

Main Estimate memorandum (2021-22) for the 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 a net cash requirement, designed to cover the elements of the above budgets which require DCMS to pay out cash in year.

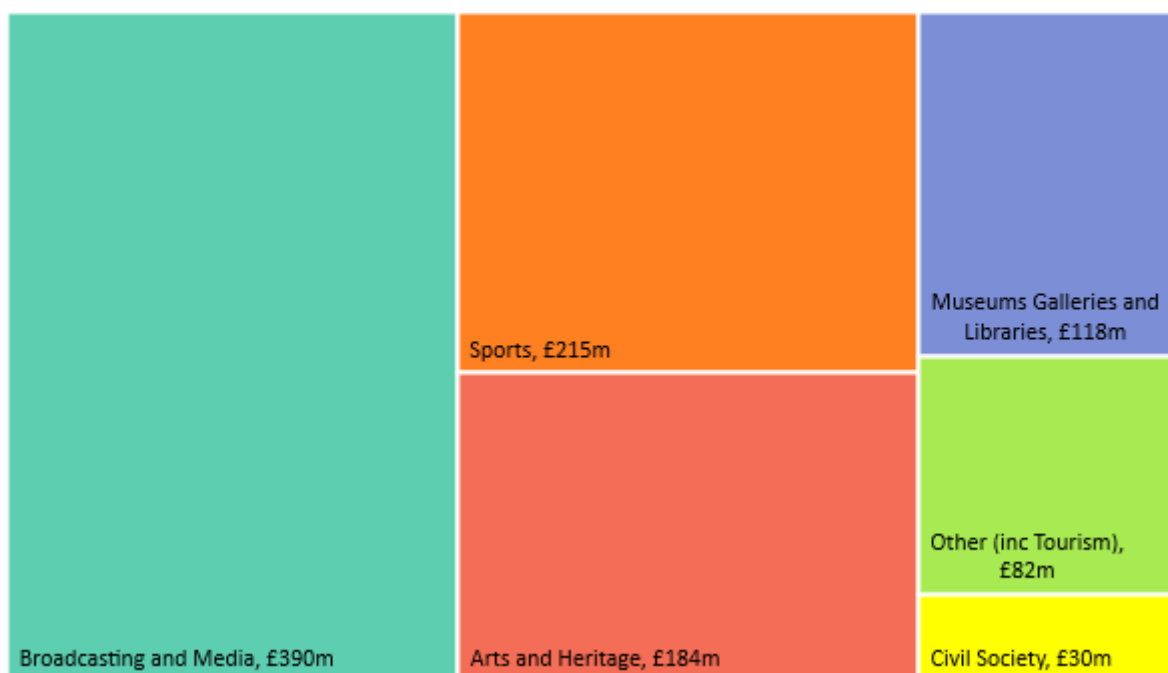
1.3 Main areas of spending

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 21/22 Budget: £2011.4m



Capital DEL 21/22 Budget: £1018.5m

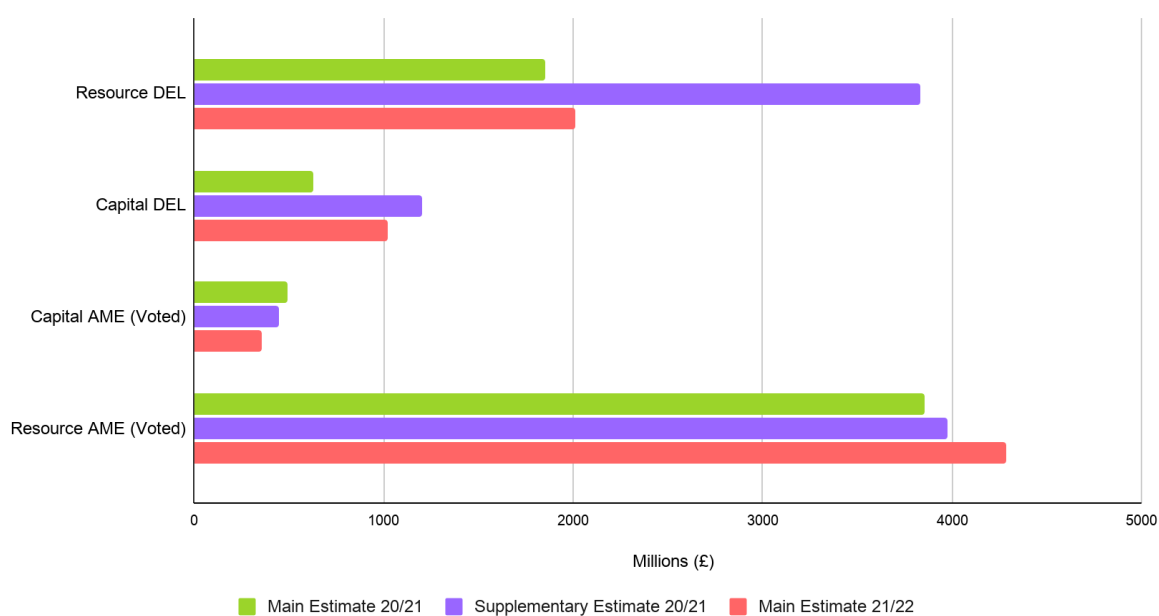


1.4 Comparison of spending totals sought

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 2021-22)	Compared to final budget last year (Supplementary Estimate 2020-21)			Compared to final budget last year (Main Estimate 2020-21)		
		£m	Var £m	Var %	£m	Var £m	Var %
DEL Resource	2,011.4	3,832.7	-1,821.3	-47.52%	1,855.8	155.5	8.38%
DEL Capital	1,018.5	1,200.9	-182.5	-15.20%	629.8	388.7	61.72%
AME Resource Voted	4,283.8	3,972.8	311.0	7.83%	3,857.0	426.9	11.07%
AME Capital voted	354.5	449.7	-95.2	-21.17%	495.9	-141.5	-28.52%

DCMS 20/21 Voted Control Totals v Proposed 21/22 Main Estimate



1.5 Key drivers of spending changes since last year

Resource DEL

Resource DEL is £155.5m (8.4%) higher than at last year's Main Estimate.

The main drivers of this are:

- £174.7m additional funding provided through Spring Budget 21 announcements and carry over funding for extended Covid-19 support not scored in 2020-21;
- £17.2m additional funding through Spending Review 2020 budget settlement;
- Offset by £36.2m additional outward transfers to other government departments.

Resource DEL is £1,821.3m (47.5%) lower at this Main Estimate than at last year's Supplementary Estimate. The main drivers of this are:

- Variations in covid sector support related packages including the Cultural Sector Support Package (£977.8m), Charities Package (£347.2m), Production TV and Film Restart (£252.1m), Sport Sector Support Package (£54.2m); and
- Reductions also attributable to reduced funding for the National Citizen Service (£43m) and Cultural Institutions Freedoms ring fenced funding (£47.1m).

Capital DEL

Capital DEL is £388.7m (61.7%) higher than at last year's Main Estimate. The main drivers of this are:

