

A Short Guide to the

Department for Digital, Culture, Media & Sport





About this guide and contacts

This Short Guide summarises what the **Department for Digital, Culture, Media & Sport** does, how much it costs, recent and planned changes and what to look out for across its main business areas and services.



If you would like to know more about the National Audit Office's (NAO's) work on the Department for Digital, Culture, Media & Sport (DCMS), please contact:

Paul Keane

Director, Digital, Culture, Media & Sport

✉ paul.keane@nao.gsi.gov.uk

☎ 020 7798 7122

If you are interested in the NAO's work and support for Parliament more widely, please contact:

✉ parliament@nao.gsi.gov.uk

☎ 020 7798 7665

The National Audit Office scrutinises public spending for Parliament and is independent of government. The Comptroller and Auditor General (C&AG), Sir Amyas Morse KCB, is an Officer of the House of Commons and leads the NAO. 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 £734 million in 2016.

Design & Production by NAO External Relations
DP Ref: 11564-001

© National Audit Office 2017

Overview



Key facts



About the
Department



Accountability
to Parliament



Where the Department
spends its money



Key trends across
the Department



Strategic and
major programme
developments



Key themes
from NAO reports

Key facts

Expenditure



£1.26 billion

amount of funding committed by DCMS for the National Citizen Service (NCS) programme between 2016 and 2020



£7.1 billion

total spending by DCMS in 2016-17 including BBC and lottery funding



£25 million

amount of funding committed by DCMS to support the Rugby League World Cup 2021

People



67 and 147

number of medals won by Great Britain and Northern Ireland at the 2016 Brazil Olympics (67) and the Paralympics (147)



53.6%

percentage of adults who engaged with a museum or gallery in 2016-17 Q2



37.6 million

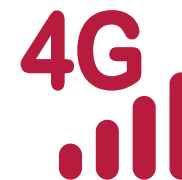
number of visits to the UK by overseas residents in 2016, up from 36.2 million in 2015

Infrastructure



89%

percentage of UK premises that had superfast broadband by December 2016, against target of 95% by end of 2017



72%

percentage of UK indoor premises that were able to receive 4G service in 2016, compared with 28% in 2015

About the Department

The Department for Digital, Culture, Media & Sport (DCMS) is responsible for delivering the government's policy covering arts and culture, communications and media, sport, tourism, building a shared society and digital connectivity.

The Department is one of the smallest in government in terms of both its budget and number of staff. Total spending in 2016-17 including lottery (£1.8 billion) and BBC (£3.3 billion) was £7 billion. DCMS largely delivers policy through 41 arm's-length bodies (ALBs) across a range of activities and sectors.

ALBs in the DCMS group are responsible for significant policy delivery and account for more than 91% of the Department's budget. Funding is provided directly to each ALB through grant-in-aid.

In 2016-17 DCMS provided £3.3 billion to the BBC, in addition to £193 million to other broadcasting and media organisations such as S4C and Ofcom. The BBC operates independently of DCMS. As of April 2017, the NAO is the financial auditor of the BBC. A separate short guide to the BBC can be found at www.nao.org.uk.

DCMS has seven priorities, which are:

Growing the economy

Supporting business growth in digital, creative and tourism industries.

Connecting the UK

Expanding coverage of telecoms services including development of 5G.

Encouraging participation

Enabling more people to engage in arts, sporting and cultural activities through free museums and sporting access expansion.

Sustaining excellence and promoting Britain

Promoting excellence in arts and culture, supporting elite sport and boosting tourism.

Supporting our media

Working with the media sector to ensure a free press and thriving industry through regulation and funding.

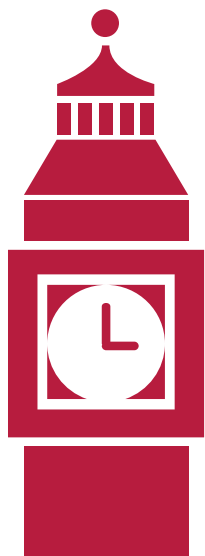
Ensuring social responsibility

Regulating gambling, improving online safety, regulating media activity.

Building a shared society

Supporting social engagement through the Office for Civil Society and Big Lottery Fund.

Accountability to Parliament



The Accounting Officer (AO) of the Department is responsible and accountable to Parliament for managing the Department, its use of public money and stewardship of assets.

The AO also appoints the chief executives, or equivalents, of its sponsored non-departmental and other ALBs as AOs of those bodies. The DCMS AO is responsible for ensuring these bodies have appropriate systems in place to ensure grants given by the Department are used for their intended purpose and are accounted for properly.

Department ALBs are governed by their own independent boards and each has separate governance and internal assurance structures in place. DCMS ministers appoint or make recommendations to the Prime Minister to appoint the chairs and trustees of almost all DCMS ALBs.

The AO reports to Parliament primarily through CMS Select Committee sessions.

Key challenges

DCMS spends most of its money through other bodies. Its key challenges in ensuring it is accountable for taxpayers' money are:

- ensuring all of its sponsored non-departmental bodies and other ALBs manage public money effectively, efficiently and transparently;
- making clear the accountability relationships that exist between the DCMS and its ALBs; and
- accessing clear and proportionate performance data against which to measure how ALBs are being run.

Although ALB AOs have responsibility for monitoring the performance of their body, the Departmental AO is ultimately accountable to Parliament for the use of all voted funds. Delays in reporting issues to DCMS and conflicting priorities can therefore present challenges to parliamentary oversight.

Ministerial directions

AOs should request a formal direction if a minister requires them to proceed with a decision where they have serious concerns about its propriety, regularity, feasibility or value for money, that they are not able to resolve. There have been no ministerial directions at DCMS during the past two years at least.

Accountability to Parliament *continued*

Accountability to Parliament from DCMS arm's-length bodies

Parliament

AO accountable to Parliamentary Select Committees including Digital, Culture, Media and Sport Committee.

Departmental Board

Chaired by Secretary of State.

Executive Board headed by the AO

Provides corporate leadership to the Department and ensures the effective delivery of Departmental priorities and ministerial objectives.

Arm's-length bodies, risk and governance sub-board (ALB RGB)

Provides assurance on the Department's relationship with its arm's-length bodies including risk management.

DCMS ALB management teams

Commissions risk assessments, arranges risk moderation meetings and provides information to ALB RGB.

Senior sponsorship leads

Carrying out risk assessments, deciding on level of engagement with ALBs, identifying risks and managing relationship between ALBs and the Department.

Source: Department for Digital, Culture, Media & Sport, *Accounting Officer System Statement 2016-17*

