



National Audit Office

DEPARTMENTAL OVERVIEW

The performance of the
Department for Culture,
Media & Sport 2012-13

MARCH 2014

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Our public audit perspective helps Parliament hold government to account and improve public services.

The National Audit Office scrutinises public spending for Parliament and is independent of government. The Comptroller and Auditor General (C&AG), Amyas Morse, is an Officer of the House of Commons and leads the NAO, which employs some 860 staff. The C&AG certifies the accounts of all government departments and many other public sector bodies. He has statutory authority to examine and report to Parliament on whether departments and the bodies they fund have used their resources efficiently, effectively, and with economy. Our studies evaluate the value for money of public spending, nationally and locally. Our recommendations and reports on good practice help government improve public services, and our work led to audited savings of almost £1.2 billion in 2012.

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Introduction

Aim and scope of this briefing

- 1** The primary purpose of this report is to provide the Culture, Media and Sport Select Committee with a summary of the Department for Culture, Media & Sport's (the Department's) activity and performance since April 2012, based primarily on published sources, including the Department's own accounts and the work of the National Audit Office (NAO).
- 2** Part One of the report focuses on the Department's activity over the past year. Part Two concentrates on NAO analyses of that activity.
- 3** The content of the report has been shared with the Department to ensure that the evidence presented is factually accurate.

Part One

About the Department

The Department's responsibilities

1.1 The Department for Culture, Media & Sport (the Department) is responsible for government policy on: the arts, sport, broadcasting, the creative industries, the National Lottery, tourism, libraries, museums and galleries, press freedom and regulation, licensing, gambling, radio spectrum and the historic environment. It is also responsible for supporting the telecoms industry, broadband delivery (incorporating Broadband Delivery UK) and internet policy and governance (including child internet safety). Following a Machinery of Government Change in September 2012 it also has responsibility for policies relating to women and equality through the Government Equalities Office (GEO). The Department was the lead department for the London 2012 Olympic and Paralympic Games.

1.2 The Department's annual report and accounts set out the following as the strategic priorities for 2012-13:

- deliver the 2012 Olympics and Paralympics;
- create a sporting legacy from the Olympic and Paralympic Games;
- create the conditions for growth;
- boost the Big Society and strengthen cultural organisations;
- facilitate the delivery of universal broadband and improved mobile coverage; and
- equal treatment and equal opportunity.

1.3 The Coalition Priorities for the Department are outlined in the refreshed departmental Business Plan published in June 2013¹ as to:

- Promote UK growth.
- Facilitate the delivery of universal broadband and improved mobile coverage to promote growth.
- Market Britain across the world to promote growth.
- Create a sporting legacy from the Olympic and Paralympic Games.
- Create a fair and equal Britain.

How the Department is organised

1.4 The Department is headed by The Rt Hon Maria Miller MP, Secretary of State for Culture, Media & Sport and Minister for Women and Equalities. The Secretary of State has overall ministerial responsibility for Department strategy and policy. As at November 2013, the Secretary of State is supported in her ministerial responsibilities by three Parliamentary Under-Secretaries of State (**Figure 1**).

1.5 The Departmental Board (chaired by the Secretary of State) provides advice and challenge to the Department and its ministers on strategic and operational issues. In May 2013 a Performance Review Group was introduced, comprising non-executive board members, the Permanent Secretary and directors. It scrutinises performance and delivery challenges, reporting key issues to the Board. Committees of the Departmental Board include the Audit and Risk Committee, which reports to and advises the Departmental Board on governance, risk management and control; and the Pay Committee, which advises on decisions involving senior remuneration and reward.

1.6 The Departmental Board is also supported by the Executive Board, comprising the Permanent Secretary and executive and non-executive directors. It is responsible for ensuring the Department is delivering against the Business Plan priorities. The Executive Board's subcommittees include a Corporate Committee (managing resources and infrastructure), a Delivery and Resourcing Committee (providing project/programme assurance and allocation of the resourcing pool) and the Investment Committee (approving and monitoring major capital projects).

1.7 Sir Jonathan Stephens stood down as Permanent Secretary and Accounting Officer on 31 August 2013. Clare Pillman, Executive Director, was appointed interim Accounting Officer on 1 September 2013 before Sue Owen took up post as permanent Accounting Officer on 1 October 2013.

¹ Department for Culture, Media & Sport Business Plan, available at: <http://transparency.number10.gov.uk/business-plan/17>

Figure 1

How the Department is organised

Ministers

The Rt Hon Maria Miller MP ¹	Secretary of State for Culture, Media & Sport, Minister for Women and Equalities
Ed Vaizey MP	Parliamentary Under Secretary of State for Culture, Communications and Creative Industries
Helen Grant MP ²	Parliamentary Under Secretary of State for Sport, Tourism and Equalities
Jo Swinson MP ³	Parliamentary Under Secretary of State for Women and Equalities

Management⁴

Sue Owen	Permanent Secretary
Sarah Healey ⁵	Director General
David Brooker	Executive Director
Rachel Clark	Executive Director
Samantha Foley	Executive Director
Helen MacNamara ⁶	Executive Director
Clare Pillman	Executive Director
Jon Zeff	Executive Director

Non-executive directors

David Verey	Lead Non-Executive Director
Ajay Chowdhury ⁷	Non-Executive Director
Dr Tracy Long	Non-Executive Director
Ruby McGregor-Smith CBE ⁷	Non-Executive Director

Notes

- 1 Replaced the Rt Hon Jeremy Hunt MP on 4 September 2012.
- 2 John Penrose MP held the position of Minister for Tourism and Heritage until 4 September 2012, and the Rt Hon Hugh Robertson MP was Minister of State for Sport and Tourism until October 2013.
- 3 Jenny Willott MP has been appointed as Parliamentary Under Secretary of State while Jo Swinson is on maternity leave. She will also remain Assistant Government Whip.
- 4 Chris Townsend is expected to take up post on 7 April 2014 as CEO BDUK.
- 5 Sarah Healey took up post on 9 December 2013.
- 6 Helen MacNamara left the Department in January 2014.
- 7 Following the departure of Sir Peter Bazalgette and Lord Coe, the Department appointed two new non-executive board members, Ruby McGregor-Smith and Ajay Chowdhury on 1 April 2013.

Source: Department for Culture, Media & Sport, Annual Report and Accounts 2012-13

Arm's-length bodies

1.8 Many of the Department's strategic aims and objectives are delivered through its wide network of agencies and public bodies (as listed at Appendix One). Many of these bodies operate with a large degree of autonomy and have devolved responsibility for the management of their funds and assets. The largest arm's-length bodies in expenditure terms are the British Broadcasting Corporation Public Service Broadcasting Group (BBC PSB), Arts Council England (ACE), and the Olympic Delivery Authority (ODA).

Where the Department spends its money

1.9 In 2012-13, some £5,430 million of grant and subsidy was provided by the core Department to its sponsored bodies, £4,907 million of which was Grant-in-Aid.

Figure 2 shows the grant funding by sector.

1.10 The largest recipient of Grant-in-Aid was the BBC. It received £2,959 million (an amount equal to the licence fee income it collected and remitted to the Consolidated Fund) to fund its public sector broadcasting activities. The BBC is constitutionally established by a Royal Charter which gives the ultimate responsibility for 'the BBC's stewardship of the licence fee revenue and its other resources' to the BBC Trust. This report is not designed to cover the performance of the BBC. A list of NAO publications on the BBC is included at Appendix Three.