- £284.5m increase in the opening settlement. This is due to baselined funding for IFRS 16 Capitalisation of leases, National Museums Maintenance funding and additional funding for Digital and other programmes with higher profile delivery in 2021-22 versus 2020-21.
- £69.6m increase in new funding provided through Spring Budget 2021 announcements and other reprofiles. This largely relates to carry over of funding for Sports Winter Survival Package funding from 2020-21 but is offset by increases in 2020-21 which now appear in the 2021-22 Spending Review Settlement baseline (namely IFRS 16 capitalisation of leases and National Museums Maintenance funding); and
- Additional £34.6m in transfers received from Other Governments Departments. Largely driven by one transfer from DEFRA for administration of the Green Recovery Fund.

Capital DEL is £182.5m (15.2%) less than at last year's Supplementary Estimate. The largest drivers for this movement are as follows:

Reductions comprise:

- £393.6m reduction in funding provided in 2020-21 for the Covid-19 Cultural Sectors Support Package;
- £97.6m reduction in funding provided in 2020-21 for the Covid-19 Sports Winter Survival Programme;
- £48.9m reduction in funding to Museum, Galleries and Library ALB bodies; and
- £28.7m due to expected Olympic Village capital receipts.

Offset by increases from:

- £181.3m across broadcasting and media for a range of programmes but most materially the UK Gigabit and Shared Rural Network Programmes;
- £55.7m increase provided for capitalisation of leases under the adoption of IFRS 16 accounting standard;
- £65.8m provided for Cultural Investment Fund and Heritage High Streets Programmes;
- £33.8m additional Museums Maintenance Funding;
- £30m relating to the Youth Investment Fund; and

- £13.9m of funding allocated to design and implementation of a new corporate ERP system, capitalised research and development costs, and other IT and Estates related expenditure.

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

Resource AME

Voted Resource AME is £426.9m (11.1%) higher than at last year's Main Estimate. This is driven by an increase in expected BBC licence fee funded expenditure and delayed spend from 2020-21 due to Covid.

Compared to last year's Supplementary Estimate, Voted Resource AME has increased £311.1m (8%). This relates to BBC and delayed spend from 2020-21 due to Covid.