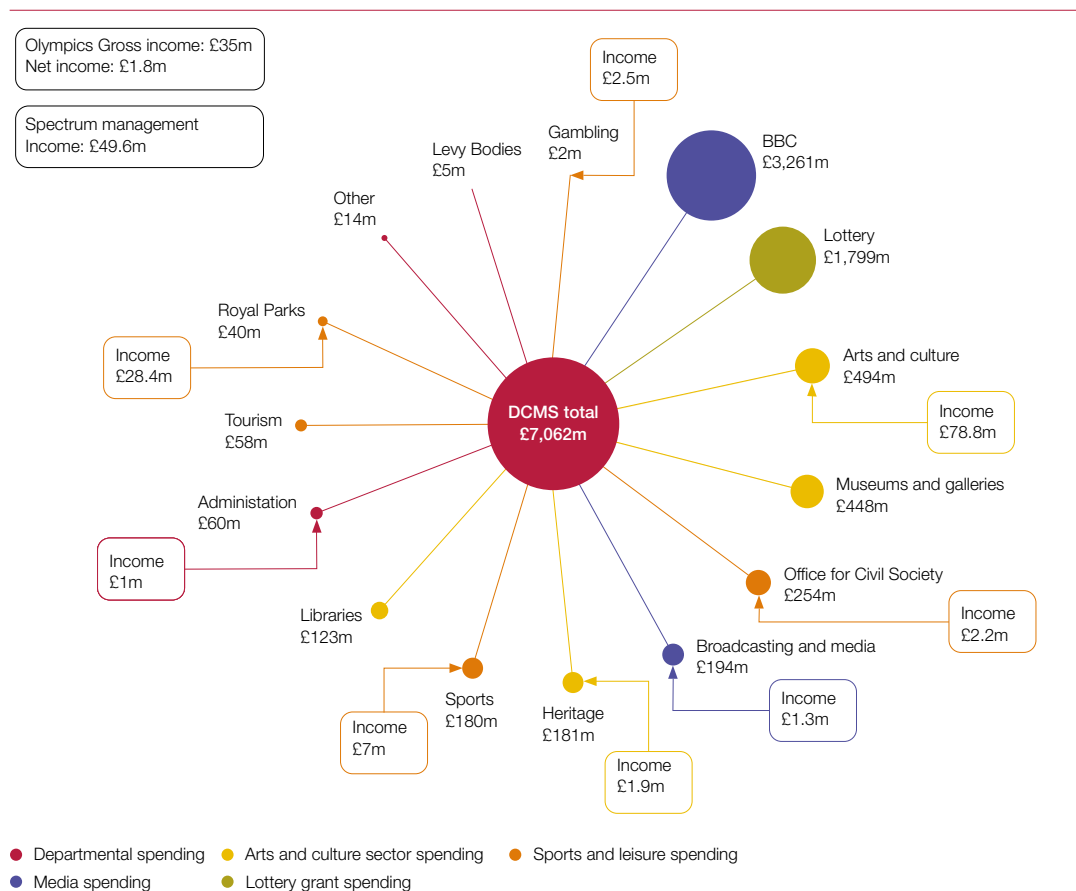
Where the Department spends its money

Departmental spending 2016-17 (£m)

The total departmental spending across DCMS including BBC was £7.1 billion. This includes BBC spend of £3.3 billion and lottery spend of £1.8 billion.

Notes

- 1 Gross expenditure for the Department was £7.06 billion in 2016-17 with income of £158 million and net spending of £6.90 billion.
- 2 Figures include Departmental Expenditure Limits and Annually Managed Expenditure, resource and capital, voted and non-voted.
- 3 The individual accounts for the bodies included will not reconcile to the figures shown due to adjustments on consolidation of the accounts.
- 4 The BBC is a public broadcasting authority. The BBC's Public Service Broadcasting Group (BBC PSB) falls within the DCMS accounting boundary, and this element of the BBC is consolidated into the DCMS accounts.
- 5 Lottery grant bodies are funded from lottery income but consolidated into the Department's accounts.
- 6 ALBs (heritage, libraries, tourism, arts and culture, museums and galleries, Gambling Commission, and broadcasting and media) are presented net of income generated by the ALBs.
- 7 The above figures exclude prior period adjustment.



Source: Department for Digital, Culture, Media & Sport, Annual Report and Accounts 2016-17, Statement of Parliamentary Supply 1.1 & 1.2

Key trends across the Department

Expenditure

As part of the 2015 Spending Review, the government maintained funding for museums and galleries in cash terms but the Department's overall budget was reduced by 5.1% over the period to 2019-20.

The Departmental resource budget (funding for day-to-day operations) was expected to remain the same at £1.3 billion per year until 2019-20. Its capital budget (funding for capital investment, for example buildings and equipment) was expected to decrease by £0.1 billion by 2019-20.

Changes to Departmental responsibilities since the Spending Review have caused budgets for future years to be revised.

The transfer to DCMS of the Office for Civil Society (OCS) from the Cabinet Office has resulted in additional resource budget of £0.3 billion by 2019-20. This has resulted in total 2019-20 budget rising to approximately £1.6 billion.

DCMS has committed to investing £740 million targeted at supporting the market to roll out full-fibre connections and future 5G communications over the next five years. This has led to a significant rise in forecast capital spending over the relevant period.

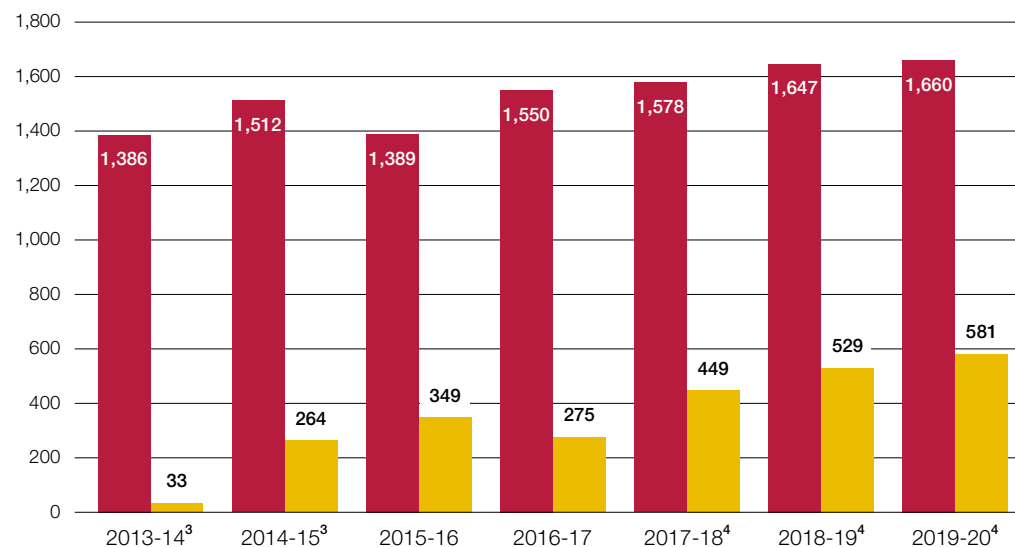


Departmental spending is planned to increase by 2019-20

Departmental actual and forecast frontline spending^{1,2}

Departmental spending is planned to increase gradually by 2019-20

Departmental spending (£m)



■ Resource DEL

■ Capital DEL

Notes

- 1 In this context, frontline spending means Departmental Expenditure Limit, DEL (administration and programme).
- 2 The above figures have been restated to include OCS, which joined the Department in 2016-17.
- 3 Capital spending appears low due to netting off income from the sale of the Olympic Village.
- 4 Planned spending. Increased capital spending is predominantly related to the Broadband Delivery UK (BDUK) projects.

Source: Department for Digital, Culture, Media & Sport, *Annual Report & Accounts 2016-17*, Annex A – Core tables

Key trends across the Department *continued*

Income

Income from the National Lottery fell substantially (15%) in 2016-17 to £1.64 billion after rising since 2011-12. This has resulted in a fall in the amount of money available for lottery distributors (DCMS-sponsored bodies which distribute lottery funding through grants).

Distributors often fund multi-year projects giving rise to commitments in future years.

Current excess of commitments above reserves is £1.5 billion (£754 million in 2012-13) representing almost a full year's revenue. This pressure is not evenly distributed. The Big Lottery Fund is worst affected, with commitments worth 2.1 years of its share of lottery proceeds. Should income continue to fall, distributors may have to restrict the funding of new projects.

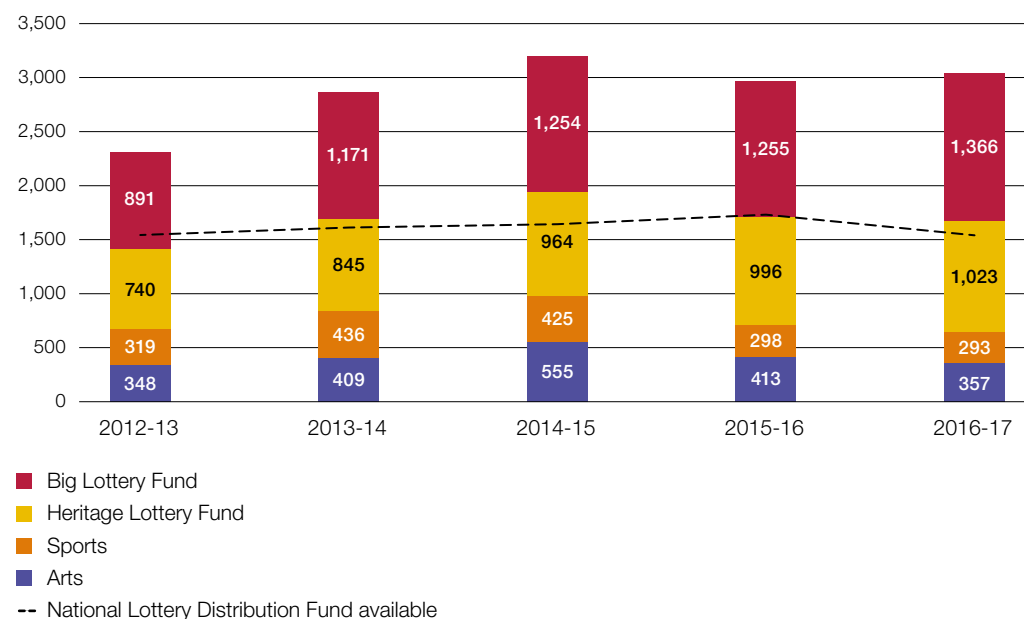


There are concerns over the ability of lottery distributors to continue future funding at the same level as in recent years

National Lottery Distribution Fund grant commitments against funding available

Lottery reserves are less than total grant commitments for future years

Funding commitments (£m)



Source: National Lottery Distribution Fund, *Annual Report and Accounts 2012-17*. Where figures were subsequently restated these have been used in the above graph

Key trends across the Department *continued*

Engagement

One of the Department's primary aims is to increase the public's participation in cultural and sporting activities.

