

Supplementary Estimates memorandum (2021-22) 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. DCMS also helps 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.

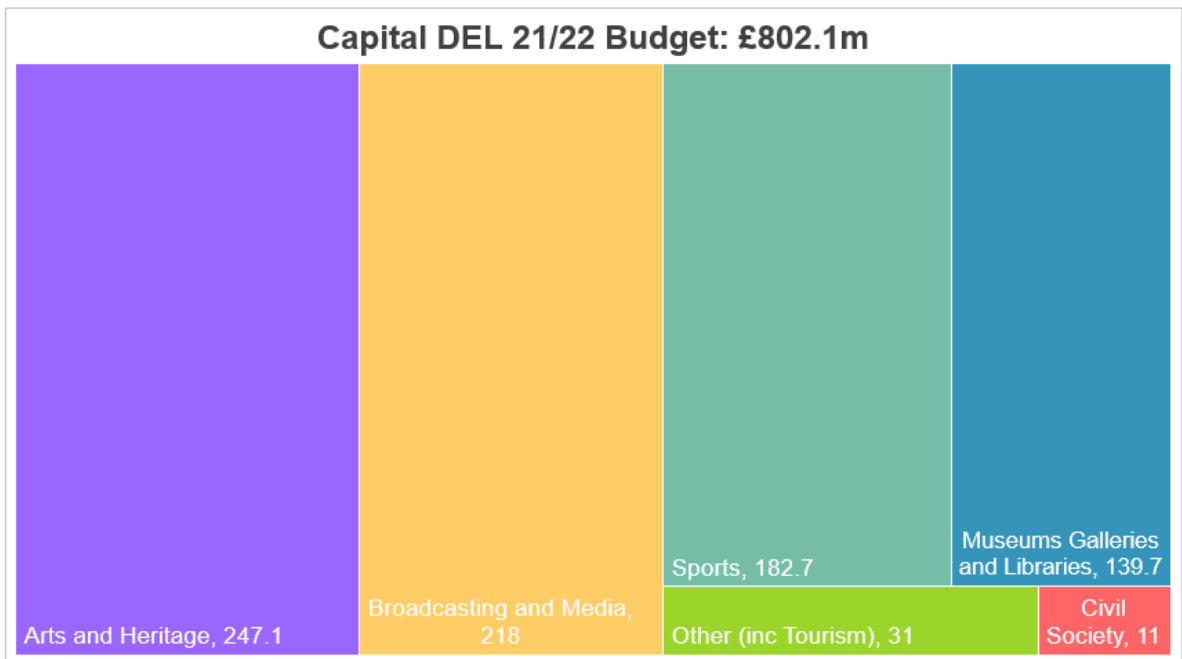
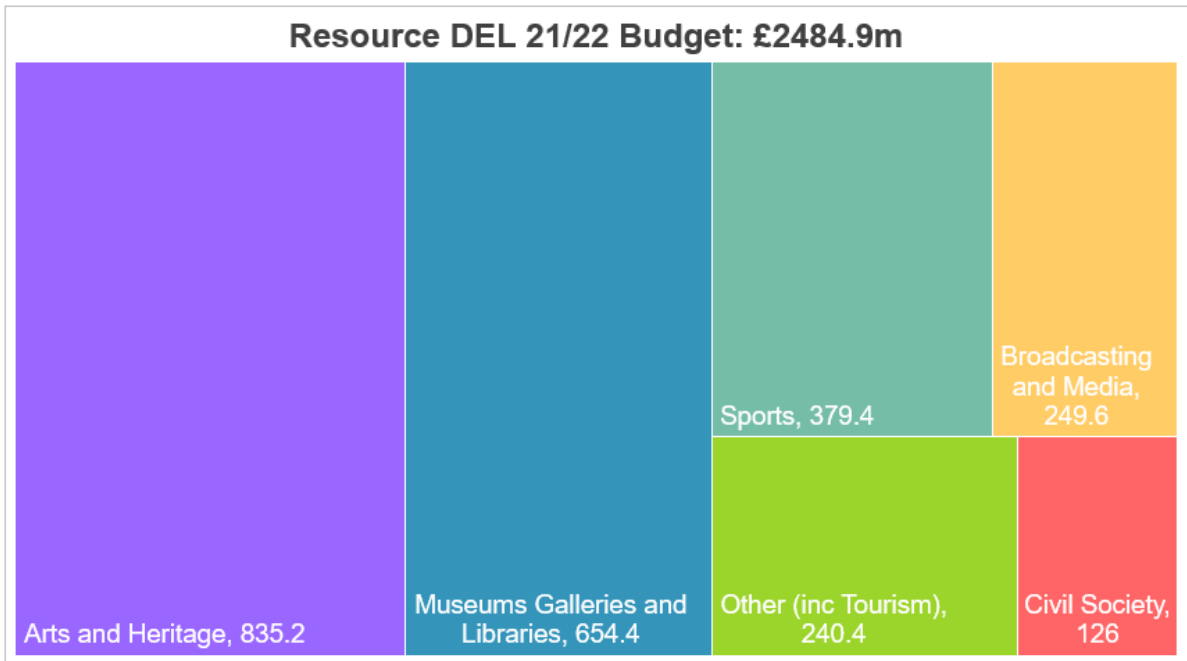
The spending totals which Parliament votes are:

- 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

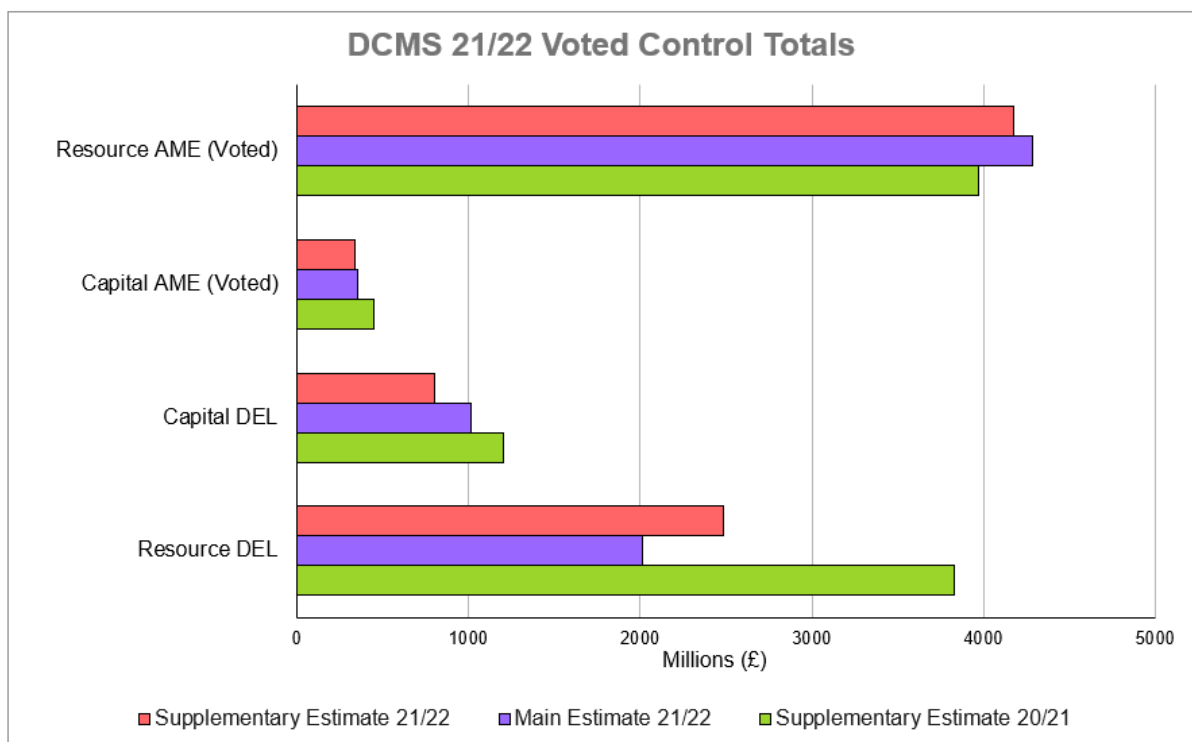
The graphic below shows the main components of DCMS' proposed budget for the current year, after taking account of the latest Supplementary Estimate, and the proportions of funds spent on its main activities.



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 (21-22)	Compared to original budget this year (Main Estimate 21-22)			Compared to final budget last year (Supplementary Estimate 20-21)		
		£m	Var £m	Var %	£m	Var £m	Var %
Resource DEL	2,484.9	2,011.4	473.6	23.55%	3,832.7	-1,347.7	-35.16%
Capital DEL	802.1	1,018.5	-216.4	-21.24%	1,200.9	-398.8	-33.21%
AME Resource Voted	4,176.4	4,283.8	-107.5	-2.51%	3,972.8	203.5	5.12%
AME Capital voted	341.1	354.5	-13.3	-3.77%	449.7	-108.6	-24.14%



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 the Cultural Recovery Fund, Production Restart Scheme, Sports Survival Package, and the Live Events Reinsurance Scheme;
- **Increase:** Additional budget cover provided to Freedoms Arm's Length Bodies (Museums, Galleries and Heritage sectors) to spend previously generated cash reserves derived from commercial income sources;

- **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 the Cultural Recovery Fund and the Sports Survival Package;
- **Decrease:** Surrenders, re-profiling to future years and budget cover transfers to other government departments in relation to various digital infrastructure programmes including the Full Fibre Network, 5G, Superfast and Rural Gigabit Connectivity programmes;
- **Decrease:** Surrender of surplus funding relating to the IFRS 16 accounting standard on leases and capitalisation costs.