Capital AME

Voted Capital AME has reduced £141.5m (28.5%) compared to last year's Main Estimate. This is driven solely by a reduction in the budget for BBC.

Compared to last year's Supplementary Estimate the budget is £95.2m lower (21.2%). £87.3m relates to BBC as borrowing in 2020-21 now means the budget cover available for their maximum borrowing limit has reduced. In addition, there is a £7.7m reduction in Channel Four allocation due to reduced capitalisation of leases under IFRS 16 accounting policy.

1.6 New policies and programmes; ambit changes

The ambit has been reviewed and additions have been made to the following sections:

Expenditure Arising From

- "Delivery of telecommunications R&D or other funding, e.g. through the 5G Testbeds and Trials Programme or in support of the 5G Supply Chain Diversification Strategy"
- "Policy development and research to ensure that commercial gambling is socially responsible, including through the Review of the Gambling Act 2005, and to ensure the National Lottery and society lotteries are effectively regulated and continue to raise funds for good causes."
- "Policy work and research to support the development of a new pro-competition regulatory regime for digital markets."
- "Management of overseas development funding for digital development and cultural protection."

Income Arising From

- "Governmental response to the coronavirus Covid-19 pandemic."
- "Income received in respect of the Film & TV Production Restart Scheme"

In addition to the substantive changes listed above clarifications and minor updates have been added to existing ambit entries to ensure up to date naming, terminology and clarity of language.

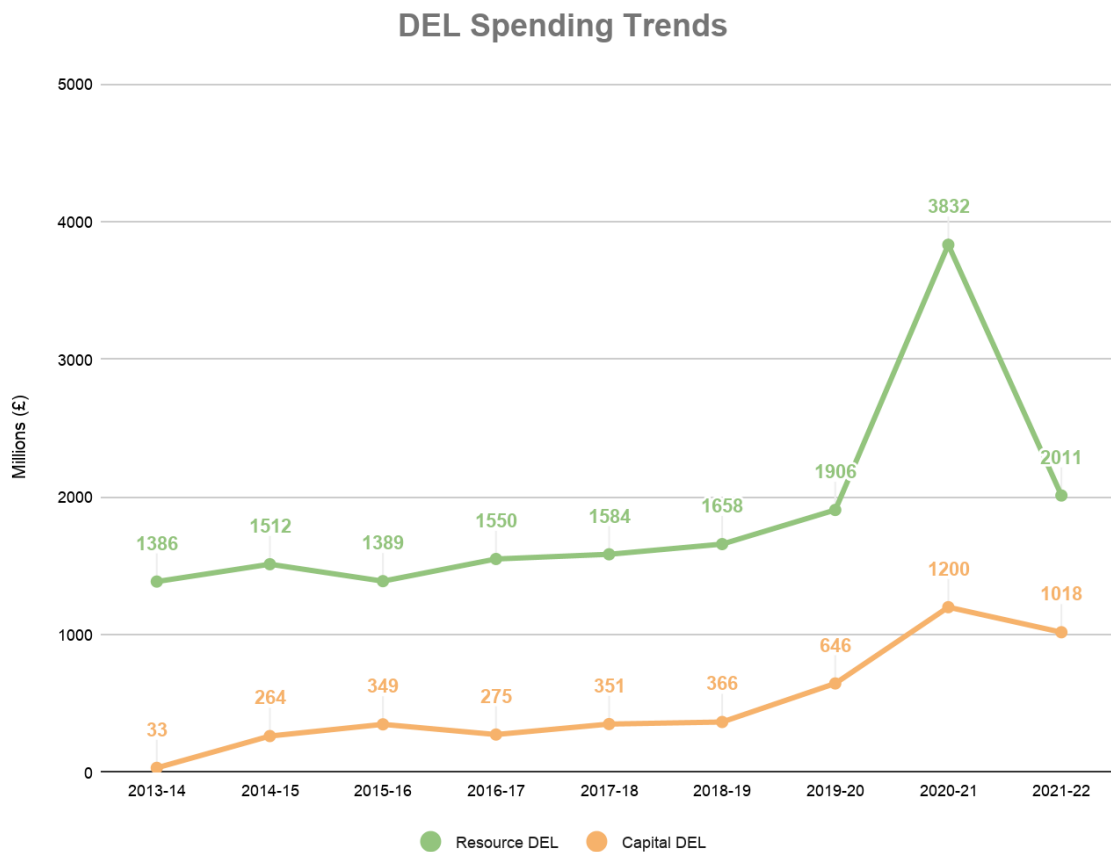
The following entries in the ambit have been removed:

- Income arising from “Making better use of public sector data and developing a National Data Strategy.”

See *section 1.9 Funding: Spending Review and Budgets* for details of the new programmes announced at Spring Budget 2021.