Departmental Taking Part surveys show that overall engagement in arts and culture is high and stable. However, library usage has fallen significantly since 2010.

After a five-year rise until 2013-14, museum and gallery attendance has stabilised at around 53% of respondents.

The overall engagement rise for museums and galleries has been evenly spread across upper and lower socio-economic groups, resulting in no closing of the participation gap over the period. Attendance remains at 63.1% for upper socio-economic groups and 38.3% for lower socio-economic groups.

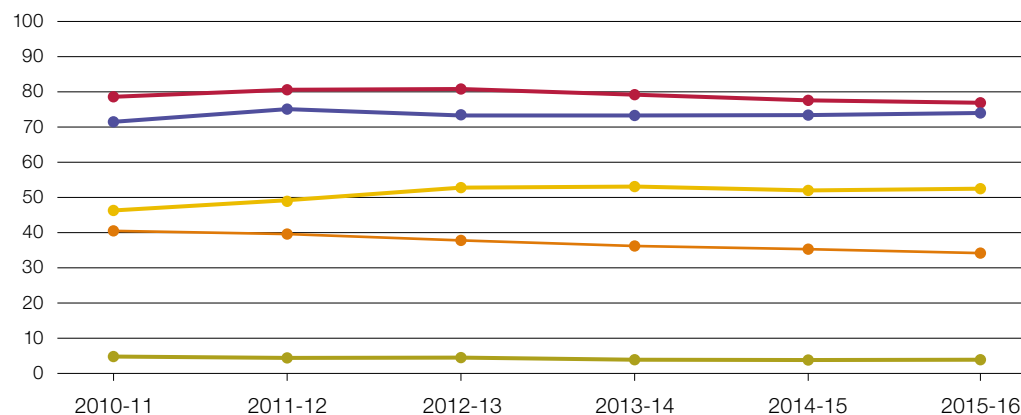


Levels of engagement with the arts, culture and heritage has remained stable since 2010-11

Engagement with arts, culture and heritage

Museum visits have grown since 2010, while library visits decline

Respondents (%)



- Has engaged with the arts in the last year
- Has engaged with a museum or gallery in the last year
- Has visited a public library in the last year
- Has visited a heritage site in the last year
- Has visited an archive or records office in the last year

Source: Department for Digital, Culture, Media & Sport, Taking Part survey Q4 2015-16

Strategic and major programme developments

DCMS was officially renamed in July 2017 as the Department for Digital, Culture, Media & Sport (DCMS), to reflect the movement of responsibility for the digital economy to the DCMS portfolio.

Three universities (King's College London, University of Surrey and University of Bristol) have been provided £16 million to fund trials of 5G mobile networking in 2018. This will be the first publicly funded testing of the new standard in the UK.

By the end of December 2016, the BDUK government-funded superfast broadband programme had extended superfast broadband to 4.3 million homes and businesses across the UK. Ofcom's [Connected Nations](#) 2016 report showed that the average download speed for all fixed broadband services for the entire UK is 37 Mbps and that superfast broadband (speeds greater than 30 Mbps) is now available in 89% of UK premises (more than 25 million).

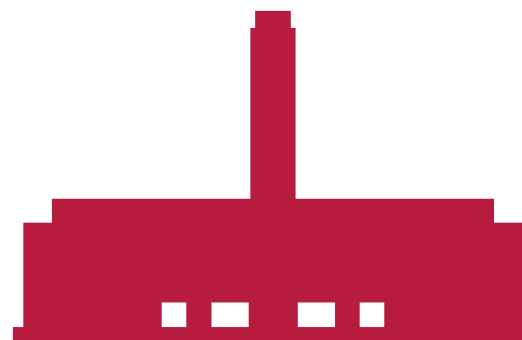
The BBC Charter was renewed following negotiations between the Department and the BBC. The new Charter commenced on 1 January 2017 and introduces significant structural changes, for example a new BBC Board which will be responsible for its governance, and the appointment of Ofcom as the first independent, external regulator of the BBC as well as the appointment of the NAO as BBC auditor from 2017-18.

In March 2017 responsibility for the management and upkeep of the eight Royal Parks was transferred from the Royal Parks Agency to a newly established charitable company.

English Heritage's movement towards independence from government funding, begun in 2015, is expected to be completed by 2022-23. This will enable English Heritage to become fully self-sufficient and generate its own income from various sources such as memberships, retail and admissions.

Several major redevelopments of DCMS-funded museums have been completed, including the £270 million construction of Tate Modern 2 and the new Exhibition Road entrance and galleries at the Victoria and Albert Museum (V&A). Both redevelopments were funded by donations from the public and grant-giving institutions.

The Department published the [Dormant Assets Commission](#) report in March 2017 setting out the options for an increased range of assets to be brought into the Dormant Assets Scheme. The report estimates there to be £1 billion to £2 billion of additional funding potentially available for the benefit of good causes from the inclusion of additional types of asset in an expanded Dormant Asset Scheme.



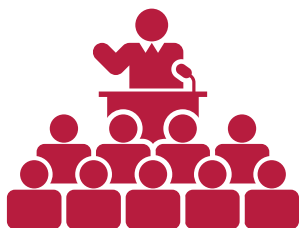


Key themes from NAO reports



Financial audit

Historically DCMS failed to meet deadlines for the laying of accounts before the parliamentary summer recess. However, in 2016-17 the DCMS group accounts were certified with an unqualified (clean) audit opinion before the parliamentary summer recess for the third consecutive year.



National Citizen Service

In July 2016 the government announced that DCMS would take on responsibility for the OCS and National Citizen Service (NCS) from the Cabinet Office. The NAO published a value for money report, [National Citizen Service](#), on the NCS in January 2017. This concluded that the NCS had shown initial success in reaching young people and achieving positive impact with 93,000 participants in 2016, 32% from BAME backgrounds. However, it found that value for money depended on successful expansion to a larger number of people and demonstrating long-term benefits to participants. The required growth rate to reach target participation of 360,000 is 40% year-on-year to 2020.



Donor due diligence

In July 2017 the NAO published a report, [Due diligence processes for potential donations](#), reviewing the systems and policies in place for donations management across museums and galleries throughout DCMS. This found that museums and galleries are increasingly reliant on donations (21% of income in 2015-16, up from 17% in 2012-13) as grant-in-aid funding falls. The report found that institutions have a good understanding of issues involved in managing donations but the extent to which this had been developed into formal procedures and processes varied.



Arts and culture



How is
it delivered?



In your area



Recent and planned
developments



What are the things
to look out for?

How is it delivered?

Overview

DCMS aims to support wider participation in culture and the arts through its work in the arts and culture sector, working with the arts and culture sector to promote the UK's museums, galleries and heritage sites, encourage participation for all and boost funding, innovation and visitor numbers.

The Department is responsible for directly sponsoring 16 arts and culture ALBs such as the British Museum, National Gallery and Science Museum group. The funding supports the day-to-day operations of the institutions including curation and preservation of cultural items, visitor services and education services. The funding enables free access to all the sponsored ALBs, making the UK's cultural heritage accessible to all.

The Department also sponsors the bodies responsible for distributing Lottery funds. As a proportion of all Lottery grant funding in 2016-17, 40% went to the arts and heritage sectors.



16

Museums, galleries and libraries sponsored directly by DCMS through grant-in-aid direct funding (grants made by DCMS to ALBs to fund core activities).



Arts Council England (ACE)

Supports excellence, sustainability and improved access to artistic and cultural organisations in England through direct grants. Funded by the Exchequer and Lottery income. Similar bodies operate for the devolved nations. Total lottery income in 2016-17 was £228 million.



£1,023 million

Total DCMS grant-in-aid to museums, galleries, arts and culture in 2016-17.



