

# Supplementary Estimates memorandum (2020-21) for Department for Digital, Culture, Media and Sport

## 1 Overview

### 1.1 Objectives

The Department for Digital, Culture, Media and Sport (DCMS) work 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.

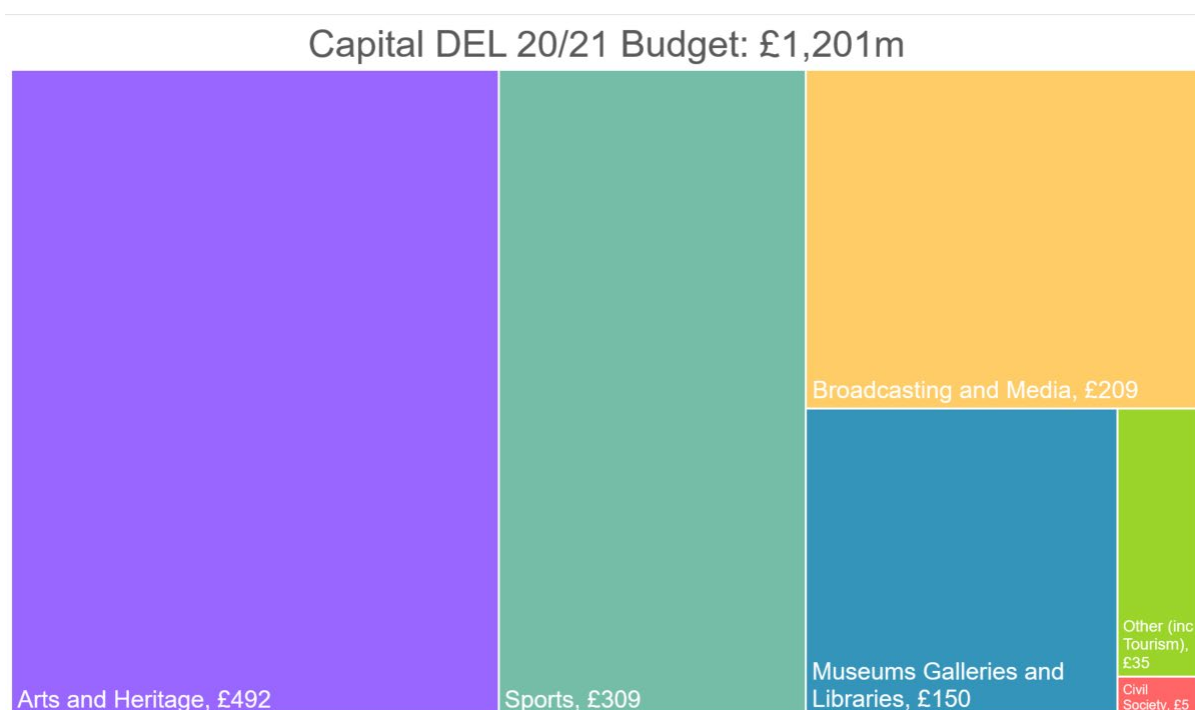
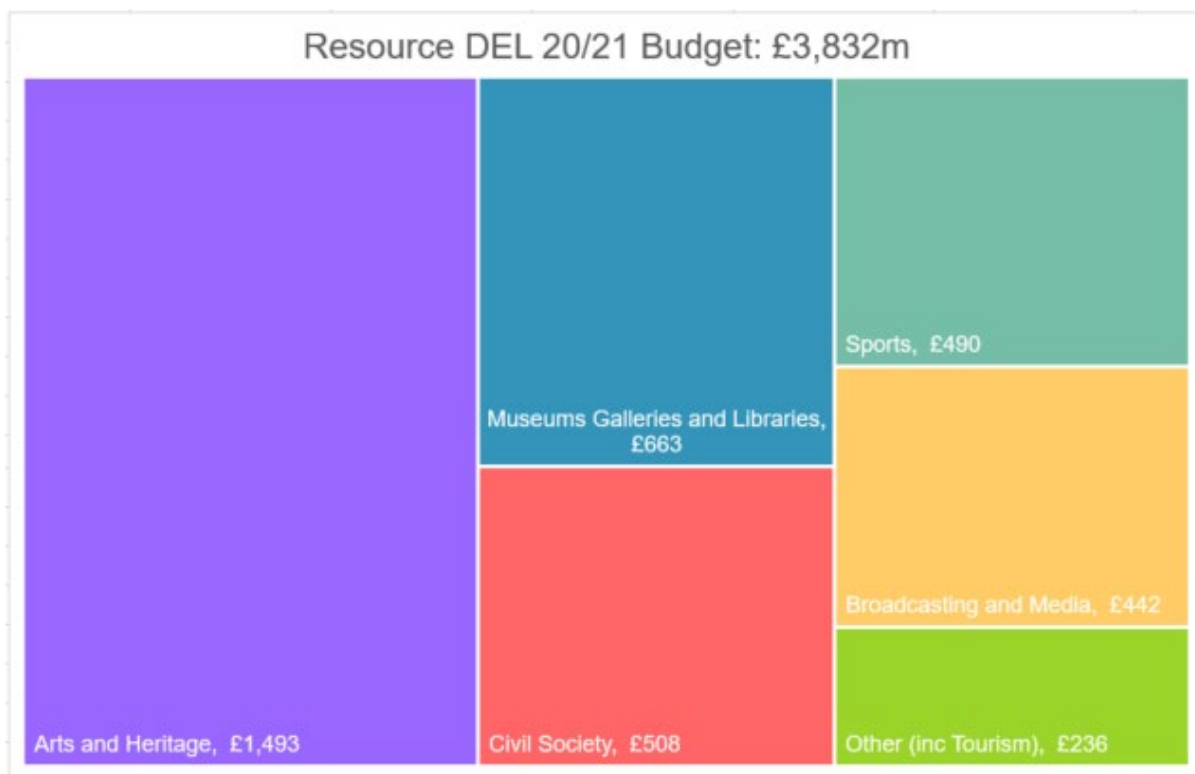
The spending totals which Parliament votes are:

- 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 on 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