1.7 Spending trends

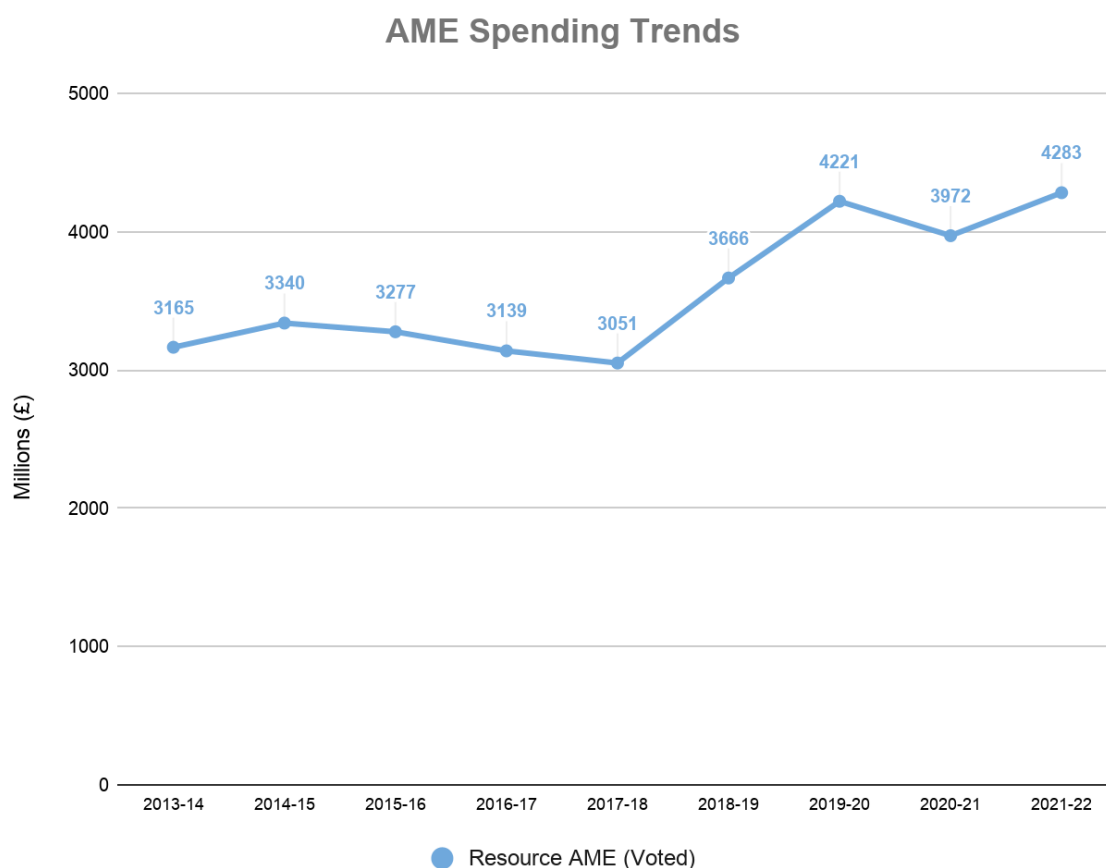
The charts below show overall spending trends in recent years, as well as the final budget as at the Supplementary Estimate for 2020-21 and plans presented in the 2021-22 Main Estimates.



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 rise behind the increase from 2019-20 to the proposed 2021-22 allocations but at a lower level at this stage versus 2020-21.

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 position versus 2019-20 is also in part due to COVID recovery funding.



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, the increase mostly relates to catch up on 2020-21 BBC broadcast spend which had been delayed due to Covid, including delayed sporting activities and additional costs associated with production start ups.

1.8 Administration costs

Spending Total	Amounts sought this year (Main Estimate 2021-22)	Compared to final budget last year (Supplementary Estimate 20-21)			Compared to original budget last year (Main Estimate 20-21)		
		£m	Var £m	Var %	£m	Var £m	Var %
Administration Costs	269.3	276.5	-7.2	-2.60%	237.8	31.5	13.25%

The Department's admin budget is marginally lower (£7.2m) than last year's final Supplementary Estimates budget.

The largest decreases are:

- Reduction in admin budget associated with Covid Support Packages (£8m);
- Reduction in National Citizen Service admin budget (£9.1m).

These are offset by increases from:

- A correction to the Departments Admin baseline (£10.2m);
- Additional Admin funding announced as part of the Spring 2021 Budget (£1.6m).

Compared to last year's Main Estimate budget, admin funding has increased by £31.5m, or 13.3%.