£347 million

Additional income generated by charity ALBs to fund their activities.



Heritage Lottery Fund (HLF)

Funded by National Lottery receipts, HLF provides grants to UK heritage bodies to support conservation, fund improved access and build skills in the sector. Total lottery income in 2016-17 was £327 million.

In your area

London remains the main area for DCMS spending in the arts and culture sector, reflecting the presence of major national museums and other major cultural organisations in the capital.

The distribution of Lottery funding through Arts Council England (ACE) is currently significantly weighted towards London. Funding has been redistributed for the 2018–2022 funding cycle following reductions of 3% for major London institutions such as the Royal Opera House and National Theatre and an overall increase outside London of £375 million for the 2018–2022 cycle.

Grants will be made to 187 arts organisations for the first time from the Arts Council in the funding cycle 2018–2022 out of a total of 844 bodies funded over five years.

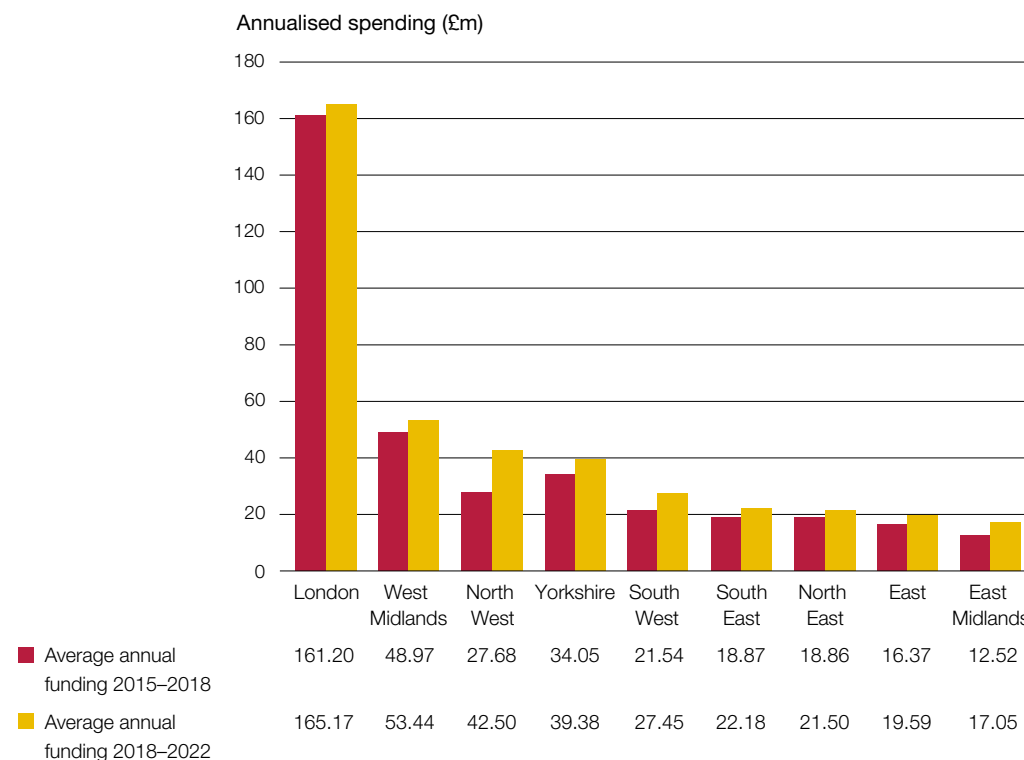
The announcement of the new Factory Gallery in Manchester will bring £78 million of government funding to the city and create a new theatre and arts venue on the site of the former Granada Studios.

Tate Gallery is completing an expansion of Tate St Ives, due to open to the public in late 2017.

DCMS launched the Great Place Scheme in April 2016, in collaboration with the HLF and ACE. The £20 million pilot scheme will fund projects to embed arts, culture and heritage in local plans, strengthening communities and the local economy. This has invested in community-led projects in Bradford, Great Yarmouth and 14 other places in England so far. The scheme is currently being expanded to areas in Scotland, Wales and Northern Ireland.

Arts Council England annual funding by region

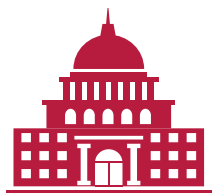
Museums and galleries in the London area receive the most funding, followed by the West Midlands and North West areas



Source: Arts Council National Portfolio 2018–2022



Recent and planned developments



Museums

Tate Modern completed the £270 million construction of Tate Modern 2, which opened to the public in June 2016. The new building, constructed on the site of the former pump rooms of Bankside power station, adds new, purpose-built display space to the UK's most popular gallery. This resulted in a record number of visitors to Tate Modern, with 6.4 million people visiting in 2016-17.

The Victoria and Albert Museum opened the newly redeveloped Exhibition Road galleries and courtyard in June 2017. It also plans to begin construction on a new museum and research space in Queen Elizabeth Olympic Park in East London, expected to open in 2020-21. This will form part of a £141 million project supported by Sadler's Wells, the University of the Arts London and University College London to develop a new cultural centre in Stratford.



Culture White Paper

In March 2016, DCMS published the first Culture White Paper since 1965. The paper covers four main areas:

- Everyone should enjoy the opportunities culture offer, no matter where they start in life.
- The riches of our culture should benefit communities across our country.
- The power of culture can increase our international standing.
- Cultural investment, resilience and reform.

This launched a number of new initiatives, including the Great Place Scheme and Cultural Citizenship Programme, alongside the continuation of a number of existing initiatives. The Cultural Citizenship Programme was launched in August 2016, this aims to introduce three pilots to give 600 young people increased access to culture. The programme targets disadvantaged communities where fewer people currently visit museums, galleries or the theatre.

Read the document at [Culture White Paper](#)

What are the things to look out for?

Policies for the arts and culture sector

In 2015, English Heritage introduced a new model whereby the National Heritage Collection became managed and maintained by a new charity, which kept the name English Heritage and aims to be self-financing by 2023.

DCMS remains responsible for the cultural artefacts, buildings and monuments through Historic England, an ALB of DCMS, who contract English Heritage through a management agreement.

DCMS will need to ensure it uses Historic England to retain clear oversight and responsibility for this key policy delivery area.

Progression against the Culture White Paper

The *Museums Review*, for publication in the latter half of 2017, will determine how the government can best assist in creating and maintaining a thriving and sustainable museum sector in England. This will help determine new approaches to funding and management of the ALBs.

Reliance on other sources of income

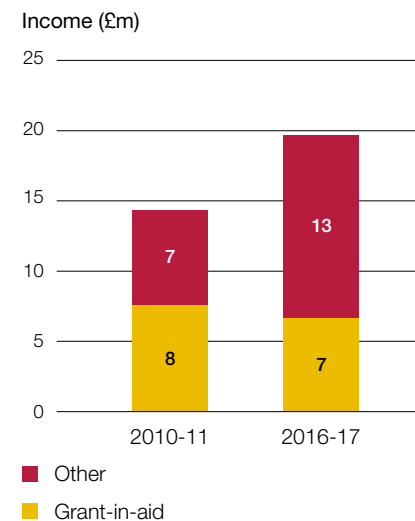
Since 2010-11 there has been increasing pressure on the amount of money available to fund DCMS ALBs in the arts and culture sector.

For example, funding from DCMS for the National Portrait Gallery has reduced by 12% since 2010-11 to £7 million in 2016-17. As a result, the Gallery has sought additional sources of income primarily from donations, sales of merchandise and admissions to premium exhibitions.

As museums become less reliant on government funding this may lead to changed priorities for the ALBs and new relationships with the Department.

Declining Lottery funding will also put increasing pressure on the ability of the Arts Council and the HLF to support their sectors. As these bodies provide key funding for major projects and towards improving access this may significantly affect DCMS's key policy aims.

National Portrait Gallery changes in income sources



Source: National Portrait Gallery, *Annual Report and Accounts 2016-17*



Media and digital



How is
it delivered?



In your area



Recent and planned
developments



What are the things
to look out for?



How is it delivered?

Policies

DCMS recognises the importance of a healthy and dynamic media sector and strong press to a democratic society. DCMS aims to promote growth in the media, communications and telecoms industries, while protecting the interests of citizens and providing the environment for journalism on a local and national level to flourish. The Department has taken on significant new responsibilities in recent years, its policy and delivery work now also covers the digital sectors – telecommunications, data protection, internet safety, cyber skills and parts of media and the creative industries.