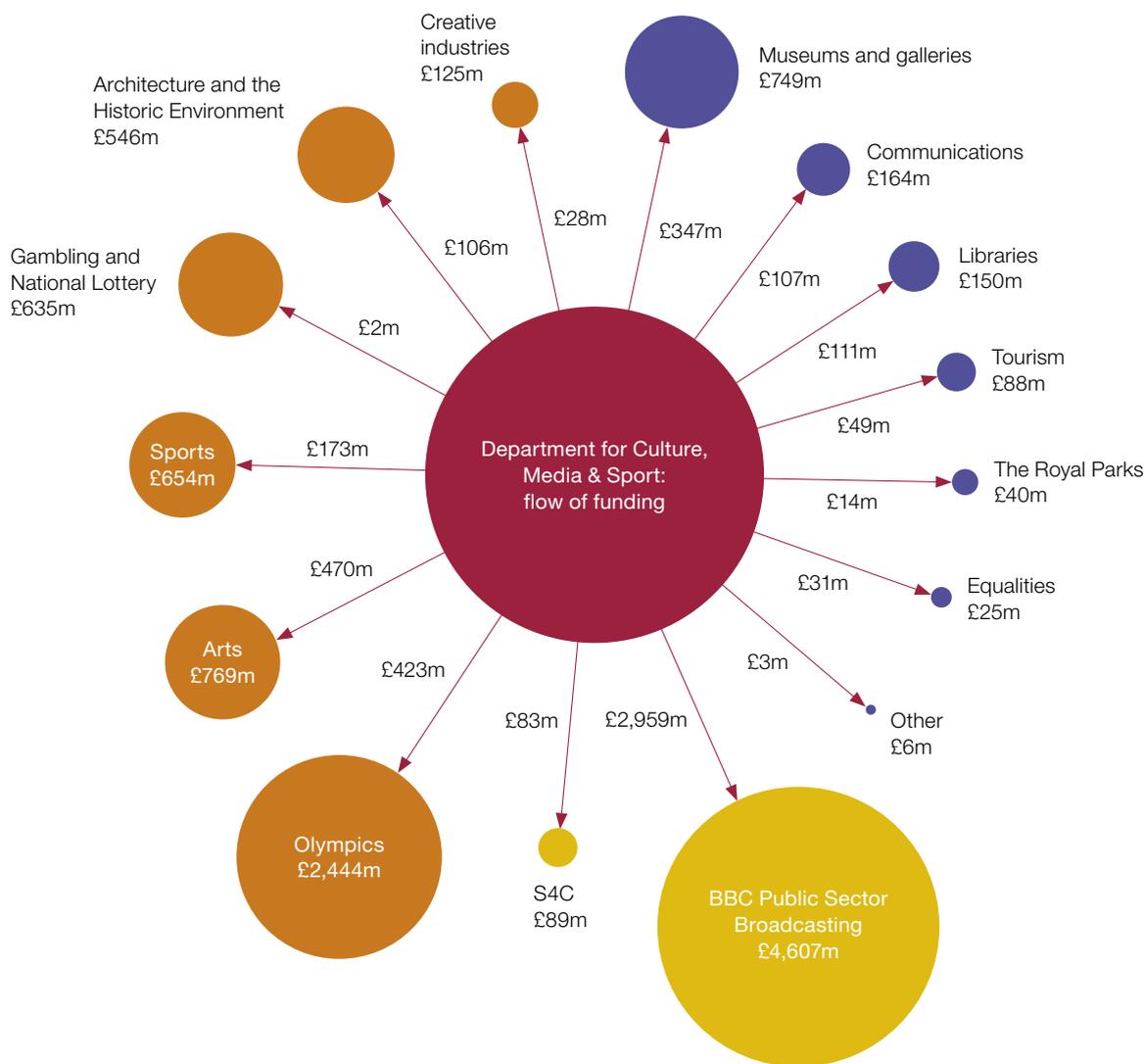
1.11 Other significant recipients of Grant-in-Aid in 2012-13 were the arts and sports sectors, the National Museums and Galleries and the Olympics:

- The ODA received Grant-in-Aid of £423 million,² and London Organising Committee of the Olympic and Paralympic Games (LOCOG) received £323 million of departmental funding in 2012-13. In addition, £405 million of lottery funding was made available to these bodies for the delivery of the Olympics in the year. Further details of the overall public sector funding package for the Olympics are provided in Part Two of this Overview.
- The arts sector, through ACE, received Grant-in-Aid of £470 million which was supplemented by lottery funding of £270 million. ACE promotes, develops and invests in the arts, museums and libraries across the country.
- National Museums and Galleries received £347 million in Grant-in-Aid, the largest recipients being the Victoria and Albert Museum, the Natural History Museum and the British Museum which each received £45 million–£50 million.
- The sports sector, primarily through Sport England and UK Sport, received Grant-in-Aid of £173 million which was supplemented by lottery funding totalling £323 million. Sport England is focused on helping people and communities across the country create a sporting habit for life. UK Sport is the lead body for investing in high-performance, top-end sport in the UK.

² There was a large difference between the Grant-in-Aid provided to the ODA and its expenditure for the year. As explained in paragraph 1.14, this difference reflects the consumption of the value of assets during the Games (depreciation), and the residual value of the assets granted to legacy bodies.

Figure 2

Where the Department spent its money in 2012-13



- Funded by Grant-in-Aid and the National Lottery
- Public Broadcasting Authority funded by Grant-in-Aid
- Funded primarily by Grant-in-Aid

Notes

- 1 Red arrows represent Grant-in-Aid funding. Note that some arm's-length bodies have additional sources of income, including self-generated funds.
- 2 Circles illustrate magnitude of gross expenditure by sector extracted from the data used to compile the 2012-13 group financial statements. Due to certain adjustments, e.g. the exclusion of core Department expenditure, these figures will not directly reconcile to the financial statements.
- 3 Sponsored bodies have been grouped into a sector based on the classification per Appendix One.

Source: National Audit Office produced, based on Department for Culture, Media & Sport Annual Report and Accounts 2012-13

The Department's assets & liabilities

1.12 At 31 March 2013 the departmental group recognised assets of £11,189 million, including a cash balance of £2,431 million, and liabilities of £6,907 million. Besides working capital, the most significant items on the Consolidated Statement of Financial Position were:

- property, plant and equipment with a net book value of £6,224 million. Included within this figure are buildings of £3,124 million, £933 million of which belong to the BBC PSB Group;
- inventory with a value of £823 million; and
- defined pension benefit net liabilities valued at £1,798 million, of which £1,709 million relates to schemes run by the BBC.

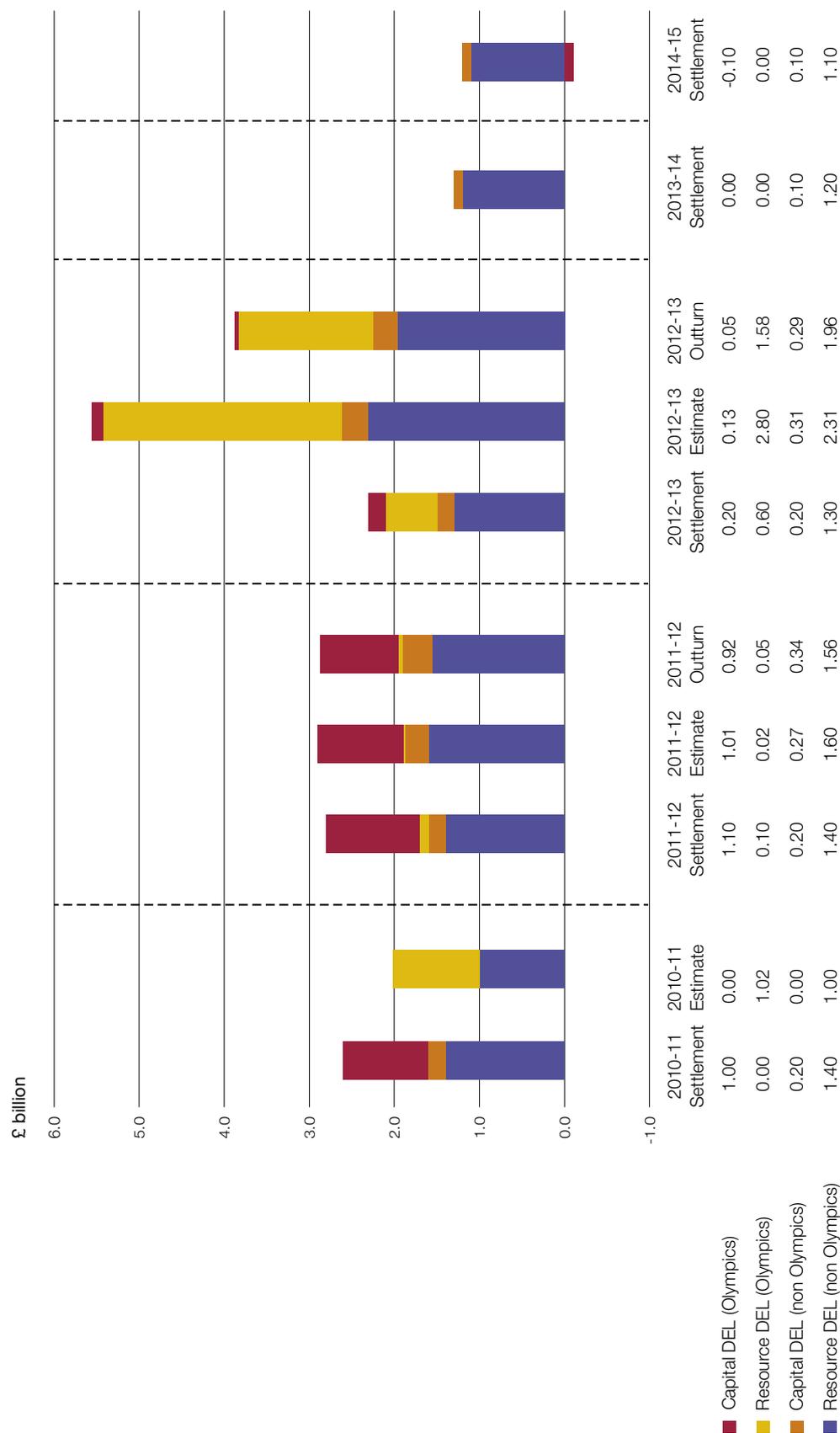
1.13 The Museums and Galleries remain responsible for maintenance of some of the nation's heritage assets, and heritage assets comprised £991 million of the Department's total property, plant and equipment assets at 31 March 2013. In 2012-13 the departmental group acquired heritage assets with a value of £71 million, £51 million of which were acquired by way of donation. Currently, the Department holds a large number of heritage assets that have not been recognised in its Consolidated Statement of Financial Position. This is in line with the requirements of the FReM (Financial Reporting Manual 2013-14) which states that where information on a heritage asset's cost or value is not available, and cannot be obtained at a cost proportionate with the benefits to users of the financial statements, the assets will not be recognised in the Statement of Financial Position.