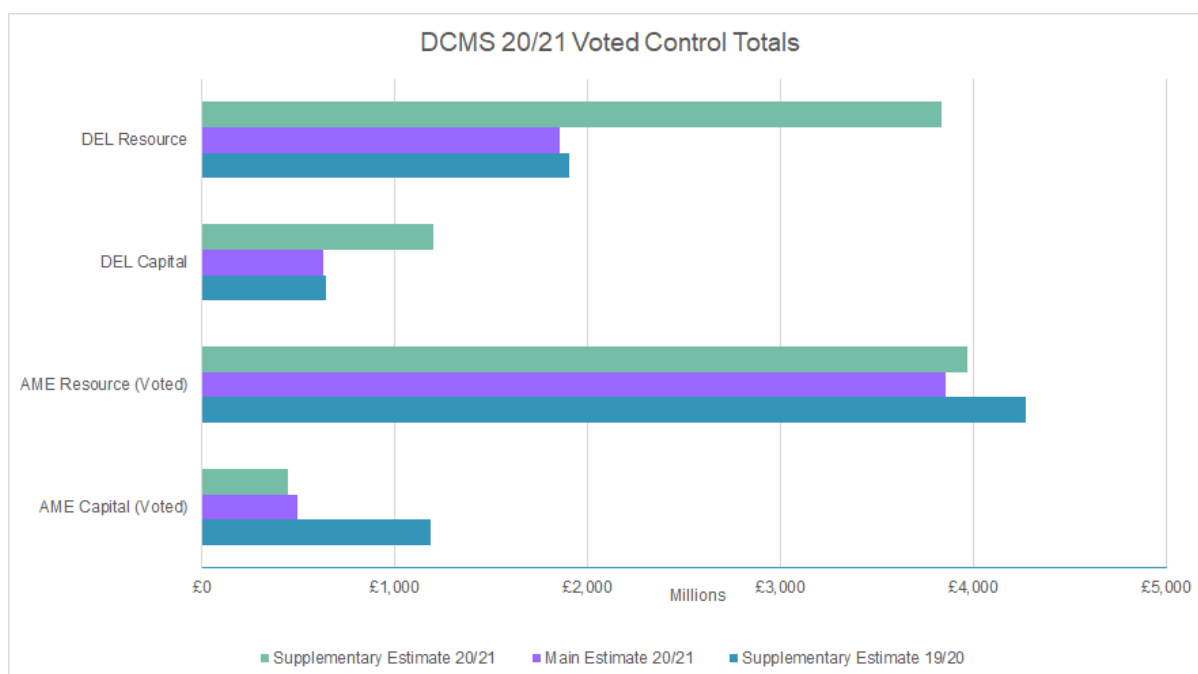
The graphic below shows the main components of DCMS’ proposed budget for the current year, after taking account of the latest Supplementary Estimate, and the proportions of funds spent on its main activities.



#### 1.4 Comparison of spending totals sought

The table and graphic below show how the totals sought for DCMS compare with last year's Supplementary Estimate

Spending Total	Supplementary Estimate (20-21)	Compared to original budget this year (Main Estimate 20-21)			Compared to final budget last year (Supplementary Estimate 19-20)		
		£m	Var £m	Var %	£m	Var £m	Var %
DEL Resource	3,832.7	1,855.8	1,976.9	106.52%	1,906.0	1,926.7	101.09%
DEL Capital	1,200.9	629.8	571.2	90.69%	645.6	555.3	86.01%
AME Resource Voted	3,972.8	3,857.0	115.8	3.00%	4,271.2	-298.3	-6.99%
AME Capital Voted	449.7	495.9	-46.2	-9.32%	1,190.4	-740.7	-62.23%



## 1.5 Key drivers of spending changes since original budget

The main causes of the changes in Resource DEL are:

- **Increase:** The provision of funding relating to Covid recovery packages. Specifically, this relates to announced packages for Cultural Sector support, Charities support, Leisure centre recovery, Production restart and the Sports Winter Survival Package;
- **Increase:** Increases in funding from the Treasury Reserve across Freedom bodies, in line with the scheme which allows institutions easier access to finance and more control over how they manage themselves;
- **Return:** A return of funding to the Treasury through lower than anticipated participation levels within the National Citizen Service and Life Chances Funding; and
- **Increase:** Budget Cover Transfers from other government departments for GREAT and National Cyber Security programmes.

The main causes of the changes in Capital DEL are:

- **Increase:** The provision of funding relating to Covid recovery packages. Specifically, this relates to announced packages for Cultural Sector support and Sports Winter Survival Package;
- **Return:** Surrenders and re-profiling to future years of the Full Fibre Network, 5G, Superfast and Rural Gigabit Connectivity programmes;
- **Increase:** Investment into the Museums Infrastructure Fund, aimed at addressing critical capital works;
- **Increase:** Capitalisation of leases under the adoption of the accounting standard IFRS16; and
- **Increase:** A Budget Cover Transfer from DEFRA for the Green Recovery Fund.

Resource AME has risen based on expected BBC licence fee funded expenditure and within the core Department for impairment cover in relation to the adoption of IFRS 16 leases accounting standard.