DCMS delivers its objectives through the following:

BBC

The BBC operates independently from the Department. It receives an annual grant-in-aid from the government through DCMS that is equivalent to the amount collected through the licence fee and transferred to HM Treasury. This totalled £3.3 billion in 2016-17. A separate short guide to the BBC can be found at www.nao.org.uk.

S4C

S4C is a Welsh-language public service broadcaster. Since April 2013, S4C has been jointly funded from the BBC licence fee, a grant-in-aid from DCMS (£6.8 million in 2016-17) and its own commercially generated income.

Ofcom

Ofcom is the independent statutory regulator for the communications sector. It is responsible for regulating TV, radio and video-on-demand sectors, fixed-line telecoms, mobiles and postal services. It is also the first independent, external regulator of the BBC after the 2016 Charter review.

It is funded through fees from industry and also receives grant-in-aid funding from DCMS, which totalled £72 million in 2016-17.

Channel 4

Channel 4 is a commercially funded public service broadcaster that is publicly owned and whose board is appointed by Ofcom, in agreement with the Secretary of State for DCMS. This is primarily overseen under the Communications Act 2003, which sets out its public service remit. It does not receive any funding from DCMS.

Broadband Delivery UK (BDUK)

A unit within the Department that is managing public sector investment of more than £1 billion in improving broadband and mobile infrastructure.

Information Commissioner's Office (ICO)

ICO works to uphold information rights for the UK public in the digital age. It also carries out activities to increase the confidence that the UK public have in organisations that process personal data and those responsible for making public information available. It received £3.8 million of grant-in-aid funding in 2016-17.



In your area

DCMS aims to provide funding to support the roll-out of superfast broadband to those areas of the UK where commercial roll-out is not economically viable. This is mostly, but not entirely, in rural areas.

Superfast broadband has been rolled out to much of the country on commercial terms by providers such as BT and Virgin Media where it is economically viable for them to do so. The government defines superfast as speeds greater than 24 Mbps, whereas Ofcom (the UK regulator) defines it as speeds greater than 30 Mbps.

Broadband Delivery UK (BDUK) is responsible for implementing the government's policy on superfast broadband roll-out.

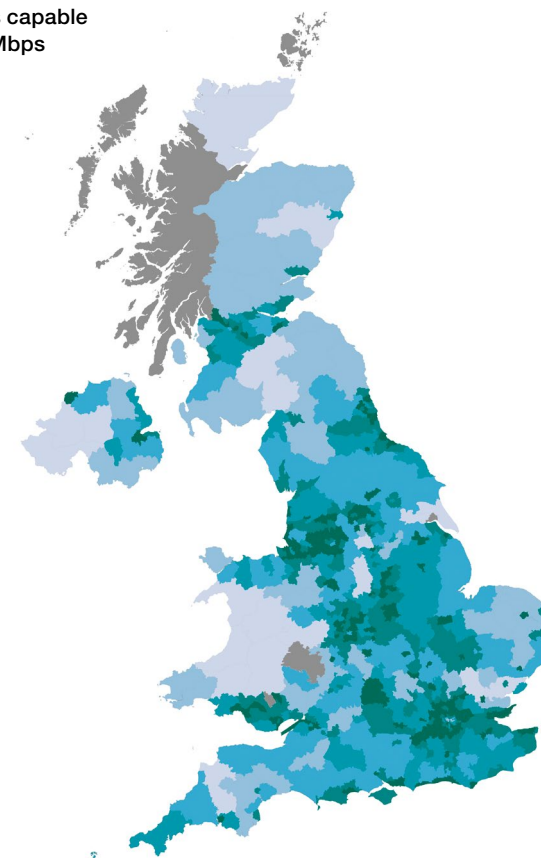
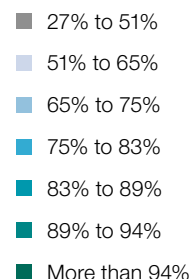
By the end of December 2016 the BDUK government-funded superfast broadband programme had extended superfast broadband to 4.3 million homes and businesses across the UK. Ofcom's [Connected Nations 2016](#) report and postcode-level data downloads showed:

- the average download speed for all fixed broadband services for the entire UK is 37 Mbps, although speeds available to individual customers vary considerably;
- superfast broadband – speeds greater than 30 Mbps – is now available in 89% of UK premises (more than 25 million), with take-up of 31%;
- about 1% of UK premises (about 190,000) are unable to receive speeds of 2 Mbps; and
- 5% of UK premises (about 1.4 million) are unable to receive speeds of at least 10 Mbps through a fixed line.

This map shows broadband speed by constituency. As might be expected, urban areas have much higher speeds than more rural areas.

Superfast broadband availability – 2016

Percentage of connections capable of receiving speeds of 30 Mbps



Boundary data: Crown Copyright, House of Commons Library (OS) 1000040654 and (OSNI) 2085 (2017).

Source: Data from Ofcom, *Connected Nations*, 2016



Recent and planned developments



BBC Charter

A new BBC Charter commenced on 1 January 2017, which secured the BBC's finances and aimed to make the BBC more transparent and accountable and ensure that it remains a world-class broadcaster. The Charter aims to reform the governance and regulation of the BBC through the creation of a new BBC Board, responsible for its governance. Ofcom will also take responsibility for the regulation of the BBC from the BBC Trust.



Digital Economy Act

The Department introduced the new Digital Economy Act and it received Royal Assent in April 2017. It plans to widen access to broadband for everyone and cut costs. For example, the new broadband Universal Service Obligation for the UK will give all citizens, households and businesses the legal right to request a fast broadband connection of at least 10 Mbps, regardless of location, up to a reasonable cost threshold.



5G strategy

A 5G strategy was published by DCMS in March 2017, which outlined the Department's ambition to become a global leader in 5G and included plans for a programme of 5G trials. This includes up to £16 million being made available for leading UK research institutions to trial and demonstrate 5G technology.



UK Tech Hubs

The Department announced plans in March 2017 to establish a network of UK Tech Hubs in five developing countries, working alongside the existing hub in Israel to boost the UK's impact in emerging digital economies. The UK-Israel hub has already delivered more than 80 partnerships, with a deal value of more than £62 million.



What are the things to look out for?

How will infrastructure progress?

4G services now reach 72% of UK indoor premises, compared with 28% in 2015, following DCMS-supported expansion of services.

DCMS will be investing £740 million by 2020 to fund fibre broadband and 5G mobile connectivity. Phase 2 of the broadband programme is underway and aims to provide superfast broadband coverage to 95% of UK premises by the end of 2017. It will also explore options of how best to provide superfast broadband coverage to the hardest to reach parts of the UK.

What will be the outcome of 21st Century Fox's takeover of Sky?

In December 2016, 21st Century Fox announced a £12 billion takeover bid for full control of Sky.

Concerns were raised as to whether Fox and Sky would remain genuinely committed to broadcasting standards following the transaction. Ofcom assessed the proposal and found Sky to be “fit and proper” to hold a broadcasting licence in the event of a takeover.

The Culture Secretary has referred the bid to the Competition and Markets Authority (CMA) to assess whether there would be sufficient plurality in the number of persons with control of media enterprises in the UK following such a merger.

What is being done about cyber security?

The [Cyber Security Breaches Survey](#) published in April 2017 showed that nearly seven in 10 large businesses identified a cyber security breach or attack, with the average cost to large businesses of all breaches over the period being £20,000 and in some cases reaching millions.

The government aims to address this and will continue with the National Cyber Security Strategy 2016–2021, which sets out plans to make Britain secure and resilient in cyberspace.

This includes the £20 million Cyber Schools Programme, which will be piloted in autumn 2017 and aims to deliver high-quality extra-curricular lessons to 14- to 18-year-olds.

How prepared are DCMS bodies for the General Data Protection Regulations (GDPR)?

[ICO's annual track survey in 2016](#) shows that there are growing concerns about privacy and the protection of personal data, and this is an area of growing importance to the public.

The GDPR will apply in the UK from 25 May 2018, with oversight from the ICO. It aims to reinforce data protection rights of individuals, facilitate the free flow of personal data in the digital single market and reduce administrative burden. DCMS will be responsible for enforcement of the regulations through the ICO.

Failure to comply with the GDPR can result in a maximum penalty of £20 million or 4% of annual turnover.



Sport and leisure



Who is involved
and what is the cost?