1.14 The value of property, plant and equipment recognised at 31 March 2013 does not include any value relating to Olympic and Paralympic assets which have been transferred to their permanent legacy owners (the London Legacy Development Corporation and Lee Valley Regional Park Authority). These assets were assessed to have a current value of £1,242 million on their date of transfer, meaning that £673 million of their historic cost had been consumed during the Games. At 31 March 2013, the remaining Olympic assets comprising the East Village were recognised as inventory and assessed to have a current value of £694 million, meaning that £595 million of their historic cost had been consumed during the Games.

Recent and planned changes to the Department's spending

1.15 The Spending Review 2010 required the Department to make real term savings in its non-Olympic resource and capital budgets of 24 and 32 per cent respectively, by 2014-15. In order to achieve the savings required in its resource budget, the Department is committed to reducing its administration costs by 50 per cent. **Figure 3** illustrates the planned change in the Department's resource and capital budgets over the period of the Spending Review 2010, and compares these with the estimates and outturn to date.

Figure 3
2010 Spending Review Settlement



Notes

- 1 In the first year of the clear line of sight project the Department took the exemption available to it under International Accounting Standards to restate prior year comparatives on a 'best endeavours' basis only. The 2010-11 outturn reported for the departmental group is therefore unaudited and has been excluded from the figure.
- 2 DEL = Departmental Expenditure Limits.

Source: Settlement figures – Spending Review 2010, Estimates – Supplementary Estimates 2010-11, 2011-12 and 2012-13, Outturns – DCMS Group Annual Report and Accounts 2011-12 and 2012-13

1.16 Movement between settlement figures and estimates are accounted for by a number of changes in budgets across the review period. For example, the resource Departmental Expenditure Limits (DEL) settlement for the Spending Review 2010 for 2012-13 was £1,900 million, but the final estimate was £5,100 million. A total movement of £2,545 million is reconciled per the Department's 2012-13 Supplementary Estimates, the largest of which relates to moving ODA impairments of £2,300 million from Annually Managed Expenditure (AME) to DEL. A further £636 million was also allocated to depreciation as resource DEL per the 2010 settlement letter. Note that a comparison between the 2012-13 financial estimate and outturn has been made on page 23 (Figure 6).

1.17 In order to help achieve the targeted reduction in administration costs there have been headcount reductions at both the core Department and departmental group levels. The core Department reduced its headcount from 457 full-time equivalents at 31 March 2012 to 377 at 31 March 2013 (the latter is inclusive of 90 full-time equivalents who work for the Government Equalities Office which was transferred from the Home Office during 2012-13). The headcount of the departmental group has reduced from 32,698 full-time equivalents at 31 March 2012 to 30,947 at 31 March 2013. Accordingly there has been a reduction in group staff costs from £1,679 million in 2011-12 to £1,598 million in 2012-13. The total cost of civil service and other compensation schemes for the core Department and group were £4.1 million and £57.1 million respectively in 2012-13 (2011-12: £1.9 million and £70.5 million). With regards to wider administrative cost savings, the Department's move from Cockspur Street to 100 Parliament Street in April 2013 is expected to deliver savings of £3.5 million by the end of 2013-14.

1.18 Wider resource savings are expected from the Department's arm's-length bodies. The resource budget of museums and galleries was initially reduced by 15 per cent over the period to 2014-15 as a result of the Spending Review 2010, and the resource budgets of most other arm's-length bodies have been reduced by 24–34 per cent over the same period.³ The Department is also undertaking a major programme of arm's-length body reform. In 2012-13, the Department liquidated the UK Film Council (with its functions taken on by the British Film Institute); the Commission for Architecture and the Built Environment, and the Museums, Libraries and Archives Council (with residual functions absorbed by Arts Council England, British Museum and the National Archives). It also completed the reform of the Equality and Human Rights Commission, and reviewed the shape of Sport England and UK Sport. On 1 October 2013, the National Lottery Commission and Public Lending Right were abolished with their functions transferring to the Gambling Commission and the British Library respectively.

³ The exceptions being the Commission for Architecture and the Built Environment, whose resource budget was reduced by 100 per cent, and the British Film Institute and Public Lending Right, whose were reduced by only 15 per cent.

1.19 In the Spending Round 2013 (June 2013), the Chancellor announced a further 7 per cent reduction in the Department's resource budget for 2015-16. A small number of arm's-length bodies, including UK Sport and Visit England, had their resource budgets for 2015-16 held at 2014-15 levels, while the museums and galleries, ACE and Sport England have had their reduction limited to 5 per cent. The Department's other arm's-length bodies received a 10 per cent reduction. The Chancellor also announced:

- a 5 per cent reduction in the capital budget of the core Department for 2015-16;
- a four-year pilot programme whereby museums and galleries would be given greater operational and financial freedoms; and
- £80 million in funding to English Heritage in 2014-15, £52 million of which is to address conservation defects in the English Heritage National Collection of historic buildings and monuments.⁴ The remainder will be invested in new capital projects. During the year, a new charity will be formed to manage the National Collection, under licence from English Heritage. It is intended that once the conservation defects are addressed then the new charity will be able to increase revenue from sources such as admission fees and donations, reducing its reliance on government finance over a number of years to eventually become self-financing.

1.20 The Chancellor's Autumn Statement 2013 announced a further reduction in the Department's resource budgets of £13 million in 2014-15 and £12 million in 2015-16.

Policy and delivery: over the period

1.21 The most notable achievement for the Department over the period was the successful delivery of the Olympic and Paralympic Games. Construction was completed on time and within budget, 11 million tickets were sold for the two events combined and British athletes excelled. In addition, there were no major transport disruption or security incidents.

1.22 Following the conclusion of the Olympic and Paralympic Games, the Government Olympic Executive was wound up. While responsibility for sporting legacy remains with the Department, the Cabinet Office now holds responsibility for overall legacy co-ordination. Findings arising from our post-Games value-for-money review are discussed in Part Two of this briefing.

⁴ Available at: www.gov.uk/government/uploads/system/uploads/attachment_data/file/263943/1291-B_English_Heritage_Accessible__1_.pdf

1.23 On 18 September 2012 a ministerial statement announced the Department's ten-point sports legacy action plan put in place to 'inspire a generation' and secure a lasting legacy from the Games.⁵ The plan covers:

- elite funding – £125 million of lottery and exchequer funding per year over the next four years for elite sport;
- world class facilities – including a £300 million construction project by the London Legacy Development Corporation, a body chaired by the Mayor for London and accountable to the Greater London Assembly, to turn the Olympic site into the Queen Elizabeth Olympic Park as well as the reopening and relocation of other Olympic facilities;
- major sports events – the Department has already won the right to host 20 major sporting events in the UK, plus bids for the European Swimming Championships (2016), the UCI Track Cycling World Championships (2016) and the IOC Youth Olympic Games (2018) among others;
- Places People Play – Sport England's £135 million sports legacy plan to fund new facilities, projects, clubs and participation programmes was launched in November 2010;
- Youth Sport Strategy – through Sport England, a £1,000 million investment over the next five years, to encourage everyone, but young people in particular, to take up sport;
- 'Join In' – support for the programme designed to get people to volunteer in their communities in aid of local sports;
- School Games – introduction of the Sainsbury's sponsored programme; a package of events created to boost school sport and county sport festivals;
- PE – recognition that more needs to be done to ensure that all children have access to sport in school;
- disability sport – £1.5 million was awarded by Sport England to the English Federation of Disability Sport to increase participation in sports by disabled people. Sport England also awarded funding to seven National Disability Sports Organisations to create more opportunities for participation; and
- international development – continued funding for the International Inspiration programme, until 2014.

⁵ Available at: www.parliament.uk/documents/commons-vote-office/September_2012/18-09-12/9-DCMS-SportingLegacy.pdf

1.24 Quarterly updates on the delivery of this plan are provided to Parliament. The latest update, made in November 2013, stated that the June 'Active People Survey' highlighted that 15.3 million people were participating in sport at least once a week, every week. This was 1.4 million more participants than when Great Britain was awarded the Olympics in 2005. The quarterly update also stated that: over 1,360 grassroots sports facilities have benefited from around £70 million of Sport England investment; over 18,250 schools have registered for the school games; around £150 million per year of ring-fenced funding has been paid directly to primary schools to spend solely on PE and sporting opportunities and a further £8 million of National Lottery funding has been provided to give disabled people more opportunities to participate in sport.