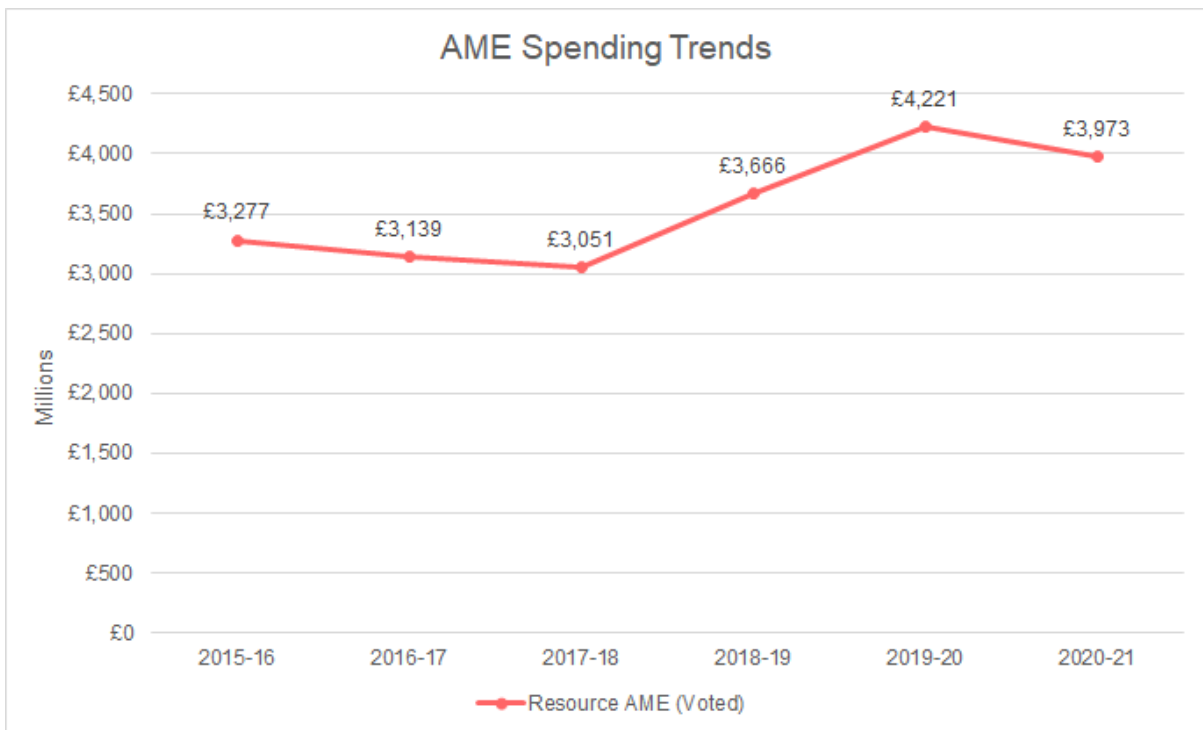
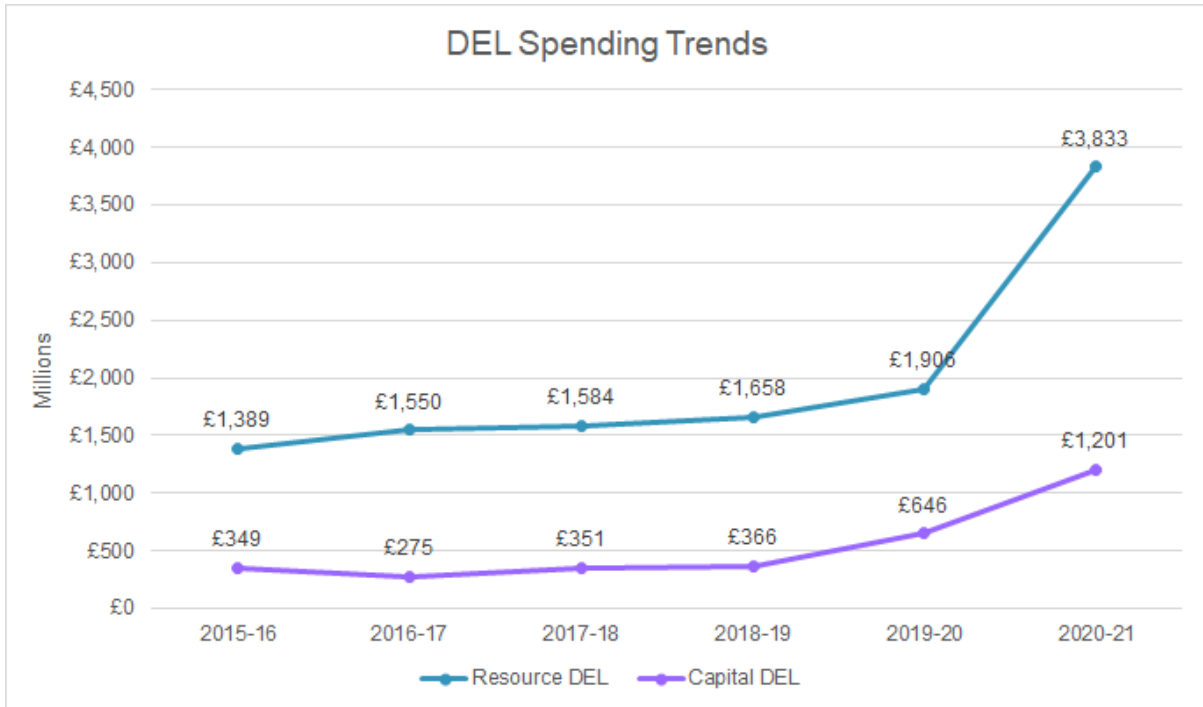
## 1.6 New policies and programmes; ambit changes

There have been several phrases added to the ambit and the income statement to ensure that it covers the activities now undertaken by the Department:

- “Management of overseas development funding for digital development and cultural protection.”;
- “Policy work and research to support the development of a new pro-competition regulatory regime for digital markets.”; and
- “Income received in respect of the Film & TV Production Restart Scheme”

## 1.7 Spending trends

The charts below show overall spending trends for the last five years and plans presented in Estimates for 2020-21:



Resource DEL has been on an upward trend since 2015-16. Since 2016-17, the department’s staff costs have increased as it has grown with its additional scope. 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 has been due to the UK’s Covid recovery response.

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 has been due to the UK's Covid recovery response.

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.

## 1.8 Administration costs

The Supplementary Estimate budget provides an increase of £38.7m compared to the Main Estimates budget voted at the start of the year.

Spending Total	Supplementary Estimate (20-21)	Compared to original budget this year (Main Estimate 20-21)			Compared to final budget last year (Supplementary Estimate 19-20)		
		£m	Var £m	Var %	£m	Var £m	Var %
Administration Costs	276.5	237.8	38.7	16.27%	241.5	35.0	14.49%

The Department's admin budget has grown since the Main Estimate 2020-21 for costs relating to:

- £8.8m programme to admin switch to cover the administrative costs of the National Citizen Service (which was funded fully as programme in the Department's SR settlement);
- £3.6m programme to admin switch to cover the administrative costs of the Government Digital Service (GDS);
- £15m Cultural Sectors Support Package;
- £1.9m Leisure Centre Recovery Fund;
- £5.6m programme to admin switch to cover the administrative costs of the National Cyber Security Programme;
- £2.55m to cover the administrative costs of Sports Winter Survival Package; and
- £2m Budget Cover Transfer from Defra for the Green Recovery Fund.

## 1.9 Funding: Spending Review and Budgets

The levels of DEL funding for DCMS for 2020-21 are based on plans published in the 2019 Spending Review for the Department for Digital, Culture, Media and Sport. Since that time, the Government has made a number of changes to 2020-21 Spending Plans including announcements of some additional funding in the 2020 Spring Budget.

Notable amongst these changes are:

- £27m of Capital DEL in 2020-21 for the National Museums Maintenance programme;
- A 5-year, £250m Cultural Investment Fund, to support cultural projects, libraries, museums and creative industries. The 2020-21 budget for the fund is £44.1m, of which £37.8m is Capital DEL;
- £13m for the British Library Business and IP (Intellectual Property) Centres over 3 years, with £3.6m of mostly Resource DEL allocated for 2020-21;
- £8.0m of Capital DEL in 2020-21 for the Football Foundation scheme;
- A 6-year, £182m Capital DEL budget for the creation of a new science and digitisation centre at Harwell Science and Innovation Campus for the Natural History Museum, of which £2.6m is budgeted for 2020-21;
- £21m of Resource DEL for a Commonwealth Games Trade & Investment programme, with £3.6m budgeted for 2020-21;
- £25.5m of Resource DEL for the UK Gigabit Programme in 2020-21 (and an extra £0.6m for Local Full Fibre Networks);
- A £335m commitment to the Shared Rural Network programme over 5 years. The 2020-21 budget for this programme comprises £4.3m Resource DEL and £5.7m Capital DEL.
- British Library at Boston Spa and Leeds: £95m of Capital DEL over 7 years.