Resource AME has decreased. This is mainly attributable to the BBC as a result of Covid delaying some productions, recruitment freezes in some areas, the sale of Llandaff site in April 2021 and dividend increases as a result of improved commercial financial performance.

1.6 New policies and programmes; ambit changes

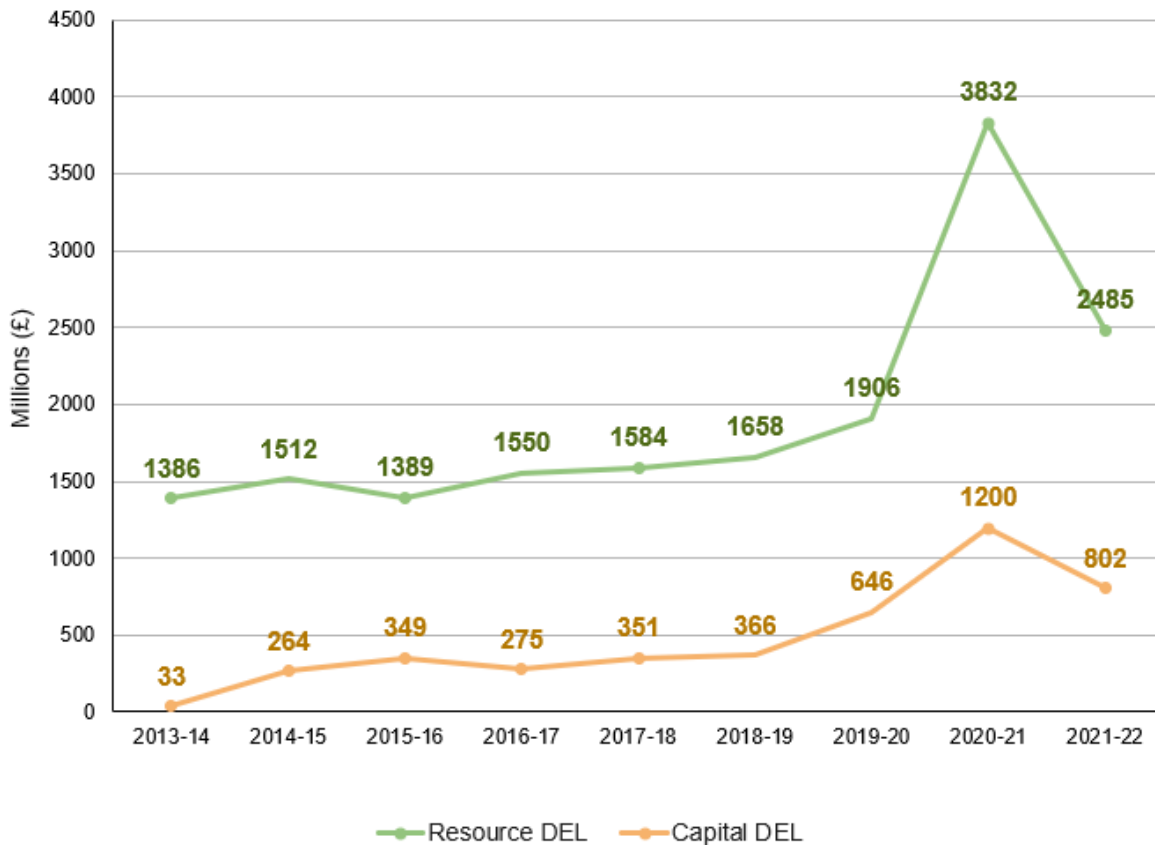
There have been several phrases added to the ambit and the income statement to ensure that it covers the activities now undertaken by the Department:

- Delivery of the Live Events Reinsurance Scheme and associated claims expenditure;
- Delivery of 'UNBOXED: Creativity in the UK' (formerly Festival of Britain and Northern Ireland);
- Bidding for and staging of major sporting events;
- Delivery of Covid response activities for Digital, Culture, Media and Sport sectors, including loan book management;
- Income received in respect of the Live Events Reinsurance Scheme;
- Receipts in relation to provision of corporate and technology services; and
- Income received in respect of Covid response activities for Digital, Culture, Media and Sport sectors, including loan book management.