1.25 Wider developments in departmental policy and delivery have included:

- The introduction of legislation on same sex marriage, with the Marriage (Same Sex Couples) Bill receiving Royal Assent on 17 July 2013. The first same sex weddings in England and Wales will be able to take place from Saturday 29 March 2014.
- The Diamond Jubilee celebrations, overseen by the Department.
- State aid approval for the rural broadband national framework contract, which allowed local authorities to sign procurement contracts with contractors and begin delivery work on their new broadband infrastructure projects. All 44 local broadband projects have now completed the procurement phase and half have begun providing access to superfast broadband in businesses and homes.⁶ The Department's *Broadband Performance Indicator* published on 28 January 2014 showed over 270,000 premises had been given access to superfast broadband by the programme as at the end of December 2013.⁷ The rural broadband programme (alongside the mobile infrastructure project and the super-connected cities programme) is a significant undertaking for the Department going forward. Further detail is provided in the 'Major developments for the year ahead' section of this Overview. Our value-for-money study on rural broadband is also covered in Part Two of this briefing.
- The administration of the auction of the 4G Spectrum which raised £2,340 million in February 2013 for HM Treasury (Office for Budget Responsibility forecast £3,500 million). This was conducted by Ofcom on behalf of the Department.

⁶ Available at: www.gov.uk/government/news/roll-out-of-superfast-broadband-to-rural-areas-speeds-up

⁷ Department for Culture, Media & Sport, *Broadband Performance Indicator December 2013*, available at: www.gov.uk/government/publications/broadband-performance-indicator-december-2013

- Appointment of Lord Justice Leveson to investigate the culture, practices and ethics of the press, following the exposure of the phone-hacking scandal in 2011. The Leveson Report on the Inquiry into the Culture, Practices and Ethics of the Press was published in November 2012, and in October 2013 a final draft Royal Charter on the independent self-regulation of the press was published, following cross-party agreement. A 'Recognition Panel', established under royal charter, will be responsible for recognising and overseeing a new independent press regulator to replace the Press Complaints Commission should that regulator seek recognition. The press will write its own code of conduct but the regulator will determine whether the code has been breached.
- The completion of digital TV switch-over and the end of analogue broadcasting, with the last analogue transmitter switched off in October 2012.
- The launch of the £100 million GREAT campaign in February 2012, an international marketing campaign aimed at driving inward investment and tourism to the UK in order to maximise the economic benefits of hosting the 2012 Games. The campaign is part-funded by government (the Department are investing £55 million) and part-funded by partnerships with the tourism industry and other sponsors.⁸ The government announced further commitment to the GREAT campaign in the Autumn Statement 2013, with a 50 per cent increase in funding in 2014-15 and 2015-16.
- The establishment of the catalyst programme, a scheme aimed at helping cultural organisations access more funding from private sources. Funding of £56 million (comprising capital funding from the Department and lottery funding from Arts Council England and the Heritage Lottery Fund) has been awarded to 34 cultural organisations, which will secure a further £106 million in private donations.

The Department's digital strategy

1.26 Following the announcement in the March 2012 Budget that the government would seek to deliver 'digital by default' public services, the Department published its *Digital Strategy* in December 2012.⁹ The strategy sets out the Department's response to the initiatives being led by the Government Digital Service within the Cabinet Office, and describes examples of how the digital agenda is being embraced by its arm's-length bodies. In particular, it highlights the success of London 2012 as the 'Digital Games'.

⁸ *DCMS Mid-Year Report to Parliament: April to September 2013*, January 2014, available at: www.gov.uk/government/publications/department-for-culture-media-and-sport-mid-year-report-to-parliament

⁹ *DCMS Digital Strategy*, available at: www.gov.uk/government/publications/dcms-digital-strategy

1.27 The Department does not provide transactional services. Consequently, many of the actions of the cross-government Digital Strategy are not directly applicable to it. However, the Department has a lead role for communications and responsibility for broadband and telecoms policy, as well as for improving physical infrastructure. It has the target of achieving the best superfast broadband in Europe, which it aims to deliver through the rural broadband, super-connected cities, and mobile infrastructure projects. It also has responsibility for the regulatory framework for electronic communications networks and services (i.e. the physical infrastructure on which digital networks run), and for ensuring that internet governance structures deliver a safe and open internet.

1.28 Since the publication of the strategy, the Department has moved onto the GOV.UK website, however, the nature of its arm's-length bodies means that many are exempt from doing so. The Department recognises that digital development is an important part of arm's-length bodies' roles in engaging with the public and is in the process of embedding a digital-by-default culture to ensure efficient delivery of services.

Staff attitudes

1.29 The government has conducted its Civil Service People Survey annually for the past five years. The most recent survey was carried out during October 2013. Continuing our practice in past briefings, we summarise here the views of the Department's staff on a number of key issues, and compare them to benchmarks for the civil service as a whole. Detailed results for all departments are reproduced at Appendix Two.

1.30 As part of the annual survey, each department receives an engagement index assessing the level of staff engagement determined by the extent to which: staff speak positively of the organisation; are emotionally attached and committed to it; and are motivated to do the best for it. In 2013, the Department achieved an engagement index of 51 per cent, which is an increase of 6 percentage points on the prior year, but is 7 percentage points below the civil service average.

1.31 There was an overall increase in positive responses for the themes of: leadership and managing change, and organisational objectives and purpose. There was an overall decrease in positive responses for the themes of: learning and development; resources and workload; and pay and benefits. For all themes the Department scored below or equal to the civil service average in 2013 (a number of themes are not reported in **Figure 4** overleaf. Full details can be found at: www.civilservice.gov.uk/about/improving/employee-engagement-in-the-civil-service/people-survey-2013).

Figure 4
Civil Service People Survey

	2013 Survey	2012 Survey	Civil Service 2013
Engagement index	51	45	58
Theme scores (%)			
Leadership and managing change	31	28	42
Organisational objectives and purpose	69	65	82
Learning and development	28	33	47
Resources and workload	62	68	74
Pay and benefits	24	26	29

Note

1 These scores represent the average score for the questions asked for each theme category. Not all themes have been included in the figure.

Source: Civil Service People Survey 2012 and 2013, available at: www.civilservice.gov.uk/about/improving/employee-engagement-in-the-civil-service/people-survey-2013

Major priorities for the year ahead

1.32 Major policy and delivery priorities for the Department going forward will include (see **Figure 5** on page 20):

- Completion of post-Games transformation works to the Olympic and Paralympic Village (the East Village) and the sales transactions with Qatari Delancey Diar (QDD) and Triathlon Homes Limited. The sales agreement with QDD is worth £557 million, with further profit share potential. Income in relation to this transaction is expected to be recognised in the Department's 2013-14 and 2014-15 financial statements. The sales agreement with Triathlon Homes is worth £268 million, of which £212 million was income in the Department's 2012-13 financial statements. Both are expected to complete early in the 2014-15 financial year.
- Delivery of the rural broadband programme. The Department has allocated £530 million for the provision of grants to local authorities for the rural broadband programme which (before June 2013) aimed to make superfast broadband available to 90 per cent of premises in each area of the UK by 2015. In the Spending Round in June 2013, it was announced that the Department's programme will be extended and an additional £250 million provided, with a new target to reach 95 per cent of premises by 2017 (further detail is provided in Part Two of this Overview). In January 2014 it was announced that a £10 million fund will be available to alternative technology providers to put forward innovative ideas to help make superfast broadband available to Britain's most remote communities.