The increase has been driven by:

- Increase to Departmental and ALB admin funding at Spending Round 2020 (£10.8m);
- A correction to the Department's Admin baseline, offset by reduction in Programme Spend (£10.2m);
- Reinstatement of Departmental and ALB IFRS 16 budgets which had been reduced due to the adoption of the new accounting standard on leases (£12.4m);
- Additional admin funding provided as Spring Budget 2021 announcements (£1.6m) and one off funding from the HMT Reserve in relation to Sports Sector Recovery (£1.8m) and a transfer from DEFRA for Green Recovery (£2m).

Offsetting these are the following decreases:

- Reduction of depreciation budget predominantly driven by the IFRS 16 accounting standard on revised treatment of leases (£10.1m); and
- Single year funding announced at Spring Budget 2020 not included in 2021-22 Main Estimate as funding was not recurring (£9.7m).

1.9 Funding : Spending Review and Budgets

The levels of DEL funding for DCMS for 2021-22 are based on plans published in the 2020 Spending Round for the Department. Since that time, the Government has made a number of changes to 2021-22 Spending Plans including announcements for additional funding in the Spring 21 Budget. Details of funding changes are set out in the Table at Annex B.

Notable amongst these changes are:

- £90m Resource DEL for continued support to National Museums and cultural bodies in England dealing with the impact of COVID-19;
- £2.8m Resource DEL to enable a UK & Ireland bid for the 2030 FIFA Men's World Cup, and £25m Capital DEL for investment in UK grassroots community sports facilities, supporting the future of grassroots football;
- £18.8m Capital DEL and £0.5m Resource DEL for investment in regional cultural infrastructure projects; and
- £28m to support the Queen's Platinum Jubilee event in 2022 of which £1.1m Resource DEL has been provided in 2021-22.

In addition to the items outlined above further Covid support measures announced in the Spring 21 Budget are expected to impact on the Department's 2021-22 DEL allocations, however are not included in the Main Estimate. These items are expected to form part of budgetary changes in the Supplementary Estimate and include:

- Cultural Recovery Fund - £257.5m Resource DEL and £42.5m Capital DEL to extend the Culture Recovery Fund to continue to support key national and local cultural organisations in England as the sector recovers;
- Sport Recovery Package - £300m Resource DEL for continued support to major spectator sports in England, supporting clubs and governing bodies;
- Film and TV Production Restart Scheme - The government agreed to extend the £500 million Scheme for six months to 31 December 2021 to continue to support the UK screen production industry.

1.10 Other funding announcements

At the 2020-21 Supplementary Estimate, the following budget exchanges and reprofiles were agreed to move budgets into 2021-22:

- £13.7m Resource DEL for the 2022 Commonwealth Games;
- £1m Resource DEL for the Commonwealth Games Trade and Investment programme;
- £2.5m Capital DEL for Heritage High Streets programme; 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 (2021-22 Main Estimate budget sought)	Last year (2020-21 Supplementary Estimate budget approved)	Change from last year	
A,B,C	Museums Galleries and Libraries	553.0	663.4	-110.4	-16.6%
D,E,H,I	Arts and Heritage	631.4	1,492.6	-861.2	-57.7%
F,G,R	Sports	323.4	490.2	-166.8	-34.0%
K,L	Broadcasting and Media	162.2	442.1	-280.0	-63.3%
P,Q	Civil Society	102.1	508.4	-406.3	-79.9%
J,M,N,O	Other (inc Tourism)	239.4	235.9	3.4	1.5%
Total Voted		2,011.4	3,832.7	-1,821.3	-47.5%

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 £110.4m lower than last year's 2020-21 Supplementary Estimate. This decrease is mostly driven by one-off funding provided in the 2020-21 Supplementary Estimates for Covid-19 related sector support including the Cultural Sector Support Package (£72m). Spring Budget 2021 funding for extended ALB support (£90m) is currently allocated under subheads (D,E,H and I) and will be disaggregated to wider subheads at the Supplementary Estimates once final funding decisions are made.

Other elements of one-off funding provided at the 2020-21 Supplementary Estimate include leading to the budget reduction include:

- Reserve claims of £27.7m allowing access to the arms-length bodies' historic reserves under the Museums' Freedoms Scheme. Historic reserve access for 2021-22 will be agreed during the Supplementary Estimate;
- Additional funding for accounting related adjustments including depreciation and late audit adjustments from the 2019-20 financial year equal to £7.8m; and
- A voted loan of £2.6m for the National Portrait Gallery's 'Inspiring People' project.