1.7 Spending trends

The charts below show overall spending trends for the last five years and plans presented in Estimates for 2021-22

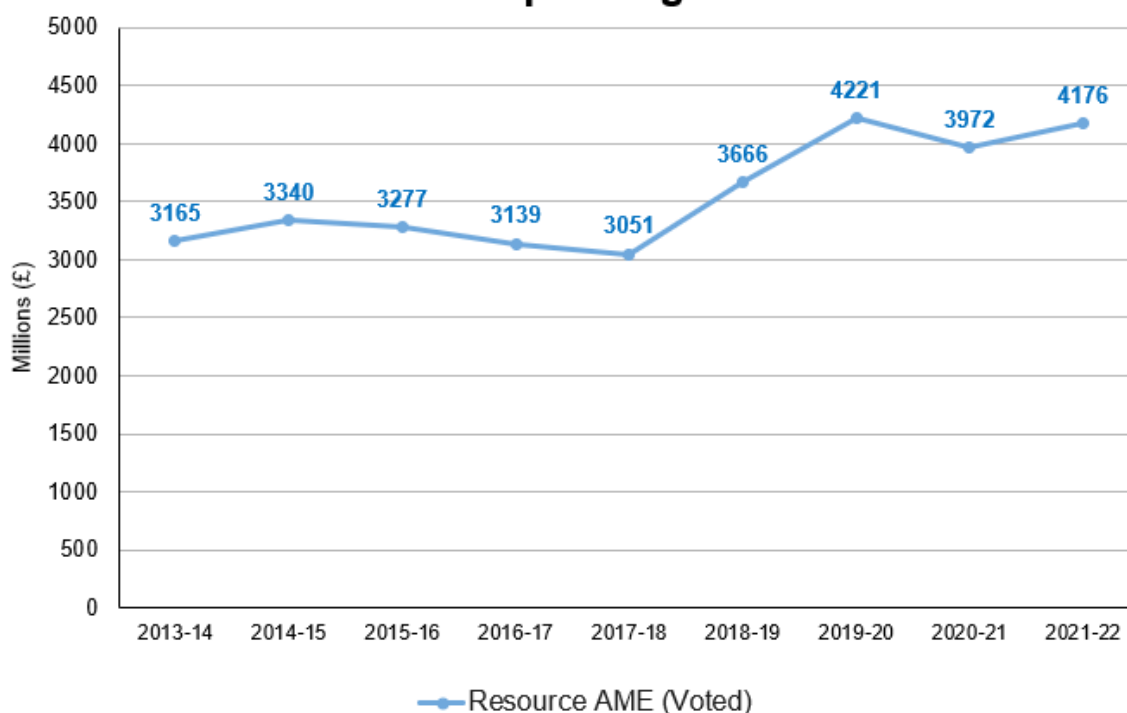
DEL Spending Trends



Resource DEL has been on an upward trend since 2015-16. From 2016-17, the department's staff costs have increased as it has grown with additional scope being added. Prior to 2020-21, the largest increase during this period was the Machinery of Government transfer of the Office for Civil Society, which included the National Citizen Service. The significant increase in Resource DEL in 2020-21 was due to funding provided for Covid support packages. Covid recovery funding has driven the increase from 2019-20 to 2021-22 allocations but at a lower level versus 2020-21.

The large increases in Capital DEL since 2017-18 reflect the additional funds allocated to Digital Infrastructure programmes. 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 relative to 2019-20 is also in part due to Covid recovery funding.

AME Spending Trends



Voted Resource AME predominantly reflects BBC licence fee expenditure. It was also significantly affected in 2018-19 by the recognition of litigation against Ofcom by Mobile Network Operators for annual licence fees. The 2019-20 budget increased substantially as part of the adoption of accounting for IFRS 16 and the necessary impairments to the initial capitalisation in order to reflect the capitalised leases at their fair value. In 2021-22, 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

The Supplementary Estimate budget provides an increase of £42.9m compared to the Main Estimates budget voted at the start of the year.