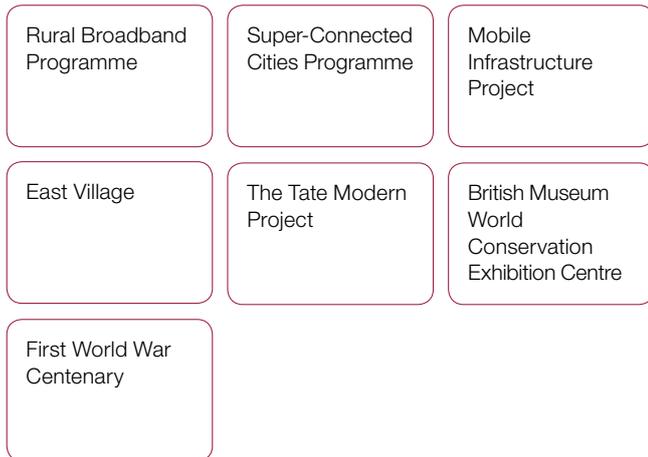
- Delivery of the mobile infrastructure project. In May 2013 Arqiva was appointed to deliver mobile network roll-out on the £150 million mobile infrastructure project. Arqiva will identify suitable sites, acquire the rights to the sites and obtain planning permission before beginning the physical roll-out and build of infrastructure. EE, Telefonica, Three and Vodafone will provide coverage from the sites and cover operating costs over the project's 20-year lifetime.
- Delivery of the super-connected cities programme. In 2011, the government set aside £100 million for an Urban Broadband Fund to create up to ten 'super-connected' cities across the UK. This was followed in 2012 by a further fund of £50 million for a 'second wave' of cities to participate in the programme. Twenty-two cities are now implementing their plans to become super-connected.¹⁰
- Delivery of the Tate Modern project, which will add a new iconic building at the south of the existing gallery. This has a lifetime budget of £215 million and is expected to be completed in 2016.
- Completion of the British Museum World Conservation Exhibition Centre. This has a lifetime budget of £135 million. Building completion is scheduled for 2014.
- Development of the shared service agenda across the Department and its arm's-length bodies. The Department currently uses shared legal services, facilities management, internal audit and payroll services, but is exploring options to develop shared IT services and intends (subject to a final business case) to join the first independent shared service centre (HR, finance and procurement) by October 2014.¹¹
- Leading a First World War centenary programme of commemoration events, cultural activity, education and local community engagement across the UK. The Department will work alongside colleagues from the Heritage Lottery Fund, Imperial War Museums (IWM) and the Commonwealth War Graves Commission. This includes major building redevelopment of IWM, London, where work is underway on the First World War Galleries and a new atrium displaying iconic large objects. The museum is closed until July 2014.
- Delivery of the GREAT campaign, to internationally market the UK for investment and tourism, as referenced in paragraph 1.25.
- Continuation of the ten-point sports legacy action plan to secure a lasting legacy from the Games. This is referenced in paragraphs 1.23–1.24.
- Implementation of the Marriage (Same Sex Couples) Act in March 2014 to enable weddings of same sex couples to take place.
- Delivery of the action plan on women and the economy which includes commitments to extend the right to request flexible working, introduce a flexible system of shared parental leave, improve guidance on careers, help parents to ensure their children make well-informed career and subject choices, and support for those with caring responsibilities to stay in work where they wish or set up their own small business.

10 *DCMS Mid-Year Report to Parliament: April to September 2013, January 2014*, available at: www.gov.uk/government/publications/department-for-culture-media-and-sport-mid-year-report-to-parliament

11 *Progress against department-focused actions in the Reform Plan*, available at: www.gov.uk/government/publications/civil-service-reform-one-year-on-dcms

Figure 5
Major developments

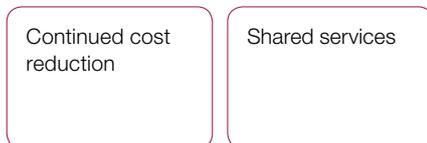
Major projects with defined outcomes



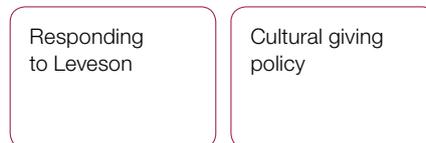
Major projects with qualitative outcomes



Department for Culture, Media & Sport administrative functions



Other key activities



Part Two

Recent NAO work on the Department

Our audit of the Department's accounts

2.1 The NAO's financial audits of government departments and associated bodies are primarily conducted to allow the Comptroller and Auditor General (C&AG) to form an opinion of the truth and fairness, and the regularity, of the public accounts. In the course of these audits, the NAO learns a great deal about government bodies' financial management and sometimes this leads to further targeted pieces of work which examine particular issues. In this section, we look at the outcome of our most recent financial audits on the Department for Culture, Media & Sport (the Department) and its sponsored bodies.

2.2 From 2011-12, government departments were required to produce financial statements in accordance with HM Treasury's Clear Line of Sight project. The main objective of the Clear Line of Sight project is to simplify financial reporting to Parliament by ensuring that government reports in a more consistent fashion, in line with the fiscal rules, at three stages in the process – on plans, estimates and expenditure outturns. Under Clear Line of Sight the Department is required to consolidate the results of one agency and 44 arm's-length bodies into its group financial statements. The Department found the first year of consolidation challenging, alongside its 2012 Olympic and Paralympic Games commitments, and missed the 30 November 2012 statutory deadline for submission of draft 2011-12 accounts for audit. The Department laid its Annual Report and Accounts for the year ended 31 March 2012 on 25 February 2013, having sought an extension to the 31 January statutory deadline.

2.3 The Department's 2011-12 group accounts were qualified by the C&AG in respect of the treatment of non-current assets. Specifically, the Department was unable to make the adjustments required to recognise the BBC's non-current assets at their fair value.

2.4 The Department has since taken action to improve the accounts production process and it laid its Annual Report and Accounts for the year ended 31 March 2013 on 8 November 2013, three and a half months earlier than in the prior year.

2.5 The C&AG gave the Department's 2012-13 accounts an unqualified audit opinion. Management ensured that the BBC's non-current assets were stated at valuation.

Financial outturn for 2012-13 and comparison with estimate

2.6 The Statement of Parliamentary Supply reported significant underspends against each of the Department's voted control totals as seen in **Figure 6**.

Our audit of the arm's-length bodies accounts

2.7 The 2012-13 financial year was the first where the accounts of all of the Department's arm's-length bodies were laid before the summer recess (in 2011-12 two arm's-length bodies accounts were laid post-recess: Royal Armouries Museum and National Museums Liverpool). All bodies within the departmental boundary received unqualified opinions for 2012-13 (Royal Armouries was qualified in 2011-12 where increases in salary were awarded to two members of staff that exceeded the limits imposed by HM Treasury).

Our audits of the Department's effectiveness and value for money

2.8 The NAO's work to test the effectiveness and value for money of government spending has included a number of projects which focused on the Department. The principal findings of these are summarised below:

The London 2012 Olympic Games and Paralympic Games: post-Games review

2.9 Our post-Games review concluded that the Games were a success and that value for money had been delivered.¹² According to the report, there is likely to be a £377 million underspend against the £9,298 million Public Sector Funding Package (see **Figure 7** on page 24), although the final position depends on the accuracy of assumptions about remaining expenditure and will not be known precisely for some time yet.¹³ The report draws out some of the widely acknowledged successes, including the widely praised opening and closing ceremonies and the 11 million tickets sold for the Olympics and Paralympics combined. The London Organising Committee of the Olympic and Paralympic Games (LOCOG) met the huge logistical challenge of recruiting and deploying 70,000 volunteers and medal targets were exceeded, with the Olympic and Paralympic teams winning 65 and 120 medals respectively.

¹² Comptroller and Auditor General, *The London 2012 Olympic Games and Paralympic Games: post-Games review*, Session 2012-13, HC 794, National Audit Office, December 2012. Available at: www.nao.org.uk/report/the-london-2012-olympic-games-and-paralympic-games-post-games-review/

¹³ In July 2013 the Minister for Sport and Tourism announced to Parliament a revised forecast underspend of £528 million against the £9,298 million Public Sector Funding (available at: www.publications.parliament.uk/pa/ld201314/ldhansrd/text/130716-wms0001.htm).

Figure 6

Resource and capital outturn versus controls totals

2012-13 Resource and capital outturn versus controls totals

	Control total (£m)	Outturn (£m)	Underspend (%)	Department Explanation as per 2012-13 Financial Commentary
Resource Departmental Expenditure Limit	5,172	3,591	30.6	This is almost entirely due to the savings from the delivery of the 2012 Olympic and Paralympic Games and depreciation applied to the Olympic venues following the Olympic and Paralympic Games. The underspend in depreciation arose at the time of the Supplementary Estimates, when discussions were continuing between all parties involved around the manner in which the write-down of the costs of the venues and infrastructure would be shown in each organisation's books.
Capital Departmental Expenditure Limit	434	342	21.2	Capital DEL budgets were underspent by £92 million as a result of savings on the delivery of the Olympic Games and the careful management of the Spectrum Clearance and Awards Programme.
Resource Annually Managed Expenditure	3,322	3,031	8.8	Voted AME was underspent by £291 million during the year. Of this, £226 million relates to a BBC underspend. Of the remainder, the majority relates to the release of provisions by arm's-length bodies as they affected restructuring plans required to meet the reduction in budgets over the Spending Review period.
Capital Annually Managed Expenditure	109	(88)	180.7	Voted Capital AME was underspent by £198 million. The BBC underspent its capital provision by £189 million during the year as a result of the disposal of Television Centre which generated capital income of £161 million and various other smaller disposals. The underspend on the Net Cash Requirement of £339 million is also mostly a result of a BBC underspend on both its resource and capital budgets.