2. Arts & Heritage

Resource DEL spending under these subheads is £861.2m lower than last year's 2020-21 Supplementary Estimate. This decrease is mostly driven by one-off funding provided in the 2020-21 Supplementary Estimates for Covid-19 related sector support including funding related to Cultural Sector Support Package of £966.1m. Funding for ongoing sector support in 2021-22 included in the Main Estimates is £97.7m (£90m of which is earmarked to support DCMS Arm's Length Bodies), an overall reduction of £868.4m. The extension of arts and cultural sector support packages announced at Spring Budget 2021 will be scored at the 2021-22 Supplementary Estimate.

3. Sports

Resource DEL spending under these subheads is £166.8m lower than last year's 2020-21 Supplementary Estimate. This decrease is mostly driven by one-off funding provided in the 2020-21 Supplementary Estimates for Covid-19 related sector support including £147m of grants funding for the Leisure Centre Recovery Fund and Sports Winter Survival Package and £139.4m of funding for Sports Winter Survival Package loans (expected credit losses and fair value treatment). £86m of this funding will be utilised in 2021-22 resulting in an overall decrease of £200.4m.

Other elements of one-off funding provided at the 2020-21 Supplementary Estimate leading to the reduction in funding under these subheads include:

- £11.4m of reprioritised funding for UK Sport to manage costs in the lead up to the delayed Tokyo Olympics; and
- £7.3m of funding for Festival 2022 (subsidiary of Birmingham 2022) which for 2021-22 has been moved under the Arts and Heritage subhead.

This is partly offset by an extra £41.7m of funding for the Commonwealth Games and £12.8m of funding for Football World Cup and Men's Euros announced at the 2021 Spring Budget.

4. Digital, Broadcasting & Media

Resource DEL spending under these subheads is £280m lower than last year's 2020-21 Supplementary Estimate. This decrease is mostly driven by one-off funding provided in the 2020-21 Supplementary Estimates for Covid-19 related sector support including £251.6m in relation to the Film and TV production restart scheme and £30m of sector support grants announced in response to the Covid-19 pandemic.

5. Civil Society

Resource DEL spending under these subheads is £406.3m lower than last year's 2020-21 Supplementary Estimate. This decrease is mostly driven by one-off funding provided in the 2020-21 Supplementary Estimates for Covid-19 related sector support including £347.2m for the Charities Package.

Other changes leading to the reduction in funding under these subheads include:

- £43m reduction in funding relates to the National Citizen Service (NCS). Funding for the 2021 programme was agreed as part of the 2020 Spending Review. Funding was awarded across 2020-21 and 2021-22 financial years to deliver the 2021 NCS programme. As part of the 2020 SR, HMT announced a youth review, which will conclude in May 2021. The youth review is focusing on outlining a clear direction for the out-of-school youth agenda, focusing on policy programmes currently within the scope of DCMS, to ensure that longer term spending and programmes are suitable for the needs of young people and levelling up opportunities. This review will consider the next steps on the Youth Investment Fund and the NCS programme; and
- £14.2m in Office for Civil Society programme costs.

6. Other (inc. Tourism)

Resource DEL spending under these subheads is £3.4m higher than at last year's 2020-21 Supplementary Estimate.

This is driven by:

- An increase of £25.7m in central Core Department costs mostly driven by an increase in the Department's funding agreed at the 2020 Spending Round (Admin - £10.8m, Programme £6.5m). In addition to this a further increase of £8.4m is due to combined changes in core department budget allocations across subheads as an outcome of internal business planning; and
- £3m increase in depreciation funding under these subheads.

This is partly offset by:

- A £13.6m budget cover transfer from the Department for International Trade for the GREAT campaign, which is designed to promote Britain abroad, was made at the 2020-21 Supplementary Estimate;
- A £7.8m reduction in the amount of funding allocated to administer Covid-19 sector support programmes;
- A £2.5m reduction in EU Exit Funding; and
- A £1.9m reduction in the anticipated funding requirement and associated pass through income for the National Lottery Commission.

Capital DEL

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

Subheads	Grouping	Capital DEL			
		£ million			%
		This year (2021-22 Main Estimate budget sought)	Last year (2020-21 Supplementary Estimate budget approved)	Change from last year	
DEL Capital					
A,B,C	Museums Galleries and Libraries	117.5	150.0	-32.5	-21.7%
D,E,H,I	Arts and Heritage	183.7	491.9	-308.2	-62.7%
F,G,R	Sports	215.2	309.4	-94.1	-30.4%
K,L	Broadcasting and Media	390.3	209.0	181.2	86.7%
P,Q	Civil Society	30.0	5.4	24.6	454.5%
J,M,N,O	Other (inc Tourism)	81.8	35.3	46.6	132.1%
	Total Voted	1018.5	1200.9	-182.5	-15.2%

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 £32.5m lower than last year's 2020-21 Supplementary Estimate.

