction relating to an additional £53m of funding provided at the 2023-24 Supplementary Estimate allowing museums to utilise historic reserves under the Freedoms Scheme. Additional cover for 2024-25 will be agreed at the 2024-25 Supplementary Estimate;
- A £20.3m reduction in funding allocated to the British Library Boston Spa project; and
- A £5.8m reduction in funding for IFRS 16 lease capitalisation costs.

This is partially offset by a £16.8m increase in Public Bodies Infrastructure Fund allocated to this subhead in 2024-25 and a £28.6m increase relating to the Natural History Museum's Unlocked project.

8. Arts, Heritage and Ceremonials

Capital DEL spending under these subheads is £12.6m lower than last year's 2023-24 Supplementary Estimate.

This is mostly driven by decrease in IFRS 16 related capital funding requirements for Historic England (£24.6m), a decrease in Historic England Heritage High Streets funding (£16.4m) and a reduction in the Cultural Investment Fund allocation (£3.5m). 2023-24 allocations under this subhead were also higher due to £2.2m of resource funding being switched to capital through the 2023-24 Supplementary Estimate and an additional £2.1m of capital grants funding transferred to the National Heritage Memorial Fund from the Welsh Government.

This is partly offset by a higher IFRS 16 related capital funding requirement in 2024-25 for Arts Council England (£39.2m).

9. Sports

Capital DEL spending under these subheads is £28.6m lower than last year's 2023-24 Supplementary Estimate.

This decrease is mostly driven by one-off funding in 2023-24 announced in the 2023 Spring Budget relating to the Swimming Pool Support Fund (£40.5m).

This is offset by an increase due to a £17.8m reduction in capital funding being agreed through the 2023-24 Supplementary Estimate relating to Sports Survival Package and Rugby Football League loans adjustments which reduced spending under this subhead in 2023-24. Adjustments for 2024-25 will be agreed at the 2024-25 Supplementary Estimate.

10. Civil Society

Capital DEL spending under these subheads is £83.8m higher than the 2023-24 Supplementary Estimate. This is driven by the increased allocation of £73m relating to the Youth Investment Fund and £10m of additional funding for support for charities and community organisations through the VCSE Support Package.

Resource AME

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

Subheads	Grouping	Resource AME		
		£ million		%
		This year (2024-25 Main Estimate budget	Last year (2023-24 Supplementary Estimate budget	Change from last year
AME Resource Voted				

		sought)	approved)		
S	British Broadcasting Corporation	4,549.5	4,249.4	300.1	7.1%
U	S4C	0.0	5.5	-5.5	-100.0%
V	Provisions, Impairments and other AME spend	54.6	54.2	0.4	0.7%
W	Provisions, Impairments and other AME spend (ALB)	67.1	65.0	2.1	3.2%
	Total Voted	4,671.1	4,374.1	297.0	6.8%

11. British Broadcasting Corporation

The BBC's Resource AME requirement has increased by £300.1m from last year's 2023-24 Supplementary Estimate relating to technical accounting adjustments and increased expenditure related to sports events in 2024.

Capital AME

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

Subheads	Grouping	Capital AME			
		£ million			%
		This year (2024-25 Main Estimate budget sought)	Last year (2023-24 Supplementary Estimate budget approved)	Change from last year	
AME Capital Voted					
T	British Broadcasting Corporation	760.3	689.7	70.6	10.2%

U	Channel Four Television Corporation	200.0	200.0	0.0	0.0%
	Total Voted	960.3	889.7	70.6	7.9%

12. British Broadcasting Corporation

The BBC's Capital AME requirement has increased by £70.6m from last year's 2023-24 Supplementary Estimate, mainly due to continued expenditure on major strategic investments and accounting changes on leases.

13. Channel Four Television Corporation

A £200m budget is included in the 2024-25 Main Estimate to provide cover only for Channel 4's maximum entitled borrowing limit. Seeking budget cover in this way forms part of DCMS's prudent financial management and it is consistent with the approach taken with BBC's borrowing limit. It does not have any cash impact.