In your area



Recent and planned
developments



What are the things
to look out for?



Who is involved and what is the cost?

Policies

DCMS is responsible for maintaining and improving Britain's elite sporting performance, getting more people participating in sporting activities, and creating and building a lasting legacy from the London 2012 Olympic and Paralympic Games. In 2016-17, DCMS provided £182 million of funding across six key ALBs. The sport and leisure sector covers a number of bodies who provide funding to athletes and sporting organisations, promote sport and healthy living, maintain public parkland and regulate the gambling industry. DCMS also supports the tourism sector through Visit Britain and Visit England.



Royal Parks Agency

Royal Parks Agency is responsible for managing and preserving more than 5,000 acres of historic parkland across London. It received £13 million of grant-in-aid funding in 2016-17.

UK Sport

UK Sport is a lottery distributor and supports Britain's best Olympic and Paralympic sports and athletes, and coordinates the bids for staging major international sporting events in the UK. It received £54 million of grant-in-aid funding in 2016-17.

Sport England

Sport England is a lottery distributor working to increase the number of people who play sport regularly and aims to make lives better through sport. It received £106 million of grant-in-aid funding in 2016-17.

UK Anti-Doping

UK Anti-Doping is dedicated to protecting a culture of clean sport and raising awareness of related issues. It received £6 million of grant-in-aid funding in 2016-17.

The Sports Ground Safety Authority

The Sports Ground Safety Authority carries out a range of safety functions in relation to football and other sports within the UK and internationally. It received £1 million of grant-in-aid funding in 2016-17.

The Gambling Commission

The Gambling Commission is responsible for licensing and regulating gambling and lotteries, protecting its players and maximising funds to good causes. It received £3 million of grant-in-aid funding in 2016-17 as well as levy income from the industry.



Who is involved and what is the cost? *continued*

How much does it cost?

Each of the sport and leisure bodies receive government grant-in-aid funding (grants made by DCMS to sports and leisure ALBs to fund core activities).

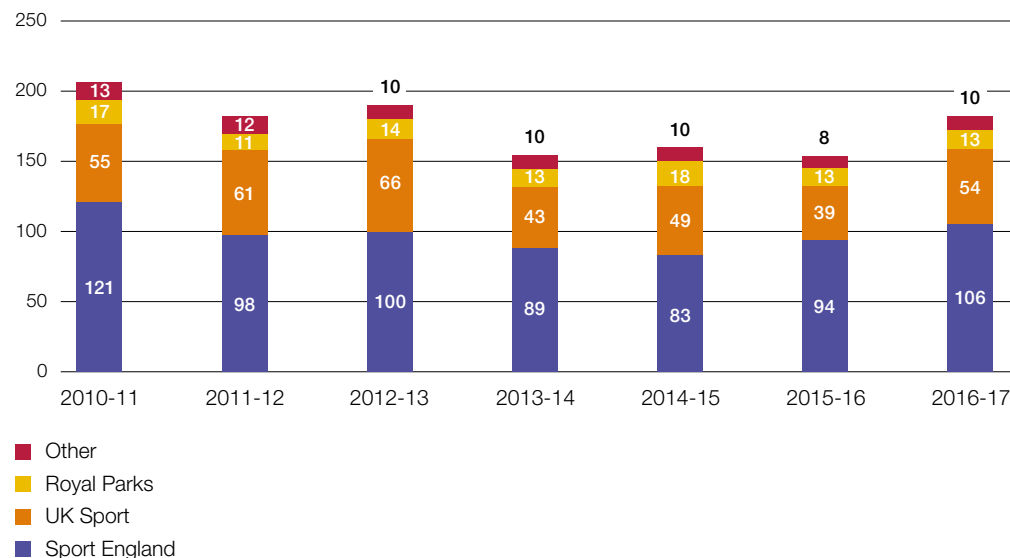
Total grant-in-aid spend in the sector amounted to £182 million in 2016-17. This shows a downwards trend from 2010-11 to 2016-17.

In addition to grant-in-aid funding, the Lottery-distributing ALBs (UK Sport and Sport England) also received National Lottery funding of £277 million in 2016-17 to supplement their government funding.

Grant-in-aid funding

Total grant-in-aid spending for sports and leisure has decreased since 2010-11

Grant-in-aid spending (£m)



Note

1 The figures do not include the Olympic Delivery Authority (ODA), which dissolved in December 2014.

Source: Department for Digital, Culture, Media & Sport, *Annual Report and Accounts 2010-2017*



In your area

Participation in sport

The map opposite highlights the results of responses from Sport England's Active People survey, which shows the number of adults (16+) participating in sports 'At least once a week' in England.

The latest findings, for the year to September 2016, were published in December 2016. These are the last set of results from the survey before being replaced by the Active Lives survey, a new way of measuring sport and activity taking into account activities such as dance and cycling for travel. The Active Lives survey ran concurrently with the Active People survey for 2015-16.

More detailed information is available in the full publication, which is available at:

<http://activepeople.sportengland.org/>

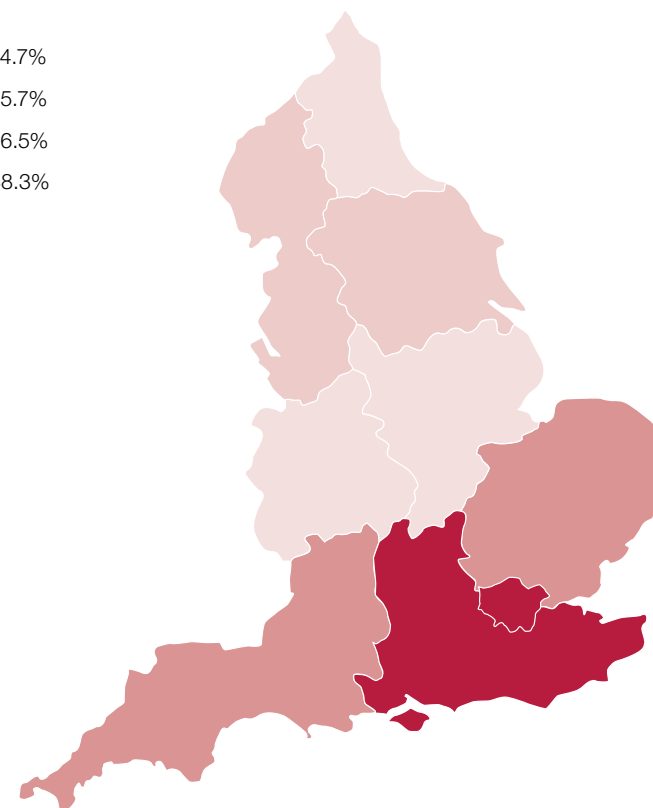
Sport England's data from the new Active Lives survey for 2015-16 shows that:

- there is a clear pattern in activity levels by age. Those aged 16–24 are most likely to be active (75% or 4.7 million) and those aged 75+ are least likely to be active (32% or 1.4 million);
- 11.3 million (26%) of adults do fewer than 30 minutes a week of exercise, compared with 27 million (61%) who are active for more than 150 minutes a week; and
- the preferred form of activity taken at least twice in 28 days is walking (73%), followed by running (15%) and cycling for leisure and sport (15%).

Percentage of people aged 16+ participating in sport at least once a week during October 2015 – September 2016

Regions

- 32.7% to 34.7%
- 34.7% to 35.7%
- 35.7% to 36.5%
- 36.5% to 38.3%



Source: [Sport England](#)



Recent and planned developments

In February 2017, Sport England confirmed that it would continue to fund the popular 'This Girl Can' campaign. It launched the second phase of the programme, which encourages women and girls to get active, in May 2017.

In May 2016, Sport England published its new strategy, Towards an Active Nation. It committed to spending at least 25% of its budget over four years on tackling inactivity and increasing its focus and investment to support participation of under-represented groups, particularly people on low incomes.

The government published plans for replacing the current Horserace Betting Levy on 21 March 2016, which were implemented in April 2017. The Levy extends to cover offshore betting operators and fix the rate at 10%. The responsibility for collecting the Levy will also be transferred from the Horserace Betting Levy Board to the Gambling Commission in April 2019.

The Department monitors and reports annually on the legacy benefits from the London 2012 Olympics and Paralympic Games. This includes:

- more than 9.5 million visitors to Queen Elizabeth Olympic Park since 2012; and
- nearly 6,000 people live in the former Athletes' Village, which has been converted into housing.