Spending Total	Supplementary Estimate (21-22)	Compared to original budget this year (Main Estimate 21-22)			Compared to final budget last year (Supplementary Estimate 20-21)		
		£m	Var £m	Var %	£m	Var £m	Var %
Administration Costs	312.2	269.3	42.9	15.92%	276.5	35.7	12.92%

The Department's admin budget has grown since the Main Estimate 2021-22. This is predominantly driven by:

- £22.9m claims on the reserve for administration costs relating to various activities such as the Cultural Recovery Fund, Events Research Programme, Listed Places of Worship, Live Events Reinsurance Scheme, Shared Outcomes Fund and the Sports Survival Package;
- £13.3m programme to admin switch to cover the administrative costs of the National Citizen Service (which was funded fully as programme in the Department's Spending Review settlement); and
- £6.4m programme to admin switch to cover the administrative costs of the National Cyber Security Programme.

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 2021 Budget.

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;
- £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 Budget 2021 have formed part of budgetary changes in the Supplementary Estimate.

- Cultural Recovery Fund - The Spring Budget provided for up to £257.5m Resource DEL and £42.5m Capital DEL to extend the Cultural Recovery Fund to continue to support key national and local cultural organisations in England as the sector recovers. Based on forecast uptake, through the Supplementary Estimates HMT approved reserve claims of £211.8m of Resource DEL and £42.1m of Capital DEL to fund delivery of Cultural Recovery Fund round 3. Separately, an additional £68.3m Resource DEL and a reduction to Capital DEL of £5.5m have been approved as adjustments to Cultural Recovery Fund rounds 1 & 2.
- Sports Survival Package - The Spring Budget provided up to £300m for a summer phase of the Sports Survival Package to continue the support of major spectator sports whilst there remain restrictions on crowd capacities. Following the move to Plan A and lifting of restrictions, HMT provided reserve support of £21.5m Resource DEL and £24.7m Capital DEL through the Supplementary Estimates based on forecast uptake.
- Film and TV Production Restart Scheme - The government agreed to extend the £500m scheme for six months to 31 December 2021 to continue to support the UK screen production industry. The scheme was then further extended to accept applications until 30 April 2022. The forecast budget requirement for the scheme after taking into account offsetting fee

income was £60.7m Resource DEL, which was approved by HMT in this Supplementary Estimate.

Details of funding changes are set out in the Table at Annex B.

1.10 Other funding announcements

There were no other major spending announcements involving the reallocation of existing funding which impacted this Estimate.

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 21-22 sought)	This year (Main Estimate 21- 22 approved)	Change from Main Estimate	
A,B,C	Museums Galleries and Libraries	654.4	553.0	101.5	18.4%
D,E,H,I	Arts and Heritage	835.2	631.4	203.8	32.3%
F,G,R	Sports	379.4	323.4	56.1	17.3%
K,L	Broadcasting and Media	249.6	162.2	87.4	53.9%
P,Q	Civil Society	126.0	102.1	23.8	23.3%
J,M,N,O	Other (inc Tourism)	240.4	239.4	1.0	0.4%
Total Voted		2,484.944	2,011.4	473.6	23.5%

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 forecast to increase by £101.5 million (18.4%) since the Main Estimate. This is predominantly driven by:

- Approval for utilisation of cash reserves under the Museums Freedoms Scheme, totalling a Reserve Claim of £12.2m;
- £86.4m for additional support for Museums, Galleries and Libraries Arm's Length Bodies impacted by the Covid pandemic; and
- £3.1m relating to an adjustment to funding for the British Library Leeds & Boston Spa project.

Arts and Heritage

Resource DEL spending under these subheads is forecast to increase by £203.8 million (32.3%) since the Main Estimate. This is predominantly driven by:

- £261.6m for the Cultural Recovery Fund announced in response to the Covid pandemic;
- £4.9m of existing departmental funding transferred to Arts Council England relating to the Volunteering Futures Programme;
- £5.3m of additional funding from budget transfers from other government departments for distributing grants relating to heritage activities in Wales and Northern Ireland and environmental programmes; and,
- £19.5m reserve claim for 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.

This is partially offset by a reduction of £90m relating to reallocation of funding for Arm's Length Bodies impacted by the Covid pandemic which has been transferred to other estimates subheads.

Sports

Resource DEL spending under these subheads is forecast to increase by £56.1 million (17.3%) since the Main Estimate. This is predominantly driven by:

- £29.2m for the Sports Survival Package announced in response to the Covid pandemic;
- £15.5m budget transfer from the Home Office in relation to the Commonwealth Games, of which £5.5m is to be reprofiled to future years; and,
- £24.8m of programme funding moved from Estimates Line M to Estimate Line R relating to a reallocation of departmental funding to Birmingham CWG 2022.

This is partially offset by a £7.8m surrender of the UEFA European Championships 2020 funding due to policing and security costs coming in under estimate.