2.2 Restructuring

On 7 February 2023, the Prime Minister announced Machinery of Government changes resulting in the Digital portfolio (including BDUK, Ofcom, Information Commissioner's Office and Phone-paid Services Authority) transitioning to the new Department for Science, Innovation and Technology (DSIT).

In 2024-25, Machinery of Government transfers equate to £153.2m (Resource DEL) and £644.2m (Capital DEL).

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 Review as set out in the DCMS settlement letter.

Resource DEL

Ringfenced budgets	Amounts sought this year (Main Estimate 2024-25)	Compared to final budget last year (Supplementary Estimate 2023-24)			Compared to budget last year (Main Estimate 2023-24)		
	£m	£m	Var £m	Var %	£m	Var £m	Var %
Official Development Assistance	10.8	10.6	0.2	1.6%	11.3	-0.5	-4.7%
Youth Investment Fund*	35.0	19.0	16.0	84.2%	30.0	5.0	16.7%
Legacy IT	0.6	0.6	0.0	0.7%	0.6	0.0	0.7%
Major Sporting Events	12.9	10.5	2.4	22.9%	10.5	2.4	22.9%
VCSE Support Package*	2.5	76.2	-73.7	-96.7%	79.0	-76.5	-96.8%
BFI Certification Unit	1.1	0.0	1.1	n/a	0.0	1.1	n/a
British Film Commission	1.0	0.0	1.0	n/a	0.0	1.0	n/a
Hay Festival	0.5	0.0	0.5	n/a	0.0	0.5	n/a

*Some ringfenced funding for 2024-25 will not be formally agreed until the 2024-25 Supplementary Estimate where funding is subject to a HMT reserve claim or has been reprofiled from 2023-24

Capital DEL

Ringfenced budgets	Amounts sought this year (Main Estimate 2024-25)	Compared to final budget last year (Supplementary Estimate 2023-24)			Compared to budget last year (Main Estimate 2023-24)		
	£m	£m	Var £m	Var %	£m	Var £m	Var %
Research and Development	15.2	18.3	-3.1	-17.2%	18.7	-3.5	-18.9%
Youth Investment Fund*	132.0	59.0	73.0	123.7%	111.0	21.0	18.9%
Grassroots Facilities	80.0	75.0	5.0	6.7%	75.0	5.0	6.7%
British Library Boston Spa*	31.2	24.0	7.2	30.0%	37.1	-5.9	-15.9%
Public Bodies Infrastructure Fund	119.6	103.9	15.7	15.1%	105.7	13.9	13.2%
IFRS16	58.5	45.8	12.7	27.8%	56.6	1.9	3.4%
Legacy IT	1.5	1.5	0.0	1.3%	1.5	0.0	1.3%
VCSE Support Package*	10.0	0.0	10.0	n/a	10.0	0.0	0.0%
NHM Research Facility	34.9	5.7	29.2	511.4%	34.4	0.5	1.3%

*Some ringfenced funding for 2024-25 will not be formally agreed until the 2024-25 Supplementary Estimate where funding is subject to a HMT reserve claim or has been reprofiled from 2023-24

2.4 Changes to contingent liabilities

There have been movements in relation to the Government Indemnity scheme resulting in an overall increase in 2024-25. This is driven by:

- Ambitious programming at the National Gallery in 2024-25 linked to their bicentenary celebrations resulting in an increase from £5,126m to £6,587m.
- The National Portrait Gallery's exhibition programming being in full swing post reopening in 2023 resulting in an increase from £389.0m to £2,343m.
- Cross over of significant exhibitions at the British Museum resulting in an increase from £1,186m to £1,900m.

3. Priorities and performance

3.1 Departmental Priority Outcomes

- **Priority Outcome 1:** Drive growth across all our sectors, including creative industries and tourism, and support them in levelling up our local economies.
- **Priority 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.
- **Priority Outcome 3:** Showcase the UK to the world and boost our global reputation by delivering major cultural and sporting events across the country.
- **Priority 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.

Estimates were prepared during a general election campaign. Priority outcomes were set in the previous Parliament.

4. 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.



Susannah Storey

Accounting Officer

Permanent Secretary

Department for Culture, Media and Sport

17 July 2024