UK paralympians brought home a record-breaking 147 medals from Rio 2016, the biggest number since National Lottery Funding began. UK olympic athletes brought home 67 medals, the best result in more than a century.

In July 2015, DCMS launched the Five-Point Plan for Tourism and the Discover England Fund to increase tourism in the UK and encourage travel beyond London. During 2016-17, DCMS increased the funding it provided to VisitBritain to £60 million per year from £46 million, with £19 million of this fund used by VisitBritain to promote the UK abroad. So far, 21 projects have been funded, with bids for the second round of funding starting in 2017.

Since the campaign's launch the number of visits to the UK by overseas residents has risen to 37.6 million in 2016, up from 36.2 million in 2015.

The Department gave permission for the Royal Parks Agency to change its status from an executive agency to a charitable company. It was awarded charitable status from the Charity Commission and launched in March 2017.

The new charitable company aims to be more self-sustaining, reducing dependence on government funding while improving visitor satisfaction.



What are the things to look out for?



Future sporting events

England secured the rights to host the Rugby League World Cup in 2021. The Department is investing up to £15 million into hosting the event and up to £10 million towards the event's legacy by investing in infrastructure to increase participation.

The UK will host the 2019 UCI Road World Cycling Championships and DCMS will invest £15 million towards developing cycling facilities across the UK as part of the event's legacy.

How will national governing bodies respond to changes?

Sport England and UK Sport jointly published a new Code for Sports Governance, which took effect from April 2017. This applies to all sports bodies and organisations who receive public funding and sets out standards for transparency, ethics and leadership.

This aims to change the landscape of governance given recent sporting scandals, with sporting bodies in receipt of public funds required to comply by 31 October 2017.

A new anti-doping 'clean games policy' was introduced by UK Anti-Doping in April 2017. This means that all athletes and athlete support personnel who are part of any Olympic, Paralympic or Commonwealth Games team will receive anti-doping education.

The response of the national governing bodies will be critical to the success of these initiatives and the actions taken to implement them.

How Royal Parks generates its income

Royal Parks Agency now has the independence to manage long-term capital projects and is able to present a more compelling case for support to corporate sponsors and charitable trusts and for gifts from individuals.

Royal Parks will seek reduced reliance on the amount of funding provided by government through new sources of income, expansion of existing revenue streams and increased visitor numbers.

For example, a pilot by Sport England has generated £353,000 to install cutting-edge technology under one of its existing football pitches in Regent's Park, London to transform it into a grass hybrid playing area. It will be the first time a pitch of this type has been installed in outdoor public sports facilities in the UK.



Building a shared society



Who is involved
and what is the cost?



In your area



Recent and planned
developments



What are the things
to look out for?



Who is involved and what is the cost?



About the National Citizen Service

The Office for Civil Society (OCS) and the National Citizen Service (NCS) were transferred from the Cabinet Office to DCMS with effect from July 2016 in a machinery of government change. As a result, DCMS is now responsible for building an inclusive economy, supporting civil society organisations, social action and youth policy.

The Cabinet Office established the NCS programme in 2011 as part of its 'Big Society' agenda. NCS aims to bring together young people from different backgrounds and helps them develop greater confidence, self-awareness and responsibility. It encourages personal and social development by working on skills such as leadership, teamwork and communication.

In 2013 the OCS, then part of the Cabinet Office with responsibility for NCS, set up the NCS Trust as a community interest company funded by the OCS, to take over managing NCS. It is responsible for increasing the number of young people participating, ensuring a high-quality NCS, reducing costs and ensuring the long-term sustainability of NCS.



What the Big Lottery Fund does

The Big Lottery Fund was set up in 2004 as the largest distributor of funding from the National Lottery to good causes and aims to bring real improvements to communities, and to the lives of people most in need. Sponsorship of and policy responsibility for Big Lottery Fund transferred fully to DCMS with effect from July 2016.

In 2016-17 the Big Lottery Fund provided 13,814 grants worth £713 million across the UK to 6.2 million people. Big Lottery Fund receives 40% of National Lottery proceeds.

Since NCS launched, the OCS and, latterly, the Trust have focused on growing participation and demonstrating that NCS has an impact on young people. Up to 2015-16, the OCS has spent £443 million and committed a further £1.26 billion to 2020.

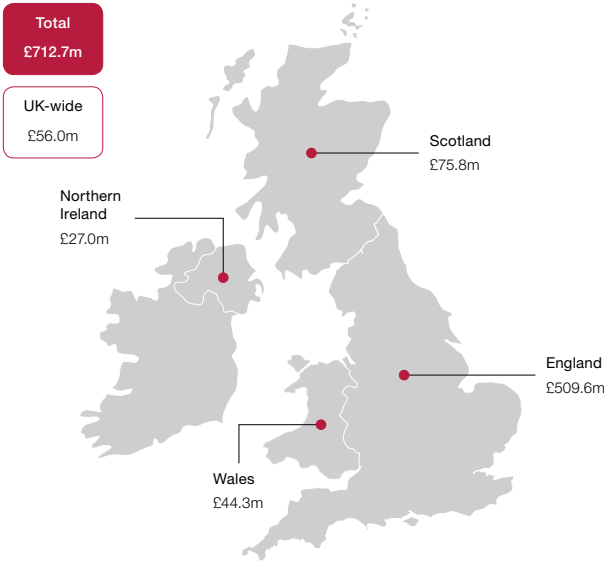
In your area

Since it was created in 2004, the Big Lottery Fund has committed more than £8.5 billion to projects supporting health, education, environment and charitable purposes, from early-years intervention to commemorative travel funding for World War II veterans. This included:

- England:** £5.8 billion
 Scotland: £0.9 billion
- Wales:** £0.4 billion
 Northern Ireland: £0.4 billion
- UK:** £0.9 billion

Awards made in 2016-17 by Big Lottery Fund

England remains the dominant area for grants made by the Big Lottery Fund



Source: Big Lottery Fund, Annual Report and Accounts 2016-17

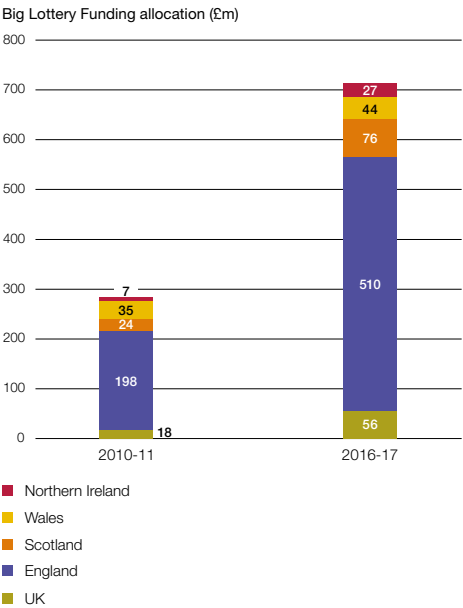
Grants awarded to bodies by the Big Lottery Fund have more than doubled (increased by £430 million) since 2010-11 to £713 million in 2016-17.

Of this amount, England has received the biggest absolute increase of £311 million since 2010-11.

However, in percentage terms, Northern Ireland received the largest increase, at 295% or £20 million since 2010-11.

Change in Big Lottery funding since 2010-11

Grants made by the Big Lottery Fund have more than doubled since 2010-11



Source: Big Lottery Fund, Annual Report and Accounts 2010-2017



Recent and planned developments



National Citizen Service

In April 2017, the NCS bill received Royal Assent. Together the act and the Royal Charter are designed to make sure NCS is delivered efficiently, effectively and transparently. The act allows government to provide grant-in-aid funding to the NCS Trust, makes the National Audit Office the auditor of the NCS Trust and requires the Trust to produce an annual report and accounts along with an annual business plan to ensure accountability and transparency.

Ipsos published an independent impact evaluation of the [2015 NCS programme](#) that showed that eight in 10 young people finished their NCS placement feeling more positive towards people from different backgrounds and at least two-thirds of participants said they were more likely to help out in their local area.



Funding initiatives

The government and the Big Lottery fund launched a new independent youth social action fund known as the ‘#iwill Fund’, with a total of £40 million of funding over the period to 2020. The campaign aims to ensure that 60% of 10- to 20-year-olds across the UK are taking part in meaningful social action by 2020.

DCMS and the Big Lottery Fund also launched a Youth Investment Fund to support schemes in targeted disadvantaged communities across England. The fund gives £40 million until 2020 and allows both bodies to work collaboratively in England’s youth sector to help give young people the best possible start in life.