Broadcasting and Media

Resource DEL spending under these subheads is forecast to increase by £87.4 million (3.9%) since the Main Estimate. This is predominantly driven by:

- £60.7m of additional funding for the Film & TV Production Restart Scheme;
- £10m of additional funding for the British Film Institute for Cultural Recovery Fund grants announced in response to the Covid pandemic;

- £8.1m of additional budget cover provided to S4C as a result of the postponement of planned filming and production due to the Covid pandemic being pushed into the current year;
- £11.7m reserve claim for the writing off of Trans-Pennine Railway Initiative financial assets as a result of the termination of a royalty agreement with Network Rail;
- £11.7m budget transfer from the Cabinet Office in relation to the National Cyber Security Programme; and,
- £1.8m reserve claim relating to the Northern Ireland Screen Fund.

This is partially offset by a surrender of £18.3m relating to OFCOM Online Safety regulator set up costs which are to be funded from the retention of Wireless Telegraphy Act receipts rather than HMT funding.

Civil Society

Resource DEL spending under these subheads is forecast to increase by £23.8 million (23.3%) since the Main Estimate. This is mostly driven by:

- £25m claim on the reserve for the National Citizen Service in relation to prepayment for their 2022-23 programme; and,
- £9.9m claim on the reserve for Tampon Tax.

This is partially offset by a £11.3m reduction in the funding requirement for the Life Chances Fund combined with reallocations to other subheads.

Other (inc. Tourism)

Net Resource DEL spending under these subheads is forecast to rise by £1.0m (0.4%) since the Main Estimate. This is predominantly driven by:

- £12.3m budget cover transfer from Department for International Trade for the GREAT campaign which is designed to promote Britain abroad; and,
- £12.1m of reserve claims to cover administration costs associated with various programmes including the Cultural Recovery Fund, Events Research Programme, Live Events Reinsurance Scheme, Shared Outcomes Fund initiatives and the Sports Survival Package.

This is partially offset by a reduction of £24.8m due to a funding reallocation from Estimates Line M to Estimate Line R relating to the Birmingham Commonwealth Games 2022.

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 21-22 sought)	This year (Main Estimate 21- 22 approved)	Change from Main Estimate	
DEL Capital					
A,B,C	Museums Galleries and Libraries	139.7	117.5	22.2	18.9%
D,E,H,I	Arts and Heritage	247.1	183.7	63.4	34.5%
F,G,R	Sports	182.7	215.2	-32.5	-15.1%
K,L	Broadcasting and Media	218.0	390.3	-172.3	-44.1%
P,Q	Civil Society	11.0	30.0	-19.0	-63.5%
J,M,N,O	Other (inc Tourism)	31.0	81.8	-50.9	-62.2%
S	Olympics - legacy programmes	-27.3	0.0	-27.3	
	Total Voted	802.1	1018.5	-216.4	-21.2%

Key differences are explained below:

Museums, Galleries and Libraries

Capital DEL spending under these subheads is forecast to increase by £22.2m (18.9%). This is predominantly driven by:

- £20.3m for usage of cash reserves under the Museums and Galleries Freedoms Scheme;
- £10.1m reserve claim provided to British Museum, Science Museum Group and the Victoria and Albert Museum to help fund additional Covid related costs for the Blythe House project;
- £3.5m voted loan for the National Portrait Gallery's 'Inspiring People' project;
- -£6.9m reduction relating to a movement of Museums Infrastructure Funding to Arts and Heritage (£5.8m) and Broadcasting and Media (£1.1m) subheads;
- -£3.4m reduction resulting from budget exchange and surrenders for the National History Museum research facility; and,
- -£2.4m surrender to HMT from the British Library relating to Leeds and Boston Spa.

Arts and Heritage

Capital DEL spending under these subheads is forecast to increase by £63.4m (34.5%). This is predominantly driven by:

- £36.6m of additional funding for capital grants for the Cultural Recovery Fund Covid support package;

- £9.2m increase of funding to Arts Council England and Historic England for IFRS 16 accounting treatment of leases;
- £5.8m increase due to a movement of funding for the Museums Infrastructure Fund to this subhead;
- £5.8m of additional funding received as budget cover transfers for the National Heritage Memorial Fund;
- £3.6m increase relating to a reserve claim for the Live Events Reinsurance Scheme; and,
- £2.4m switch of resource to capital funding for Historic England.

Sports

Capital DEL spending under these subheads is forecast to decrease by £32.5m (-15.1%). This is driven by:

- £31.5m net reduction to funding provided for phase one and phase two of the Sports Survival Package.