2011-12 Resource and capital outturn versus controls totals

	Control total (£m)	Outturn (£m)	Underspend (%)	Department Explanation as per 2011-12 Financial Commentary
Resource Departmental Expenditure Limit	1,624	1,547	4.7	This saving on estimate was mainly as a result of lower depreciation charges across the range of the Department's arm's-length bodies than anticipated.
Capital Departmental Expenditure Limit	1,276	1,257	1.5	This saving was mainly caused by an underspend by the Olympic Delivery Authority (ODA), which still delivered the Games on time and under budget. Purchases by a small number of museums resulted in an overspend for Museums and Galleries.
Resource Annually Managed Expenditure	3,263	2,829	13.3	There were also some variances between the AME forecasts and the final outturn. The vast majority of the voted AME expenditure relates to the BBC. This included expenditure on the BBC Pension Scheme.
Capital Annually Managed Expenditure	192	172	10.4	The underspend against Resource AME was due to savings by the BBC as well as the release of provisions by the Department's arm's-length bodies, most notably by the ODA.

Source: Department for Culture, Media & Sport Annual Report and Accounts 2012-13 and 2011-12

Figure 7

The London 2012 Olympic Games and Paralympic Games: Key Facts

£9,298 million	the Public Sector Funding Package
£377 million	potential underspend if no further cost pressures emerge
£8,921 million	anticipated final cost to the Public Sector Funding Package
£23 million	reduction in anticipated final cost since our December 2011 report
£8,099 million	funding originally available to the Olympic Delivery Authority
£6,714 million	anticipated final cost of the Olympic Delivery Authority's part of the programme
£514 million	anticipated final cost of venue security being met from the Public Sector Funding Package

Source: Comptroller and Auditor General, *The London 2012 Olympic Games and Paralympic Games: post-Games review*, Session 2012-13, HC 794, National Audit Office, December 2012

2.10 The report also noted that planning for venue security at the Games did not go smoothly. During 2011 the number of guards required increased to over 20,000, from the previous estimate of 10,000 and on the eve of the Games G4S – the main security contractor for the Games – told LOCOG that it would not be able to provide the full number of guards it had contracted to supply. Additional military and police personnel were rapidly deployed to fill the gap and the security operation passed off without any major problems. G4S accepted responsibility for its failure to deliver fully on the contract.¹⁴

2.11 The Cabinet Office currently has central responsibility for coordinating and assuring delivery of the legacy. With numerous organisations responsible for particular aspects, the report concluded that the Cabinet Office will need to provide strong leadership to make the most of the momentum created by the success of the Games. We suggested that the valuable skills in project management, contracting and risk management gained by officials who have worked on the Games be deployed on other public sector projects. We also recommended that as the programme drew to a close the Department must continue to keep tight financial control over remaining expenditure, with a view to maximising the final unspent figure.

¹⁴ LOCOG was responsible for venue security operations, the Home Office was responsible for setting security requirements and funding LOCOG's delivery of venue security. Security arrangements were overseen by the Olympic Security Board, chaired by the Home Office.

The Rural Broadband programme

2.12 The Department is responsible for the government's broadband policies. Its objective for the UK is to have the best superfast broadband network in Europe by 2015. In July 2013 we reported on the progress of the Department's £530 million rural broadband programme (the Programme). At this point, the Department estimated that it would complete the Programme 22 months later than originally planned, reaching 90 per cent of premises 12 months later than originally planned.¹⁵ Only 9 out of 44 local projects were expected to reach their original target of providing 90 per cent superfast coverage by May 2015. The delay is partly because gaining approval for the project under EU State aid rules took six months longer than expected.¹⁶

2.13 The Department designed the Programme with three sets of safeguards intended to work together to achieve value for money, recognising that each would not be sufficient alone. These comprise the promotion of competition through a procurement framework; provision of assurance that bids made by suppliers are appropriate; and in-life contract controls over costs and profit levels.

2.14 The report found that the design of the procurement framework for potential suppliers had advantages of reduced public cost and risk to government. However, the report also found that competition had been limited, with BT left as the only active participant in the framework and therefore likely to win all 44 local projects, following the withdrawal of other potential suppliers from the bidding process (see **Figure 8** overleaf for a comparison with other potential approaches). In addition, the Department had secured limited transparency over the costs in BT's bids, and did not have strong assurance that costs, take-up assumptions and the extent of contingency contained in BT's bids were reasonable.

2.15 The report also found that funding contributed by suppliers had so far been lower than that modelled in the Department's 2011 business case, where it was estimated that to reach 90 per cent superfast coverage, supplier contributions might be 36 per cent of the Programme's total projected funding of £1,547 million. Following the negotiation of contract conditions, the Department now expects suppliers to provide only 23 per cent of overall funding, £207 million less than it modelled in its 2011 business case.¹⁷ Ensuring value for money for the £1,200 million public investment now relies heavily on whether the Department can effectively implement the in-life contract controls it secured for the Programme.

¹⁵ Comptroller and Auditor General, *The rural broadband programme*, Session 2013-14, HC 535, National Audit Office, July 2013, available at: www.nao.org.uk/report/the-rural-broadband-programme/

¹⁶ In June 2013, the government revised its target, and with a further £250 million investment aims to extend superfast broadband coverage further to 95 per cent of UK premises by 2017, available at: www.gov.uk/government/news/14-million-more-premises-to-get-superfast-broadband-after-250-million-capital-investment

¹⁷ The Department has since stated that it will continually seek to refine its modelling based on available information on what the market can deliver, available at: www.gov.uk/government/publications/treasury-minutes-november-2013

Figure 8

Advantages and disadvantages of the Department's preferred procurement approach

The Department's preferred design involved risk and competition trade-offs

Preferred/chosen option	Risk and competition trade-offs	
	Advantages	Disadvantages
Gap funding	<p>Commitment of public funding known in advance and fixed.</p> <p>Outturn risk transferred to supplier.</p>	Favours suppliers with existing secure revenue streams. New entrants have to attract users to new network.
Contracting through a prime contractor	Transfers deployment and technological integration risk away from local body to supplier.	A challenge for small and medium-sized enterprises to raise relatively large sums of funding.
National procurement framework	<p>Single negotiation of core requirements, baseline solutions, commercial terms and cost information.</p> <p>Mini call-off competitions more efficient than repeated full Official Journal of European Union (OJEU) procurements in each local area.</p>	<p>Local bodies in framework have reduced options to achieve faster procurement.</p> <p>Minimum financial thresholds required for pre-qualification rule out smaller competitors and narrow the field of potential bidders.</p>
Locally run delivery	<p>Responsive to local needs and priorities.</p> <p>Attracts additional funding from local bodies.</p>	Does not deliver the economies of scale achievable from a national procurement.

Source: Comptroller and Auditor General, *The rural broadband programme*, Session 2013-14, HC 535, National Audit Office, July 2013, available at: www.nao.org.uk/report/the-rural-broadband-programme/

2.16 Our report recommended the Department review the reason for the project delays and guard against further slippage, seeking greater assurance that BT's bid prices were reasonable and did not contain excessive contingency. We also said that it should implement procedures to monitor in-life contract costs thoroughly.

Review of the data systems for the Department

2.17 In May 2012, the Department published its updated business plan for the period 2012–2015. This sets out the Department's vision, coalition priorities, structural reform plans, departmental expenditure and information on how it is going to become more transparent. It also sets out how performance will be measured using input and impact indicators. We undertook a review of the business plan and data systems underpinning the Department's performance indicators.

2.18 We examined three business plan indicators and the data systems underpinning them. These were:

- the proportion of people directly employed in tourism;
- the number of premises covered for each £1 million of broadband delivery programme expenditure; and
- the European Broadband Scorecard (measuring coverage, speed, price and choice of broadband service).

We found that the indicator relating to tourism was adequate but recommend that a more up-to-date measure be used to provide a more relevant assessment of the number of people employed in tourism. For the two broadband indicators, we found that data had not yet been published, or had been published only recently.¹⁸ We have recommended that the Department make interim indicators available where possible. With regards the number of premises covered for each £1 million of broadband delivery programme expenditure, we found that the Department relied on information provided by its suppliers, but had not undertaken a comprehensive assessment of data quality. There was a need for controls to be introduced to ensure that data used in calculating the ratio was robust.

2.19 The Department's business plan sets out the coalition's priorities and the indicators used to demonstrate progress against these priorities. Our review identified some gaps where indicators are not in place, which reduces the public's ability to measure cost-effectiveness and progress. For example, there is a coalition priority for 'creating the conditions for growth', which is measured by an impact indicator only ('the proportion of people directly employed in tourism'). Our review also found some significant areas of the Department's spending that are not covered by the business plan priorities, such as museums and galleries. This also reduces the ability for the public to measure the Department's cost-effectiveness and progress. We also identified that the Department does not have an organisation-wide information strategy in place. As the Department is in a period of restructuring and cost reduction, there is an increased risk that the lack of a formal information strategy could result in loss of corporate knowledge.