Revisions to 2020-21 funding amounts made as part of the Supplementary Estimates can be found in the tables contained in Section 2.2.

Additional funding has also been provided in relation to the UK's Covid recovery response. In some instances the amounts announced will differ from the amounts claimed through the Estimates due to some programmes extending into the next financial year, loans accounting and where elements are funded by reallocations of existing budgets.

- **Cultural Support Package:** DCMS is delivering a £1.57bn support package to protect cultural and heritage organisations. This will be delivered through:
  - £880m in grants to support cultural and heritage organisations.
  - £120m capital grants to restart construction on cultural infrastructure, and for heritage construction projects that were paused due to Covid-19.
  - £270m of repayable finance.
  - £100m targeted support for the national cultural institutions in England.
  - £188m for the devolved administrations.

The reserve claim for this package has been adjusted due to £30m of capital grants being funded via re-purposing of the Cultural Investment Fund allocation, an additional £15m claim to cover administration of the programme, an additional £46m claim relating to the fair valuation of repayable finance and an additional £50m claim for expected credit loss on repayable finance.

- **Charities Support Package:** DCMS is working with other government departments in the distribution of £750m of coronavirus funding for frontline charities. DCMS is delivering over £350m of this directly and this is reflected in our Estimates position.
- **Production Restart:** DCMS has launched a Government-backed £500m scheme for UK Film and TV productions struggling to get insurance for Covid-related costs. The Film and TV

Production Restart Scheme will help productions across the country that have been halted or delayed by an inability to obtain insurance for Covid-19 related risks to get back up and running, by giving productions the confidence they need that they will be supported if future losses are incurred due to Covid-19. The budget for 2020-21 is £251.7m Programme RDEL and £0.9m Admin RDEL, although actual expenditure incurred will be dependent on the level of demand for the scheme.

- **Sports and Leisure Centres Recovery Package:** DCMS has announced the £300 million Sport Winter Survival Package to provide emergency funding to protect the immediate future of major spectator sports in England as well as a £100m support fund for local authority sport clubs, fitness and leisure facilities.

## 1.10 Other funding announcements

Spending announcements made during the year not listed at Annex B relate to reallocated money within existing planned limits, rather than “new”, additional money.

Due to lower than anticipated participation levels within the National Citizen Service, the funding requirement for the overall programme has reduced significantly. Having obtained agreement from the Treasury to relax the ring-fence based on the revised participation numbers, the Department has been able to utilise £50m of unused funds to contribute to the £750m frontline charities package announced in response to the Covid-19 pandemic.

A further £30m of funding from the Cultural Investment Fund has been repurposed to help fund the Cultural Sectors Support Package.

## 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 earlier this year:

Subheads	Grouping	Resource DEL			
		£ million			%
		This year (Supplementary Estimate 20-21 sought)	This year (Main Estimate 20- 21 approved)	Change from Main Estimate	
A,B,C	Museums Galleries and Libraries	663.4	557.1	106.3	19.1%
D,E,H,I	Arts and Heritage	1492.6	489.9	1002.7	204.7%
F,G,R	Sports	490.2	198.1	292.1	147.5%



K,L	Broadcasting and Media	442.1	172.7	269.5	156.0%
P,Q	Civil Society	508.4	248.6	259.8	104.5%
J,M,N,O	Other (inc Tourism)	235.9	189.4	46.5	24.6%
	<b>Total Voted</b>	<b>3832.7</b>	<b>1855.8</b>	<b>1976.9</b>	<b>106.5%</b>

Numbers relate to the relevant row in the table above. Further detail of spending within these totals is given in the Table at Annex A.

### Museums, Galleries and Libraries

Resource DEL spending under these subheads is, overall, forecast to increase by £106.3 million, or 19.1% since the Main Estimate. This is predominantly driven by:

- Access to utilise cash reserves under the Museums' Freedoms Scheme, totalling a Reserve Claim of £27.7m;
- £71.7m for additional support for Museums, Galleries and Libraries Arm's Length Bodies impacted by the Covid-19 pandemic;
- £7.8m additional funding for accounting related adjustments including depreciation and late audit adjustments from the 2019-20 financial year; and
- £2.6m for a voted loan for the National Portrait Gallery's 'Inspiring People' project.

### Arts and Heritage

Resource DEL spending under these subheads is, overall, forecast to increase by £1,002.7 million, or 204.7% since the Main Estimate. This is predominantly driven by:

- £954.4m for the Cultural and Heritage Sector Support Package announced in response to the Covid-19 pandemic;
- Approval for £12.8m of cash reserves to be utilised by Arts Council England to provide emergency support to artists and creative practitioners in response to the Covid-19 pandemic;
- £10.4m budget transfers from other government departments for the Northern Ireland Shared History Fund, for undertaking heritage activities in Wales and the Green Recovery Fund;
- £10.4m of additional support for Arts and Heritage Arm's Length Bodies impacted by the Covid-19 pandemic;
- A Reserve Claim of £17.4m under the Listed Places of Worship Grant Scheme, which was set up to mitigate the impact of the VAT scheme change announced by the Government as part of Budget 2012 affecting approved alterations to listed buildings. The scheme provides grants equivalent to 100 per cent of the VAT costs of eligible repair, maintenance and alteration work until the end of this Parliament; and
- £1.2m funding for VE/VJ Day activities reallocated from underspends.

## Sports

Resource DEL spending under these subheads, is, overall, forecast to increase by £292.1 million, or 147.5%, since the Main Estimate. This is predominantly driven by:

- £189.0m for the Sports Winter Survival Package and £98.1m for the Leisure Centre Recovery Fund which were announced in response to the Covid-19 pandemic;
- £13.65m reprofile of funding for the Commonwealth Games in Birmingham in 2022 into future years;
- £11.4m claim on the reserve to support UK Sport in the lead up to the delayed Tokyo 2020 games, as well the beginning of the next Olympic/Paralympic cycle; and
- £6.7m of funding for Festival 2022 reallocated from the Core Department to Birmingham 2022 to which Festival 2022 is a subsidiary.