Broadcasting and Media

Capital DEL spending under these subheads is forecast to decrease by £172.3m (-44.1%). This is predominantly driven by reductions or re-profiling of funding into future years for the following programmes:

- -£85m reduction for the Shared Rural Network generated by a reprofile of funding into future years;
- -£41.4m reduction for the UK Gigabit Programme resulting from site access issues due to Covid, supplier build delays due to supply chain issues and for connectivity vouchers which are now expected in 2022-23;
- -£30.8m reduction attributable to the Local Full Fibre Network programme following descoping and remodelling of projects;
- -£20.2m reduction relating to the Diversification Strategy programme, mostly due to £17m of lease costs under the IFRS 16 accounting standard to be instead funded from a separate departmental IFRS 16 capital allocation. A further £3.2m underspend was surrendered due to reprofiling of the FRANC grant programme into future years;
- -£11.7m reduction to the Local Full Fibre Network Programme due to a switch of funding from Capital to Resource;
- -£9.2m reduction to the UK Gigabit Programme resulting from the transfer of funding to other government departments in particular for the delivery of hubs; and,
- -£6m reduction due to the extension of the 5G project into 2022-23 as a result of Covid related delays.

These reductions are partially offset by a £34m transfer of funding to this subhead from estimate line M to cover costs associated with the capitalisation of lease costs under the IFRS 16 accounting standard.

Civil Society

Capital DEL spending under these subheads is forecast to decrease by £19.0m (-63.5%). This is predominantly driven by:

- -£19.2m surrender relating to the Youth Investment Fund due to delays and a reduction in the funding requirement for the pilot to be carried out in 21-22.

Other (including Tourism)

Capital DEL spending under these subheads is forecast to decrease by £50.9m (-62.2%). This is predominantly driven by:

- -£39.3m surrender for budgets relating to the capitalisation of leases under the adoption of IFRS 16 accounting policy which are no longer required in 21-22.
- -£34m transfer of budget to estimate line K relating budget for the capitalisation of leases under the IFRS 16 accounting standard; and
- -£2.2m surrender to HMT to fund a switch to Resource for funding relating to the DCMS ERP replacement programme.

This is partially offset by a £26.6m increase relating to transfers and movements from other estimate headings, most notably a £27.3m transfer from Line S relating to Olympic Delivery Authority expected receipts.

Olympics - legacy programmes

Capital DEL spending under these subheads is forecast to decrease by £27.3m. This is driven by income receipts from the Olympic Delivery Authority, with the corresponding expenditure budget allocated under the Other (including Tourism) subheads.

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 21-22 sought)	This year (Main Estimate 21- 22 approved)	Change from Main Estimate	
T	British Broadcasting Corporation	4,060.4	4,189.7	-129.3	-3.1%
V	Provisions, Impairments and other AME spend	115.9	94.1	21.8	23.2%
	Total Voted	4,176.4	4,283.8	-107.5	-2.5%

Key differences are explained below:

Provisions, Impairments and other AME spend

The decrease in forecast by £107.5m (-2.5%) from the Main Estimates is predominantly due:

- £129.3m reduction in the budget cover requirement for the BBC as a result of Covid delaying some productions, recruitment freezes in some areas, the sale of Llandaff site in April 2021 and dividend increases as a result of improved commercial financial performance.

This is partially offset by a £21.8m increase due to 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 21-22 sought)	This year (Main Estimate 21-22 approved)	Change from Main Estimate	
T	British Broadcasting Corporation	217.4	229.5	-12.1	-5.3%
U	Channel Four Television Corporation	123.7	125.0	-1.3	-1.0%
	Total Voted	341.1	354.5	-13.3	-3.8%

The decrease in forecast by £12.1m from the Main Estimates is largely due to a reduction in planned asset purchases for the BBC.

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

Ring fenced budgets	Amounts sought this year (Supplementary Estimate 2021-22)	Compared to original budget this year (Main Estimate 2021-22)			Compared to final budget last year (Supplementary Estimate 2020-21)		
	£m	£m	Var £m	Var %	£m	Var £m	Var %
Cultural Recovery fund	292.1	101.1	191.0	188.93%	1078.9	-786.8	-72.93%
Sports Survival Package	99.0	87.8	11.2	12.76%	142.0	-43.0	-30.28%
National Citizen Service	87.3	62.4	24.9	39.92%	105.3	-18.0	-17.09%
EU Exit	28.1	28.1	0.0	0.00%	30.6	-2.5	-8.17%
Football Euro 2020	0.5	12.1	-11.6	-95.72%	0.0	0.5	
Football World Cup	1.1	2.7	-1.6	-58.33%	0.0	1.1	
Official Development Assistance	1.1	1.1	0.0	0.00%	0.0	1.1	
Regional Cultural Infrastructure	0.5	0.5	0.0	0.00%	0.0	0.5	
Live Events Reinsurance Scheme	3.3	0.0	3.3		0.0	3.3	
Production Restart Scheme	60.8	0.0	60.8		0.0	60.8	