The Department in a cross-government context

2.20 In addition to our work on individual departments, the NAO increasingly looks at performance across government in order to understand how different departments measure up on important issues (see Appendix Four: Cross-government reports of relevance to the Department). Of the cross-government reports we have published in the last year, the follow up investigation into Confidentiality Clauses and Special Severance Payments included substantial coverage of the Department.

¹⁸ The European scorecard was published in March 2013, available at: <http://stakeholders.ofcom.org.uk/market-data-research/other/telecoms-research/bbresearch/scorecard> and the Broadband premises per £1 million indicator up to September 2013 was first published on 5 December 2013, available at: www.gov.uk/government/publications/broadband-performance-indicator-september-2013, followed by data to December 2013 on 28 January 2014, available at: www.gov.uk/government/publications/broadband-performance-indicator-december-2013.

Confidentiality clauses and special severance payments

2.21 In June 2013 we published a cross-government study on the use of confidentiality clauses and severance payments followed by a further study in October 2013, which included an analysis of the use of such clauses and payments in the culture, media and sport sectors.¹⁹

2.22 Our study found that the annual value of approvals for the Department and its bodies had increased from £0.3 million in 2010-11 to £0.7 million in 2012-13, but that the number of approvals had decreased (**Figure 9**). We selected 19 special severance payments, all of which related to the Department's arm's-length bodies, and which had a total value of £0.8 million. Four out of the 19 cases we tested in this follow-up review included examples of alleged failure or inappropriate behaviour. This mirrors the findings in other sectors.

2.23 Our detailed testing highlights the need for better guidance on the use of confidentiality clauses and special severance payments; and improved transparency and oversight to identify and address patterns of behaviour across government as a whole.

Building capability in the senior civil service to meet today's challenges

2.24 As highlighted in *Building capability in the senior civil service to meet today's challenges*, the Committee of Public Accounts has raised concerns about the impact of senior civil service (SCS) changes in project leadership.²⁰ In particular, it has noticed that the last two or three years have seen a high level of staff movement in the SCS. Our report notes that the Department had the second highest level of SCS movement in 2011-12 (**Figure 10**).

Figure 9
Special severance cases approved for the Department for Culture, Media & Sport sector

	2010-11	2011-12	2012-13	Total
Number of approvals	22	18	16	56
Total value of approvals	£329,755	£403,675	£671,661	£1,405,091

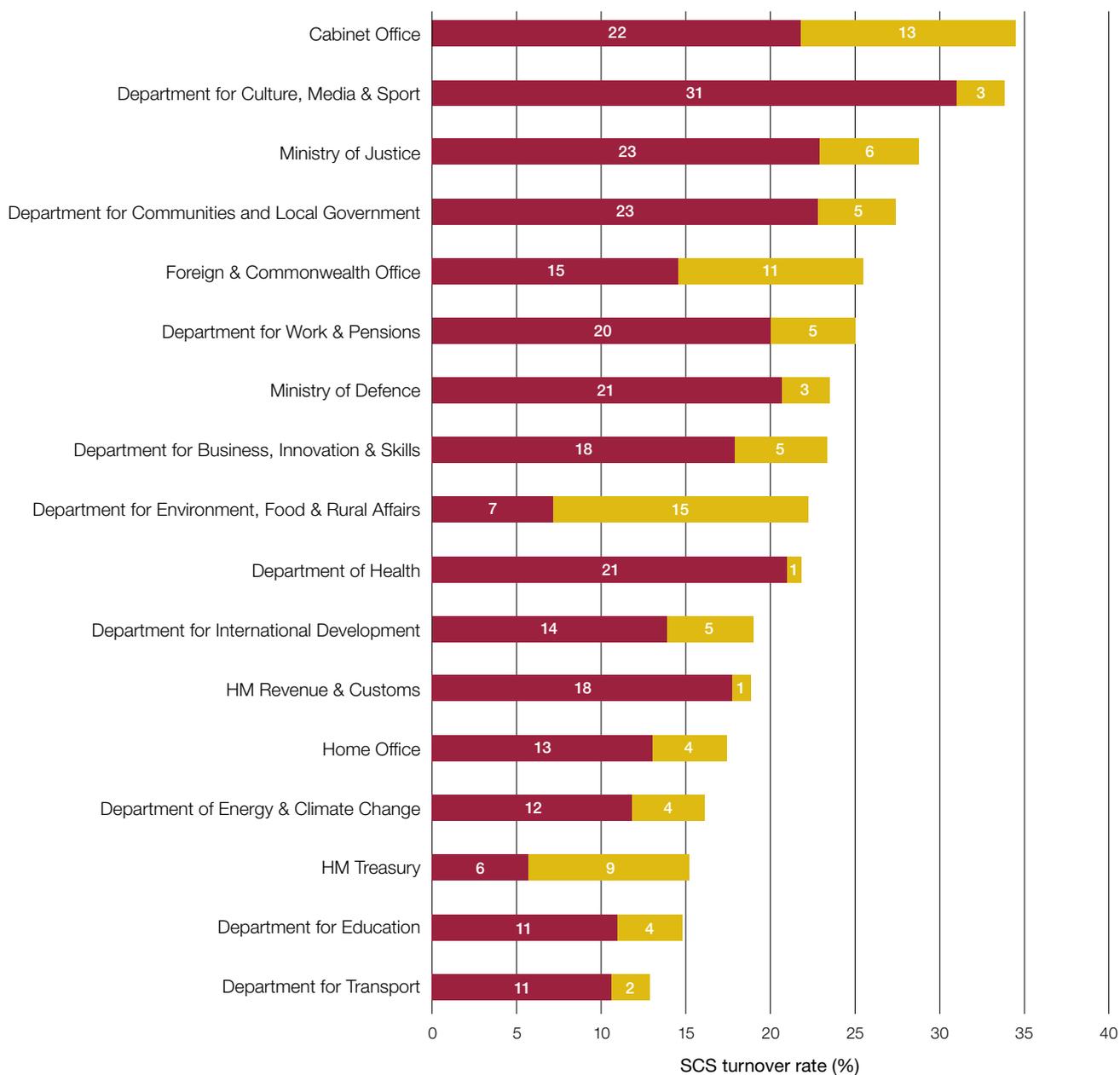
Source: National Audit Office analysis of HM Treasury data, available at: www.nao.org.uk/wp-content/uploads/2013/10/Confidentiality-clauses-supplement.pdf

19 Comptroller and Auditor General, *Confidentiality clauses and special severance payments*, Session 2013-14, HC 130, National Audit Office, June 2013, available at: www.nao.org.uk/report/confidentiality-clauses-and-special-severance-payments/

20 Comptroller and Auditor General, *Building capability in the Senior Civil Service to meet today's challenges*, Session 2013-14, HC 129, National Audit Office, June 2013, available at: www.nao.org.uk/report/building-capability-in-the-senior-civil-service-to-meet-todays-challenges-2/

Figure 10
Senior civil service movement by department in 2011-12

The SCS experienced a high level of staff movement in 2011-12



■ Staff leaving the SCS ■ Staff moving departments

Notes

- 1 Staff moving departments includes loans out to another department, transfers to another department and end of loans from another department.
- 2 This Figure only includes the 17 main Whitehall departments. For a list of the bodies excluded, see the notes to Figure 2 in the Comptroller and Auditor General, *Building capability in the Senior Civil Service to meet today's challenges*, Session 2013-14, HC 129, National Audit Office, June 2013.
- 3 Numbers on bars indicate percentages.

Source: Cabinet Office, Senior Civil Service database

Appendix One

The Department's sponsored bodies at 1 April 2013

Executive Agency

The Royal Parks (TRP) (www.royalparks.org.uk)

Public Broadcasting Authorities

British Broadcasting Corporation (www.bbc.co.uk)

S4C (Sianel Pedwar Cymru) (www.s4c.co.uk)

Museums and galleries

British Museum (www.britishmuseum.org)

Geffrye Museum (www.geffrye-museum.org.uk)

Horniman Public Museum and Public Park Trust
(www.horniman.ac.uk)

Imperial War Museum (www.iwm.org.uk)

National Gallery (www.nationalgallery.org.uk)

National Maritime Museum (www.rmg.co.uk)

National Museums Liverpool (www.liverpoolmuseums.org.uk)

National Portrait Gallery (www.npg.org.uk)

Natural History Museum (www.nhm.ac.uk)

Royal Armouries Museum (www.royalarmouries.org)

Science Museum Group (www.sciencemuseum.org.uk)

Sir John Soane's Museum (www.soane.org)

Tate Gallery (www.tate.org.uk)

Victoria and Albert Museum (www.vam.ac.uk)

Wallace Collection (www.wallacecollection.org)

Libraries

British Library (www.bl.uk)

Public Lending Right (PLR)¹ (www.plr.uk.com)

Arts

Arts Council of England (www.artscouncil.org.uk)