## Broadcasting and Media

Resource DEL spending under these subheads, is, overall, forecast to increase by £269.5 million, or 156.0%, since the Main Estimate. This is predominantly driven by:

- £251.7m for additional funding for the Film & TV Production Restart Scheme and £31.6m of additional funding to the British Film Institute for Cultural Sector Support grants announced in response to the Covid-19 pandemic;
- £3.2m of additional support provided to the British Film Institute due to impacts of the Covid-19 pandemic ALB Support Package;
- A reduction of £10.7m due to re-profiling of budgets for the UK Gigabit Program, Shared Rural Network, Local Full Fibre Networks into future years;
- £10.2m budget transfer from the Cabinet Office in relation to the National Cyber Security Programme; and
- A £5.8m budget transfer to the Cabinet Office in relation to the UN Climate Change Conference (COP 26) to be held in November 2021.

## Civil Society

Resource DEL spending under these subheads, is, overall, forecast to increase by £259.8 million, or 104.5% since the Main Estimate. This increase is predominantly due to an additional claim of £474.9m for the Charities Package announced in response to the Covid-19 pandemic, of which £124.5m was transferred out to other government departments who have also provided grants to charities providing key services and supporting vulnerable people during the crisis.

Excluding additional Charities Package funding, the Resource DEL spending under these subheads, is, overall, forecast to decrease by £90.6m. This is mostly driven by:

- The National Citizen Service has seen lower than anticipated participation levels, which has resulted in large underspends for the programme and a reduction of £87m in funding. Within 2020-21 some of these funds were allocated to other programmes including a £50m reallocation to funding for the Charities Package announced in response to the Covid-19 pandemic and a further £34.3m returned to the Treasury;
- £13.7m reduction in the in-year funding required for the Life Chances Fund; and
- £7.1m claim on the reserve for Tampon Tax.

## Other (inc. Tourism)

Net Resource DEL spending under these subheads, is, overall, forecast to rise by £46.5m, or 24.6%, since the Main Estimate. This is predominantly driven by:

- £13.6m budget cover transfer from Department for International Trade for the GREAT campaign which is designed to promote Britain abroad;
- £20.3m retained by the Core Department to manage usage of cash reserves by Arm's Length Bodies whose commercial and trading income has been impacted by Covid-19;
- £10.2m to cover administrative costs incurred by the Department for management of various Covid-19 response schemes; and
- £3.6m switch of capital to resource funding for the Government Digital Service.

## Capital DEL

The table below shows how spending plans for Capital DEL compare with the Main Estimate:

Subheads	Grouping	Capital DEL			
		£ million			%
		This year (Supplementary Estimate 20-21 sought)	This year (Main Estimate 20- 21 approved)	Change from Main Estimate	
DEL Capital					
A,B,C	Museums Galleries and Libraries	150.0	93.6	56.4	60.3%
D,E,H,I	Arts and Heritage	491.9	86.6	405.3	468.0%
F,G,R	Sports	309.4	45.2	264.1	583.7%
K,L	Broadcasting and Media	209.0	387.3	-178.2	-46.0%
P,Q	Civil Society	5.4	3.7	1.7	46.0%
J,M,N,O	Other (inc Tourism)	35.3	13.4	21.9	163.6%
	<b>Total Voted</b>	<b>1200.9</b>	<b>629.8</b>	<b>571.2</b>	<b>90.7%</b>

Key differences are explained below:

### Museums, Galleries and Libraries

Capital DEL spending under these control totals is overall forecast to increase by £56.4m (60.3%).

This is predominantly driven by:

- £29.7m for usage of cash reserves under the Museums' and Galleries Freedoms Scheme;
- £17.0m for the Museums Infrastructure Fund for investment in critical works;
- £4.1m switch of resource to capital funding for the National Gallery;

- £3.5m of loans relating to the Museums of the Home's 'Unlocking the Geffrye' transformation project and the Imperial War Museum's new accommodation adjacent to the 'All Saints Annexe' Building; and
- £3.4m for British Library at Leeds and Boston Spa.

### Arts and Heritage

Capital DEL spending under these control totals is overall forecast to increase by £405.3m (468%). This is predominantly driven by:

- £90m of additional funding for capital grants and £270m for loans as part of the Cultural Sector Covid Support Package;
- £38m transfer from the Department for Environment, Food & Rural Affairs for the Green Recovery Fund;
- £12.6m of additional support for Heritage Arm's Length Bodies impacted by the Covid-19 pandemic;
- £9m reduction in funding relating to the Heritage High Streets programme due to delays resulting from the the Covid-19 pandemic;
- £3.8m budget transfer from the Welsh Government for undertaking Heritage activities in Wales; and
- £3.1m switch of Resource to Capital funding for Historic England.

### Sports

Capital DEL spending under these control totals is overall forecast to increase by £264.1m (583.7%). This is driven by:

- £264m of additional funding for loans to support the Sports Sector in response to the Covid-10 pandemic.

### Broadcasting and Media

Capital DEL spending under these control totals is overall forecast to decrease by £178.2m (-46%). This is predominantly driven by reductions or re-profiling of funding into future years for the following programmes:

- Rural Gigabit Connectivity (£96.9m). A reduction in forecast expenditure has resulted due to the change of voucher recognition from point of issue to connection which can be 2-12 months after issue date;
- 700MHz programme (£40.4m). £17m savings identified after budget for a Co-existence solution wasn't required as Spectrum auction guidelines placed an obligation on the highest bidder to develop the solution;
- National Productivity Investment Fund (£36.2m). Due to a movement of £31m of funding to the 5G Digital Infrastructure Programme and a £5.2m underspend due to delivery issues and delays on other programmes resulting from Covid;
- Local Full Fibre Network programme (£17.5m). Underspend due to supplier access issues for the public sector hub model, caused by Covid restrictions;
- Shared Rural Network (£5.7m). Underspend due to the delay in agreeing a new state subsidy regime;

- Superfast Broadband Programme (£3m). Delays due to difficulties with two key suppliers, exacerbated by access and workforce availability issues during the Covid period; and
- Funding for the 5G Digital Infrastructure Programme has increased by £9.2m, mostly due to a £31m reallocation from the National Productivity Investment fund, £15m of which has been agreed to be re-profiled into future years due to impacts of Covid-19 on partner organisations.

#### Civil Society

Capital DEL spending under these control totals is overall forecast to increase by £1.7m (46%). This is predominantly driven by:

- £1.7m claim on the reserve from the proceeds of LIBOR for Office for Civil Society causes.

#### Other (including Tourism)

Capital DEL spending under these control totals is overall forecast to increase by £21.9m (163.6%). This is predominantly driven by:

- £20.2m increase for the capitalisation of leases under the adoption of IFRS16 accounting policy;
- £1m relating to budget cover for late audit adjustments for 2019-20 ALB accounts;
- £0.4m resource to capital switch for the British Tourism Authority; and
- £0.4m resource to capital switch for the Gambling Commission.