Capital DEL

Ring fenced budgets	Amounts sought this year (Supplementary Estimate 2021-22)	Compared to original budget this year (Main Estimate 2021-22)			Compared to final budget last year (Supplementary Estimate 2020-21)		
	£m	£m	Var £m	Var %	£m	Var £m	Var %
Sports Survival Package	120.5	152.0	-31.5	-20.73%	249.6	-129.1	-51.73%
UK Gigabit Programme	69.4	120.0	-50.6	-42.15%	28.1	41.3	147.03%
Research and Development	82.0	103.9	-21.9	-21.09%	0.0	82.0	
Local Full Fibre Network	23.6	56.5	-32.9	-58.16%	86.7	-63.1	-72.74%
Youth Investment Fund	10.8	30.0	-19.3	-64.17%	0.0	10.8	
Football World Cup	4.0	25.0	-21.0	-84.00%	0.0	4.0	
Regional Cultural	18.8	18.8	0.0	0.00%	0.0	18.8	

Infrastructure							
Superfast	6.4	11.0	-4.7	-42.27%	8.3	-2.0	-23.49%
Cultural Recovery Fund	45.6	9.0	36.6	406.67%	402.6	-357.0	-88.67%
Live Events Reinsurance Scheme	3.6	0.0	3.6		0.0	3.6	

2.3 Changes to contingent liabilities

The Government Indemnity Scheme (GIS) indemnifies lenders to museums, galleries and other institutions in the UK when mounting exhibitions or taking long-term loans for either study or display. Since last year, this liability has decreased by £2.6bn due to Covid and museums and galleries closure in line with Government restrictions.

The following changes relate to elements of the Government Indemnity Scheme:

- An opportunity has arisen for the National Maritime Museum to programme a Canaletto exhibition. The outstanding high market values of the works of Canaletto give rise to an increase of £0.1m in the indemnity.
- The indemnity relating to the Imperial War Museum has increased by £5m following a reassessment of the value of the works held.
- The indemnity relating to the Sir John Soane Museum has increased by £5k following a reassessment of the value of the works held.

The contingent liability relating to age discrimination arising from the public sector pension scheme transition arrangements has been removed as all costs are now included in the updated valuations of the pension funds for ALBs.

The contingent liability relating to the indemnity scheme for Government Art Collection artworks has decreased from £11.6m to £1.7m as high-value artworks were returned to the lender in October 2021.

There has been a reduction in the contingent liability for the British Tourism Authority's pension guarantee from £2m to £1m. The shortfall is likely to decrease with time because the BTA section of the scheme was closed to future benefit accrual on 31 March 2020.

The contingent liability relating to the National Portrait Gallery, Inspiring People Programme has now been removed as the necessary redundancies to allow the Inspiring People programme to progress have taken place.

The contingent liability relating to the Gambling Commission calculated under the guidance of IAS 37 has increased to £1.1m.

The contingent liability arising to aid recovery of the UK Film & TV Production following Covid is now quantifiable at £7.9m.

A new contingent liability of £1.5m has arisen following a Property Law Claim Guarantee matter against the Tate Gallery, which was heard over an initial two-day trial in December 2021, however, the case is ongoing.

A new contingent liability of £0.4m has arisen in relation to works on the public highway required as part of a project to construct the new British Museum Archaeological Research Collection facility in Shinfield.

A new contingent liability has arisen in relation to the Live Events Reinsurance Scheme Government partnership with insurers to offer a cost indemnification insurance scheme. This will make cover available against the cancellation, postponement, relocation or abandonment of events due to new UK Civil Authority restrictions in response to Covid.

More detail on these items can be found in DCMS's 2020-21 annual report & accounts.

3. Priorities and performance

3.1 Spending Review Provisional Priority Outcomes

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

1. Increase economic growth and productivity through improved digital infrastructure
2. Grow and evolve our sectors domestically and globally, in particular those sectors most affected by Covid, including culture, sport, civil society, and the creative industries
3. Increase growth through expanding the use of data and digital technology and increasing innovation, while minimising digital harms to the UK's economy, security and society
4. Enhance the cohesiveness of our communities across all parts of the UK 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

9 February 2022