Architecture and the historic environment

The Historic Buildings and Monuments Commission for England
(English Heritage)
(www.english-heritage.org.uk)

National Heritage Memorial Fund (NHMF) (www.nhmf.org.uk)
(includes the Heritage Lottery Fund, www.hlf.org.uk)

Communications

Office of Communications (Ofcom)² (www.ofcom.org.uk)

Tourism

British Tourist Authority (www.visitbritain.org)

Creative industries

British Film Institute (www.bfi.org.uk)

Sports

Sports Ground Safety Authority (www.safetyatsportsgrounds.org.uk)

English Sport Council (Sport England) (www.sportengland.org)

UK Sports Council (UK Sport) (www.uksport.gov.uk)

UK Anti-Doping Limited³ (www.ukad.org.uk)

Olympics

Olympic Delivery Authority (ODA)⁴ (www.gov.uk/oda)

Olympic Lottery Distributor (OLD)⁵
(www.olympiclotterydistributor.org.uk)

Gambling and National Lottery

Big Lottery Fund⁶ (www.biglotteryfund.org.uk)

Gambling Commission (GC)⁷ (www.gamblingcommission.gov.uk)

Horserace Betting Levy Board (www.hblb.org.uk)

National Lottery Commission (NLC)⁷ (www.natlotcomm.gov.uk)

Equalities

Equality and Human Rights Commission (EHRC)⁸
(www.equalityhumanrights.com)

Other arm's-length-bodies

Churches Conservation Trust (www.visitchurches.org.uk)

During the year there were two advisory committees funded by the Department

Reviewing Committee on the Export of Works of Art

Treasure Valuation Committee

In addition, the Horserace Betting Levy Appeal Tribunal for England and Wales is funded by the Horserace Betting Levy Board

Bodies excluded from the boundary include

The Public Sector Bodies that are outside the Departmental accounting boundary, and for which the Department had lead policy responsibility during the year, are listed below together with their status. More detail can be found in the Public Bodies Directory.

Public corporations sponsored by the Department

Public corporations are market bodies that derive more than 50 per cent of their income from the sale of goods and services. They have substantial day to day operating independence.

Channel 4 Television Corporation

Historic Royal Palaces

Other Department bodies

The following bodies receive a grant from the Department:

Chatham Historic Dockyard

Design Museum

Greenwich Foundation for the Old Royal Naval College

National Film and Television School

People's History Museum

Royal Household (RHH)⁹

Lottery funds

The Department is responsible for the operation of the National Lottery Distribution Fund and the Olympic Lottery Distribution Fund; both are separately accounted for and are not consolidated in the Accounts.

Notes

- 1 The PLR functions were transferred to the British Library on 1 October 2013. The PLR was abolished on 1 October 2013.
- 2 Under a Machinery of Government change Ofcom was transferred to the Department.
- 3 UK Anti-Doping Limited is a company limited by guarantee, the sole guarantee of £1 is provided by the Secretary of State for Culture, Media & Sport, who is the owner of the £1 issued share capital.
- 4 The ODA is expected to cease operations by 30 June 2014.
- 5 The Secretary of State for Culture, Media & Sport under section 32(1) of the Horserace Betting and Olympic Act 2004 made an order to dissolve the OLD, and this came into effect on 1 April 2013. After closure, residuary functions rest with the Department.
- 6 Policy responsibility for Big Lottery Fund rests with the Cabinet Office, however Department for Culture, Media & Sport fulfils the sponsorship function.
- 7 The Public Bodies (merger of the GC and the NLC) Order 2013 has been approved by the Houses of Parliament. This order merges the GC with the NLC and is achieved by the abolition of the NLC and transfer of its functions, property, rights and liabilities to the GC, effective from 1 October 2013.
- 8 Under a Machinery of Government change EHRC was transferred to the Departmental Group.
- 9 The Department provides funding for the security and upkeep of Marlborough House, a historic royal palace occupied by the Commonwealth Institute.

Source (including footnotes): *Department for Culture, Media & Sport Annual Report and Accounts 2012-13*

Appendix Two

Results of the Civil Service People Survey 2013¹

	Department for Culture, Media & Sport (excluding agencies)	Civil service overall
Question scores (% strongly agree or agree)		
Leadership and managing change		
I feel that the department as a whole is managed well	28	43
Overall, I have confidence in the decisions made by the Department's senior managers	30	41
When changes are made in the Department they are usually for the better	16	27
The Department keeps me informed about matters that affect me	51	58
I think it is safe to challenge the way things are done in my Department	32	38
Organisational objectives and purpose		
I have a clear understanding of the Department's purpose	70	85
I have a clear understanding of the Department's objectives	62	80
I understand how my work contributes to the Department's objectives	74	83
Resources and workload		
In my job, I am clear what is expected of me	75	83
I have an acceptable workload	43	60
I achieve a good balance between my work life and my private life	52	68
Pay and benefits		
I feel that my pay adequately reflects my performance	25	29

Notes

1 These are summary results of the Civil Service People Survey 2013. Not all question scores have been included.

2 The score for a question is the percentage of respondents who strongly agree or agree to that question.

Appendix Three

Publications by the NAO on the Department since April 2012

Publication date	Report title	Web link
4 September 2013	Severance payments and wider benefits for senior BBC managers: supplementary note	www.nao.org.uk/report/severance-payments-wider-benefits-senior-bbc-managers-supplementary-note/
12 August 2013	2012-13 review of the data systems for the Department for Culture, Media & Sport	www.nao.org.uk/report/2012-13-review-of-the-data-systems-for-the-department-for-culture-media-and-sport/
16 July 2013	British Broadcasting Corporation Television Licence Fee Trust statement: The Comptroller and Auditor General's Report to the House of Commons on the systems in place to collect TV licence fee revenue payable to the Exchequer	www.official-documents.gov.uk/document/hc1314/hc03/0348/0348.pdf
5 July 2013	The rural broadband programme	www.nao.org.uk/report/the-rural-broadband-programme/
1 July 2013	Severance and wider benefits for senior BBC managers	www.nao.org.uk/report/severance-and-wider-benefits-for-senior-bbc-managers/
14 May 2013	The BBC's move to Salford	www.nao.org.uk/report/the-bbcs-move-to-salford/
26 February 2013	Department for Culture, Media & Sport Accounts 2011-12	www.nao.org.uk/report/department-for-culture-media-and-sport-accounts-2011-12/
5 December 2012	The London 2012 Olympic Games and Paralympic Games: post-Games review	www.nao.org.uk/report/the-london-2012-olympic-games-and-paralympic-games-post-games-review/
20 November 2012	Financial Management at the BBC	www.nao.org.uk/report/financial-management-at-the-bbc/
25 September 2012	Review of the data systems for the Department for Culture, Media & Sport	www.nao.org.uk/report/review-of-the-data-systems-for-the-department-for-culture-media-and-sport/
10 May 2012	The BBC's approach to managing the cost of its support functions	www.nao.org.uk/report/the-bbcs-approach-to-managing-the-cost-of-its-support-functions/
27 April 2012	Report by the Comptroller and Auditor General on the 2010-2011 Grant-in-Aid financial statements and the Lottery financial statements of the Arts Council England	https://www.nao.org.uk/report/report-by-the-comptroller-and-auditor-general-on-the-2010-2011-grant-in-aid-financial-statements-and-the-lottery-financial-statements-of-the-arts-council-england/

Appendix Four

Cross-government reports of relevance to the Department in 2013

Publication date	Report title	Web link
13 November 2013	Infrastructure investment: the impact on consumer bills	www.nao.org.uk/wp-content/uploads/2013/11/10286-001.Full-Report1.pdf
12 November 2013	The role of major contractors in the delivery of public services	www.nao.org.uk/wp-content/uploads/2013/11/10296-001-BOOK-ES.pdf
12 November 2013	Managing government suppliers	www.nao.org.uk/wp-content/uploads/2013/11/10298-001-Governments-managing-contractors-HC-811.pdf
8 October 2013	Confidentiality clauses and special severance payments – follow up	www.nao.org.uk/report/confidentiality-clauses-and-special-severance-payments-follow-up/
18 July 2013	Charges for customer telephone lines	www.nao.org.uk/report/charges-for-customer-telephone-lines/
21 June 2013	Confidentiality clauses and special severance payments	www.nao.org.uk/report/confidentiality-clauses-and-special-severance-payments/
19 June 2013	Building capability in the Senior Civil Service to meet today's challenges	www.nao.org.uk/report/building-capability-in-the-senior-civil-service-to-meet-todays-challenges-2/
13 March 2013	Cabinet Office and HM Treasury – Integration across government	www.nao.org.uk/report/cabinet-office-and-hm-treasury-integration-across-government/
16 January 2013	HM Treasury: Planning for economic infrastructure	www.nao.org.uk/report/hm-treasury-planning-for-economic-infrastructure/

Where to find out more

The National Audit Office website is
www.nao.org.uk

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