#### Resource AME

The table below shows how spending plans for Resource AME compare with Main estimates:

Subheads	Grouping	Resource AME			
		£ million			%
AME Resource Voted		This year (Supplementary Estimate 20-21 sought)	This year (Main Estimate 20- 21 approved)	Change from Main Estimate	
S	British Broadcasting Corporation	3878.7	3812.0	66.7	1.7%
U	Provisions, Impairments and other AME spend	94.1	45.0	49.1	109.3%
	<b>Total Voted</b>	<b>3,972.80</b>	<b>3,856.96</b>	<b>115.84</b>	<b>3.0%</b>

Key differences are explained below:

#### Provisions, Impairments and other AME spend

The increase in forecast by £49.1m (109.3%) from the Main Estimates is predominantly due to:

- £30.5m for impairment cover in relation to the adoption of IFRS16;
- £12.4m for late audit adjustments for 2019-20 ALB accounts; and
- £6.3m of additional adjustments for depreciation on donated assets, net changes to provisions, revaluations, forecast pension movements.

#### Capital AME

The table below shows how spending plans for Capital AME compare with Main estimates:

Subheads	Grouping	Resource AME			
		£ million			%
AME Capital Voted		This year (Supplementary Estimate 20-21 sought)	This year (Main Estimate 20- 21 approved)	Change from Main Estimate	
S	British Broadcasting Corporation	316.7	370.9	-54.2	-14.6%
T	Channel Four Television Corporation	132.7	125.0	7.7	6.2%
V	Phonepay Service Authority	0.3	0.0	0.3	-
	<b>Total Voted</b>	<b>449.67</b>	<b>495.91</b>	<b>-46.24</b>	<b>-9.3%</b>

Key differences are explained below:

#### British Broadcasting Corporation

The decrease in forecast by £54.2m (14.6%) from the Main Estimates is predominantly due to a decrease in external financing movements (borrowing and leases).

## 2.2 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).

### Resource DEL

Spending Total	Supplementary Estimate (20-21)	Compared to original budget this year (Main Estimate 20-21)			Compared to final budget last year (Supplementary Estimate 19-20)		
	£m	£m	Var £m	Var %	£m	Var £m	Var %
Cultural Sectors Support Package	1078.9	0.0	1078.9	n/a	0.0	1078.9	n/a
Freedoms	524.0	496.5	27.5	5.5%	510.5	13.5	2.6%
Charities Package	347.2	0.0	347.2	n/a	0.0	347.2	n/a
Production Restart Scheme	252.5	0.0	252.5	n/a	0.0	252.5	n/a
Sports Winter Support Package	142.0	0.0	142.0	n/a	0.0	142.0	n/a
National Citizen Service	107.5	191.9	-84.4	-44.0%	214.1	-106.5	-49.8%
Commonwealth Games	39.7	52.9	-13.2	-25.0%	18.1	21.6	119.5%
Listed Places of Worship	34.8	17.3	17.4	100.3%	36.8	-2.1	-5.6%
National Cyber Security Programme	23.9	13.4	10.5	78.1%	24.8	-0.9	-3.7%
UK Gigabit Programme	22.9	30.0	-7.1	-23.7%	4.5	18.4	408.4%
Cultural Protection Fund	10.2	10.2	0.0	0.0%	10.0	0.2	2.0%
Festival 2022	7.3	6.7	0.6	8.5%	1.3	6.0	459.2%
OCS Tampon Tax Fund	7.1	0.0	7.1	n/a	16.9	-9.8	-57.8%
5G	6.6	5.9	0.7	12.2%	5.7	1.0	17.2%
OCS Life Chances Fund	6.6	20.4	-13.7	-67.5%	2.0	4.6	236.0%
Local Full Fibre Networks	5.6	7.5	-1.9	-25.2%	7.5	-1.9	-25.2%
700MHz	5.6	6.8	-1.2	-17.6%	12.0	-6.4	-53.3%
Cultural Investment Fund	5.1	6.3	-1.3	-19.8%	0.0	5.1	n/a
Heritage High Streets	4.4	3.3	1.1	32.2%	1.5	2.9	190.7%
Blythe House	3.6	2.1	1.5	71.4%	7.6	-4.0	-52.6%
Prosperity Fund	2.2	3.7	-1.5	-40.8%	2.1	0.1	4.3%
Leisure Centre Recovery Fund	1.9	0.0	1.9	n/a	0.0	1.9	n/a

Commonwealth Games Trade & Investment Programme	1.6	3.6	-2.0	-56.0%	0.0	1.6	n/a
Shared Rural Network	1.3	4.3	-3.0	-70.8%	0.0	1.3	n/a
RFL Loan Scheme	1.2	0.0	1.2	n/a	0.0	1.2	n/a
OCS LIBOR	0.8	0.0	0.8	n/a	2.2	-1.5	-66.3%
Security & Online Harms	0.4	0.0	0.4	n/a	0.0	0.4	n/a
Digital Infrastructure	0.2	0.0	0.2	n/a	0.0	0.2	n/a

## Capital DEL

Spending Total	Supplementary Estimate (20-21)	Compared to original budget this year (Main Estimate 20-21)			Compared to final budget last year (Supplementary Estimate 19-20)		
	£m	£m	Var £m	Var %	£m	Var £m	Var %
Cultural Sectors Support Package	402.6	0.0	402.6	n/a	0.0	402.6	n/a
Project Arena	249.6	0.0	249.6	n/a	0.0	249.6	n/a
Freedoms	109.8	51.5	58.2	113.0%	228.9	-119.2	-52.05%
Local Full Fibre Networks	86.7	104.2	-17.5	-16.8%	68.2	18.5	27.16%
5G	31.7	22.5	9.2	41.1%	23.4	8.3	35.67%
700MHz	29.4	69.8	-40.4	-57.8%	85.7	-56.3	-65.65%
Rural Gigabit Connectivity	28.1	125.0	-96.9	-77.5%	29.1	-1.0	-3.30%
National Museums Maintenance	27.0	27.0	0.0	0.0%	0.0	27.0	n/a
Blythe House	22.0	22.0	0.0	0.0%	58.1	-36.1	-62.13%
RFL Loan Scheme	14.5	0.0	14.5	n/a	0.0	14.5	n/a
Digital Infrastructure	12.2	0.0	12.2	n/a	0.0	12.2	n/a
Superfast	8.3	11.3	-3.0	-26.5%	29.4	-21.1	-71.75%
Football Foundation scheme	8.0	8.0	0.0	0.0%	0.0	8.0	n/a
Cultural Investment Fund	7.8	37.8	-30.0	-79.4%	0.0	7.8	n/a
Heritage High Streets	7.2	17.3	-10.1	-58.2%	3.5	3.7	106.46%
National Citizen Service	3.7	3.7	0.0	0.0%	0.1	3.6	4260.00%
British Library Leeds & Boston Spa	3.4	0.0	3.4	n/a	0.0	3.4	n/a
OCS LIBOR	1.7	0.0	1.7	n/a	2.8	-1.1	-40.12%