This is mostly driven by the following:

- Reserve claims of £30.5m at the 2020-21 Supplementary Estimate allowing access to the arms-length bodies' historic reserves under the Museums' Freedoms Scheme. Historic reserve access for 2021-22 will be finalised at Supplementary Estimate;
- Capital DEL budget for Blythe House has stepped down by £16.8m, from £22.0m last year to £5.2m this year, as the project enters its final years;
- One off funding in 2020-21 for National Museums maintenance (£26m) and National Museums infrastructure (£17m) programmes will be replaced by Museums maintenance funding (£60m) provided at Spending Round 2020, resulting in a net increase of £17m.

8. Arts & Heritage

Capital DEL spending under these subheads is £308.2m lower than last year's 2020-21 Supplementary Estimate. This decrease is mostly driven by one-off funding provided in the 2020-21 Supplementary Estimates for Covid-19 related sector support including the Cultural Sector Support Package (£402.6m).

This is partly offset by:

- £37.6m of additional funding for the Cultural Investment Fund including increased funding for the Cultural Development Fund and Libraries Infrastructure Fund;
- £28.2m increase due to a ramp up in the Heritage High Streets programme;
- £18.8m of funding announced in the 2021 Spring Budget for Regional Cultural Infrastructure; and
- £4.8m increase in funding for capital grants to be administered through the National Heritage Memorial Fund provided by the Welsh Government and DEFRA.

9. Sports

Capital DEL spending under these subheads is £94.1m lower than last year's 2020-21 Supplementary Estimate. This decrease is mostly driven by one-off funding provided in the 2020-21 Supplementary Estimates for Covid-19 related sector support including the Sports Winter Survival Package (£249.6m), and the Rugby Football League Loan Scheme (£14.5m). In addition, £8.0m was provided as one-off capital funding for 2020-21 in relation to the Football Foundation Scheme.

This is partly offset by

- £152m of Sports Winter Survival Package funding to be utilised in 2021-22; and
- Additional funding of £25m announced at the 2021 Spring Budget for the Football World Cup community facilities.

10. Digital, Broadcasting & Media

Capital DEL spending under these subheads is £181.2m higher than last year's 2020-21 Supplementary Estimate.

This is mostly driven by a £180.3m increase in digital infrastructure funding (£376.8m), the main elements of which include: the UK Gigabit Programme (£120m), Telecoms Diversification (£50m), 5G (£50m), Shared Rural Network (£85.5m), Local Full Fibre Networks (£56.5m) and BDUK Superfast (£11m).

11. Civil Society

Capital DEL spending under these subheads is £24.6m higher than last year's 2020-21 Supplementary Estimate. This is due to the allocation of £30m in new funding for the Youth Investment Fund, and is partly offset by the reduction of IFRS 16 related capital funding for the National Citizen Service in 2020-21 (£3.7m) and LIBOR funding (£1.7m) which is to be reviewed as part of the 2021-22 Supplementary Estimate.

12. Other (including Tourism)

Capital DEL spending under these subheads is £46.6m higher than last year's 2020-21 Supplementary Estimate.

The main driver of this is funding for the capitalisation of leases under the adoption of IFRS16 (£88.6m), funding allocated to the Core Department last year was £33.5m, an £55.1m increase. The increase is driven by the capitalisation requirement for Arm's Length Bodies not yet being finalised. Therefore funding is to be held centrally and the requirement reviewed for the 2021-22 Supplementary Estimates.

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 (2021-22 Main Estimate budget sought)	Last year (2020-21 Supplementary Estimate budget approved)	Change from last year	
S	British Broadcasting Corporation	4,189.7	3,878.7	311.0	8.0%
U	Provisions, Impairments and other AME spend	94.1	94.1	0.0	0.0%
	Total Voted	4,283.8	3,972.8	311.0	7.8%

13. British Broadcasting Corporation

The BBC's Resource AME requirement has increased by £311.0m from last year's 2020-21 Supplementary Estimate, mostly driven by a catch up on 2020-21 broadcast spend which had been delayed due to Covid, including delayed sporting activities and additional costs associated with production start ups.

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			%
AME Capital Voted		This year (2021-22 Main Estimate budget sought)	Last year (2020-21 Supplementary Estimate budget approved)	Change from last year	
S	British Broadcasting Corporation	229.5	316.7	-87.3	-27.6%
T	Channel Four Television Corporation	125.0	132.7	-7.7	-5.8%
V	Phonepay Service Authority	0.0	0.3	-0.3	-
	Total Voted	354.5	449.7	-95.2	-21.2%

14. British Broadcasting Corporation

The BBC's Capital AME requirement has decreased by £87.3m from last year's 2020-21 Supplementary Estimate, mainly due to an increase in borrowing in 2020-21 from the commercial arm of the BBC as a result of Covid. This has reduced the borrowing headroom available in 2021-22 which in turn reduces the budget cover required.