Natural History Museum Research Facility	1.5	2.6	-1.1	-41.7%	0.0	1.5	n/a
Festival 2022	0.8	0.0	0.8	n/a	0.0	0.8	n/a
British Library Business & IP Centres	0.2	0.2	0.0	0.0%	0.0	0.2	n/a
Shared Rural Network	0.0	5.7	-5.7	-99.3%	0.0	0.0	n/a
National Productivity Investment Fund	0.0	36.2	-36.2	-100.0%	0.0	0.0	-150.00%
National Cyber Security Programme	0.0	1.4	-1.4	-100.0%	0.0	0.0	-100.00%

## 2.3 Changes to contingent liabilities

The Olympic Delivery Authority (ODA) had liabilities capped at £3m for the rectification of defects in the buildings constructed by Stratford Village Development Partnership. These liabilities have been substantially reduced through a 2019 settlement agreement with Qatari Diar Delancey (QDD) but similar unquantifiable liabilities to other parties remain.

British Museum's contingent liabilities relating to the withdrawal of charitable relief against business rates has increased from £1.1m to £1.4m.

The Horserace Betting Levy Board's contingent liability has reduced from £33.9m to £32.7m as the former part of the time frame (2019-2024) is no longer covered.

The contingent liability relating to age discrimination arising from the public sector pension scheme transition arrangements has moved from £13.9m to £0.6m. This reduction is driven by the updated valuation of the pension funds for some ALBs.

A workforce change programme has been implemented as a result of the closure of the National Portrait Gallery for the Inspiring People project, giving rise to a new contingent liability of £1.4m.

The contingent liability relating to the indemnity scheme for items on loan from the Royal Collection has been removed as the artwork is no longer on loan.

The contingent liability relating to the indemnity scheme for its on loan to the Government Art Collection has increased from £2.2m to £11.6m.

There has been a reduction in the contingent liability for the BTA's pension guarantee, from £125m to £2m due to the section of the scheme being closed to future benefit accrual on 31 March 2020.

A new unquantifiable contingent liability has arisen from the TV & Film Production Restart Scheme to address the market failure due to the unavailability of Covid-19 insurance for productions. The maximum liability will be known at year end but is unquantifiable at the moment.

The contingent liability of £2m relating to the UCI World Championship no longer exists as this event passed in 2019.

More detail on these items can be found in DCMS's 2019-20 annual report & accounts.

### 3. Priorities and performance

#### 3.1 Spending Review Provisional Priority Outcomes

At the 2020 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-19, 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. 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

Accounting Officer

Permanent Secretary

Department for Digital, Culture, Media and Sport

5 February 2021



**Briefing on 2020-21 Supplementary Estimates**

**To:** Spending Team  
**Cc:** Estimates contacts

**From:** Jonathan Lyons  
**Date:** 05/02/21

**Department/Estimate:** Department for Digital, Culture, Media and Sport

The briefing below, which provides the main reasons for the changes to the Parliamentary and HM Treasury budgetary controls, which may be used to brief Ministers and the Press, as required.

**Changes in Budgetary Totals: Please indicate Non-voted changes where applicable.**

	<b>Overall change (£m):</b>	<b>Main reasons are:</b>
RDEL	+1976.9m	As below
Of which: NON RING-FENCED (RDEL)	+1982.1m	+ £2,172.8m of reserve claims (inc. £2,044m relating to Covid-19 response, sector and ALB support, £63.2m cover for use of cash reserves by Freedoms ALBs in the Arts and Culture Sectors, £16.9m for the Listed Places of Worship Scheme, £7.1m for the Tampon Tax Fund, £11.4m to support UK Sport in the lead up to the delayed Tokyo 2020 games and next Olympic/Paralympic cycle, £12.4m for the budgetary impact of IFRS 16.  -£99.3m net impact of budget cover transfers to/from other governments (inc. -£124.5m transferred to other government departments as part of the Cross Whitehall Charities Package in response to the Covid-19 pandemic. This is offset by transfers to the Department including £10.2m from the Cabinet Office in relation to the National Cyber Security

		<p>Programme and £13.6m from DIT for GREAT funding for the British Tourism Authority).</p> <p>- £8.8m of new budget switches from resource to capital</p> <p>-£64.3m return to HMT (including - £34.4m in relation to underspends by the National Citizen Service, -£13.7m due to underspends in the Life Chances Fund, and -£7.1m for the UK Gigabit Programme).</p> <p>-£14.65m reprofile of spend in relation to the 2022 Commonwealth Games into future years</p>
Of which: ADMIN (RDEL)	+38.7m	<p>+£21.3m reserve claim for administration of the Cultural Sector Support Package, and other Covid response schemes, and £1.5m for Blythe House programme</p> <p>+£11.7m of programme to admin funding switches (including +£3.6m for the Government Digital Service, +£5.6m for the National Cyber Security Programme, £8.8m for the National Citizen Service, offset by a reduction of -£5.7m in relation to Festival 2022)</p> <p>+£2m transfer from DEFRA in relation to the Green Recovery Fund</p>
CDEL	+571.2m	<p>+£531.1m claim on reserves in relation to various loans programmes announced to support sectors impacted by the Covid-19 pandemic</p> <p>+£90m claim on the reserve for grants relating to the cultural sector support package</p> <p>+£29.4m for use of cash reserves for Freedoms ALBs</p>

		<p>+£12.6m of additional funding support to ALBs impacted by the Covid-19 pandemic</p> <p>+£6m various other claims on the reserve including £3.4m for the British Library at Leeds &amp; Boston Spa, £1.7m for LIBOR and £0.9m for miner's welfare facilities.</p> <p>+£18.9m increase due to budgetary impacts arising from IFRS 16</p> <p>-£148.4m predominantly driven by reductions or re-profiling of funding into future years for programmes including: 5G Digital Infrastructure Programme (£21.4m), Rural Gigabit Connectivity (£96.9m), 700MHz programme (£40.4m), National Productivity Investment Fund (£36.2m), Local Full Fibre Network programme (£17.5m), Shared Rural Network (£5.7m), Superfast Broadband Programme (£3m).</p> <p>+£19.7m net impact of budget cover transfers from other government departments (including +£38m for the Green Recovery Fund from DEFRA, £3.8m for Heritage in Wales, offset by transfer out including -£12.5m to the Welsh government for Local Full Fibre Networks, -£7.9m transferred to the Department for Education in relation to Rural Gigabit Connectivity.)</p> <p>+£8.8m of budget switches from resource to capital</p>
RAME – cash (e.g. grants, net public service pensions etc.)	nil	
RAME – non-cash (e.g. provisions, change in pension scheme liabilities etc.)	+115.8m	+£66.7m for the BBC mostly driven by a reduction in dividends from BBC's commercial arm and other income, potential losses in the valuation of BBC's derivatives. This is offset by

		salaries and broadcast expenditure savings.  +£49.1m mostly due to increases relating to impairments and depreciation
CAME	-£46.2m	-£54.2m reduction in forecast for the BBC due to external financing movements (borrowing and leases)  +£7.7m in relation to a new lease Channel 4 has signed for their new Leeds hub.
NON-BUDGET	nil	
NET CASH REQUIREMENT	+£2246.2m	Cash impact of above and £57m additional drawdown of licence fee income for the BBC.

### Top 3 changes to budget and why [by importance / interest, not necessarily size]

	Change	Explanation	
1.	Cultural Sector Support Package	Explanation	<p>DCMS is delivering a £1.57bn support package to protect cultural and heritage organisations. This will be delivered through:</p> <ul style="list-style-type: none"> <li>● £880m in grants to support cultural and heritage organisations.</li> <li>● £120m capital grants to restart construction on cultural infrastructure, and for heritage construction projects that were paused due to Covid-19.</li> <li>● £270m of repayable finance.</li> <li>● £100m targeted support for the national cultural institutions in England.</li> <li>● £188m for the devolved administrations.</li> </ul> <p>The reserve claim for this package has been adjusted due to £30m of capital grants being funded via re-purposing of the Cultural Investment Fund allocation, an additional £15m claim to cover administration of the programme, an additional £46m claim relating to the fair valuation of repayable finance and an additional £50m claim for expected credit loss on repayable finance.</p> <p>Relates to the following estimate lines: Section B - Museums and Galleries sponsored ALBs Section C - Libraries sponsored ALBs</p>

			<p>Section D - Support for the Arts sector  Section E - Arts and culture ALBs  Section I - Heritage sponsored ALBs  Section L - Broadcasting and Media sponsored ALBs  Section M - Administration and Research  Section O - Gambling Commission</p>
		Press line	<p>As per the <a href="#">announcement</a> HMT announced £1.57bn of support to cultural and heritage organisations. Of this amount DCMS and its ALBs will deliver £1.370m of this directly.</p>
2.	Film & TV Production Restart Scheme	Explanation	<p>On 28 July 2020, the Culture Secretary announced the launch of a Government-backed £500m scheme for UK film and TV productions struggling to get insurance for Covid-related costs.</p> <p>The Film and TV Production Restart Scheme will help productions across the country that have been halted or delayed by an inability to obtain insurance for Covid-19 related risks to get back up and running, by giving productions the confidence they need that they will be supported if future losses are incurred due to Covid-19.</p> <p>The budget secured for 2020-21 is £251.7m Programme RDEL and £0.9m Admin RDEL, although actual expenditure is expected to be less than this.</p> <p>Relates to the following estimate lines:  Section K - Support for the Broadcasting and Media Sector</p>
		Press line	<p>On 28 July 2020, <a href="#">the Culture Secretary announced</a> the launch of a Government-backed £500m scheme for UK film and TV productions struggling to get insurance for Covid-related costs.</p> <p>The Film and TV Production Restart Scheme will help productions across the country that have been halted or delayed by an inability to obtain insurance for Covid-19 related risks to get back up and running, by giving productions the confidence they need that they will be supported if future losses are incurred due to Covid-19.</p>
3.	Charities Package	Explanation	<p>DCMS is responsible for delivering the additional funding provided by HMT to support frontline charities. Of this, we have retained funding for centrally managed DCMS grant programmes such as the Coronavirus Community Support Fund, the Community Match Challenge, the Youth Covid-19 Support Fund, support for loneliness programmes and supporting the Voluntary and Community Sectors Emergency Partnership (VCSEP).</p> <p>Relates to the following estimate line:  Section P - Office for Civil Society</p>
		Press line	<p>HMT announced £750m of coronavirus funding for frontline charities. This has been delivered by both DCMS and other government departments who have been allocated funding from</p>

			<p>within this package. DCMS is delivering over £350m of this directly and this is reflected in our Estimates position.</p> <p>As part of this funding package, other government departments have also provided grants to charities providing key services and supporting vulnerable people during the crisis.</p>
4.	National Citizen Service	Explanation	<p>The National Citizen Service has seen lower than anticipated participation levels and adjusted programme activity related to Covid-19, which has resulted in large underspends for the programme and a reduction of £87m in funding. Within 2020-21 some of these funds were allocated to other programmes including a £50m reallocation to funding for the Charities Package announced in response to the Covid-19 pandemic and a further £34.3m returned to the Treasury.</p>
		Press line	<p>Covid-19 had a significant impact on the 2020 NCS programme, and as a result changes were made to the design and delivery of the programme which led to a reduction in participation and overall costs.</p> <p>A large proportion of this funding (£50m) has been reallocated to support the Charities funding package.</p>
5.	Sports Winter Survival Package	Explanation	<p>On 19 November 2020, the government announced a £300m Sport Winter Survival Package supporting organisations under severe financial pressure following the coronavirus delay to spectator readmission.</p> <p>The Sport Winter Survival Package is a predominantly loans programme with grants offered by exception (including approximately £250m of loan funding and approximately £50m in grant funding).</p>
		Press line	<p>On 19 November 2020, the government announced a £300m Sport Winter Survival Package to protect the immediate future of major spectator sports in England due to the impact of the Covid-19 pandemic.</p> <p>The programme is largely composed of loans and aims to:</p> <ul style="list-style-type: none"> <li>● ensure as many sports or sports clubs survive the period of coronavirus restrictions currently in place over the winter period which prevent spectators from attending professional sports competition</li> <li>● minimise the long-term damage to participation through safeguarding investment into grassroots community activity and women’s sport.</li> </ul>

**Notes:** Please ensure that any changes in the Supplementary Estimate that may attract attention or be politically sensitive (however small) are highlighted, stating in which part of the Estimate the spending appears. Also mention anything that has not been included in the Estimate where expectations were that it should be. Also indicate if any information is background and not a line to take.