15. Channel Four Television

A £125m budget is included in the 2021-22 Main Estimate to provide cover only for Channel 4's maximum entitled borrowing limit (the legal maximum of £200m less current borrowing of £75m). The reduction of £7.7m relates to one-off costs provided for in 2020-21 for capitalisation of lease costs.

2.2 Restructuring

There have been no Machinery of Government changes affecting the DCMS budget for 2021-22.

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 2020 Spending Review, as set out in the DCMS settlement letter, and the 2021 Spring Budget.

Resource DEL

Ring fenced budgets	Amounts sought this year (Main Estimate 2021-22)	Compared to final budget last year (Supplementary Estimate 2020-21)			Compared to final budget last year (Main Estimate 2020-21)		
	£m	£m	Var £m	Var %	£m	Var £m	Var %
Cultural Sectors Support Package	101.1	1078.9	-977.8	-90.6%	0.0	101.1	
Sports Sector Support Package	87.8	142.0	-54.2	-38.1%	0.0	87.8	
National Citizen Service	62.4	105.3	-43.0	-40.8%	191.9	-129.6	-67.5%
EU Exit	28.1	30.6	-2.5	-8.0%	30.6	-2.5	-8.0%
Men's Euros	10.9	0.0	10.9		0.0	10.9	
Football World Cup	2.7	0.0	2.7		0.0	2.7	
Women's Euros	1.2	0.0	1.2		0.0	1.2	
Official Development Assistance	1.1	0.0	1.1		0.0	1.1	
Regional Cultural Infrastructure	0.5	0.0	0.5		0.0	0.5	

Capital DEL

Ring fenced budgets	Amounts sought this year (Main Estimate 2021-22)	Compared to final budget last year (Supplementary Estimate 2020-21)			Compared to final budget last year (Main Estimate 2020-21)		
	£m	£m	Var £m	Var %	£m	Var £m	Var %
Sports Sector Support Package	152.0	249.6	-97.6	-39.1%	0.0	152.0	
UK Gigabit Programme	120.0	28.1	91.9	327.2%	125.0	-5.0	-4.0%
Research and Development*	103.9	0.0	103.9		0.0	103.9	

Local Full Fibre Network	56.5	86.7	-30.2	-34.9%	104.2	-47.7	-45.8%
Youth Investment Fund	30.0	0.0	30.0		0.0	30.0	
Football World Cup	25.0	0.0	25.0		0.0	25.0	
Regional Cultural Infrastructure	18.8	0.0	18.8		0.0	18.8	
Superfast	11.0	8.3	2.7	32.5%	11.3	-0.3	-2.7%
Cultural Sectors Support Package	9.0	402.6	-393.6	-97.8%	0.0	9.0	

* 2020-21 budgets are not included as ringfences did not previously apply

2.4 Changes to contingent liabilities

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

- British Museum has increased from £1,401m to £1,450m as a result of high value international loans coinciding (Becket and Nero exhibitions) and a planned significant long term loan revaluation;
- National Maritime Museum has increased from £152m to £295m as a result of high value exhibitions coinciding (Woburn Treasures; Tudors and Windsors; 3 Queens)
- National Museums Liverpool has increased from £64m to £95m as a result of the high value Walter Sickert exhibition;
- National Museums of Northern Ireland has increased from £104m to £106m as a result of the extension of high value long term loan from the Courtauld which is closed for redevelopment until late 2021;
- Natural History Museum has increased from £45m to £53m as a result of an increase for the mineralogy galleries;
- Southbank Centre has increased from £29m to £337m as a result of high value Louise Bourgeois exhibition at the Hayward Gallery
- Victoria & Albert Museum has increased from £560m to £1,205m due to major exhibitions with high value international loans: Renaissance Watercolours, Epic Iran and extremely high value Faberge;
- Wallace Collection has increased from £45m to £178m as a result of 3 major exhibitions Frans Hals, Judith Lyster and Claude Vernet; and
- National Gallery has decreased from £7,033m to £4,150m as a result of Covid-19 and exhibitions postponed from 2020 to 2021-22 and 2022-23. Significant long term loans returning to Courtauld for programmed national touring.

Non-national Institutions have decreased their collective liability by £1,403m (from £5,513m to £4,110m). This year's forecast profile for exhibitions and long term loans reflects institutions plans with lower than last year's forecast due to Covid 19 and following significant periods of venue lockdowns.

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. 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

28 April 2021