What are the things to look out for?



How will the NCS respond to recent report findings?

Our [value-for-money study](#) on NCS in January 2017 found that if participation growth at the current rate of 23% continues, there would be 213,000 participants in NCS by 2020-21. This would miss the 360,000 target set by OCS in February 2016 by more than 40%.

Our study also found that cost per participant has been higher than anticipated and needs to reduce by 29% to remain within the Spending Review 2015 limit.

The Department is working with the NCS Trust to prepare a response to the Committee of Public Accounts' report about the NCS. The NCS has a key role in DCMS' objective of building a shared society and therefore it is vital that it operates efficiently and effectively.

The actions taken by the NCS to address these concerns will be critical to the future contribution towards delivering DCMS' objectives. This is currently scheduled for publication in the House of Commons in October 2017.



How will the Big Lottery Fund's new grant-making strategy be implemented?

During 2015-16, the Big Lottery Fund (BLF) sought to improve its processes and approved a new grant-making enabling strategy under its Strategic Framework 2015-21. The new approach aims to make the grant-making process quick and simple, and to put people in the lead at every stage of the funding cycle. As the grant-making process evolves, BLF will have to ensure that its controls over awarding and assessing the use of grants are proportionate and effective.

BLF developed a Funding Management Software (FMS), which came into use in 2013-14. The software cost £26 million, of which £13.2 million has been impaired (did not have future value to the business) cumulatively to date. BLF had a target to identify a replacement and set out a plan to replace the FMS by July 2017. BLF's website will also be modified to create a portal for their grant-making. BLF will have to ensure that the new system fully meets its requirements and provides value for money.



Appendices



Appendix One –
Staff and pay
2016-17



Appendix Two –
Staff attitudes
and engagement



Appendix Three –
Sponsored
public bodies

Appendix One – Staff and pay 2016-17

In comparison to the wider civil service, DCMS employment by responsibility level and gender is more balanced at all grades, with an equal or greater number of women in senior roles.

Where declared, there was no significant variation in employment of staff with disabilities compared to the average. There is, however, a greater proportion of ethnic minorities working in DCMS than the wider civil service.

Lastly, DCMS is a younger Department than the rest of the civil service, with 60% of staff being aged 39 or under compared with a civil service average of 33%, and just 20% of staff being aged 49 or over compared with a wider average of 39%.

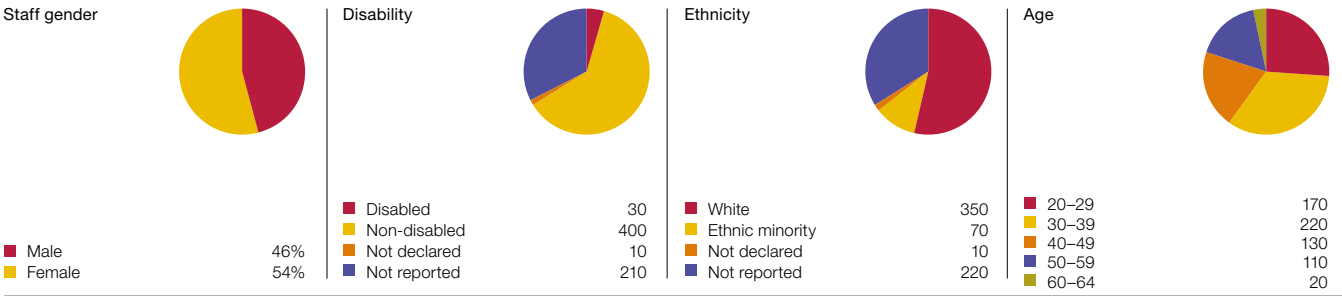
The pay multiples for the DCMS agencies (excluding the BBC) are as follows:

DCMS core Department: Pay multiple was 5.2. Median remuneration of workforce was £39,177.

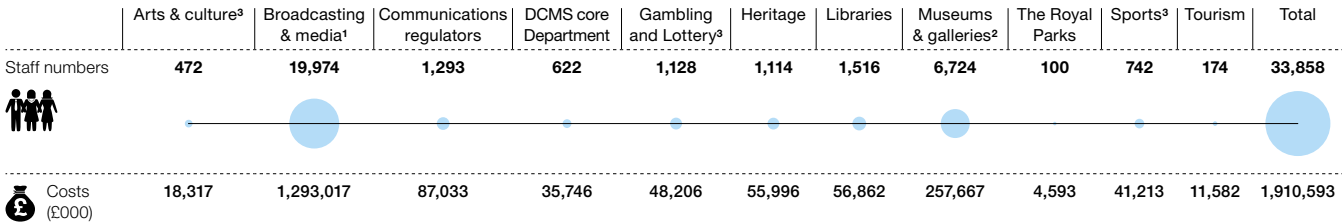
Museums and galleries: Pay multiple range was 3.2 to 7.9. Range of median remuneration of workforce was between £18,795 and £32,500.

Other ALBs: Pay multiple range was 2.5 to 6.6. Range of median remuneration of workforce was between £26,312 and £56,173.

Workforce in the Department for Digital, Culture, Media & Sport 2016-17



Staff breakdown 2016-17 (full-time equivalent)



Notes

1 Broadcasting and media includes BBC PSB. For further details on BBC see the separate [BBC Short Guide](#).

2 Staff numbers and costs for museums and galleries are inclusive of the trading subsidiaries of each body as it was not possible to determine the values using the source data.

3 Arts and culture and sports include Lottery-funded components that are not included in gambling and Lottery. Sports also excludes the Sports Ground Safety Authority as its accounts have not yet been laid before Parliament.

4 DCMS Core staff numbers do not equate to the pie chart totals as ONS data uses headcount at 31 March 2017 (650) whereas DCMS Annual Report and accounts uses average FTE over 2016/17 (622).

Sources: Pie charts and commentary – Office for National Statistics, Civil Service Statistics 2017. Table and pay multiples – *Annual Reports & Accounts 2016-17* for Department for Digital, Culture, Media & Sport agencies

Appendix Two – Staff attitudes and engagement

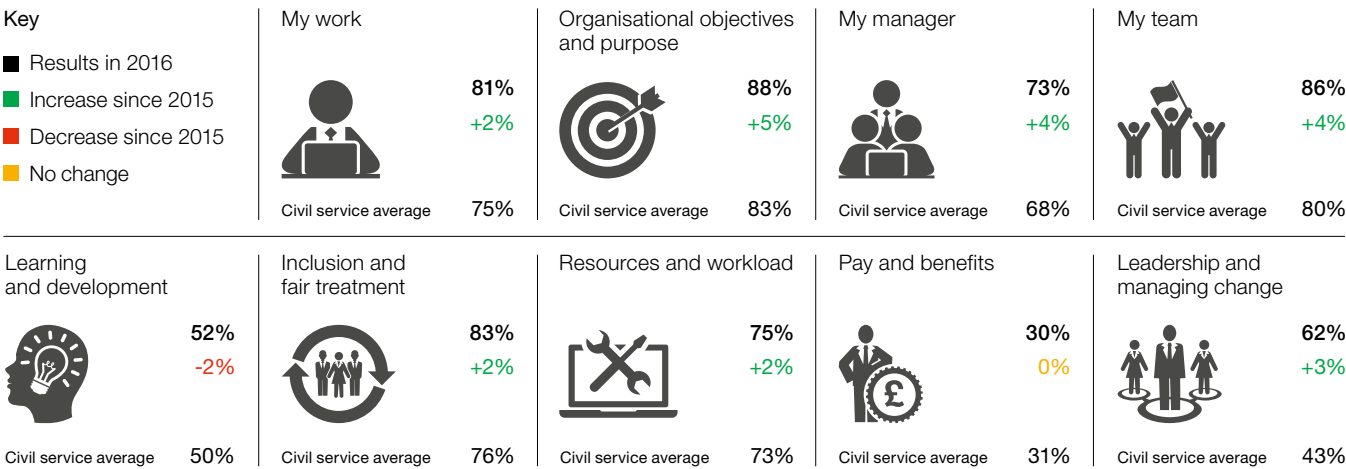
The government has conducted its Civil Service People Survey annually for the past six years. The most recent survey was carried out during November 2016.

The Department’s results improved in all areas except for pay and benefits and learning and development. The largest improvement was for staff’s perception of organisational objectives and purpose, which showed a five-point increase.

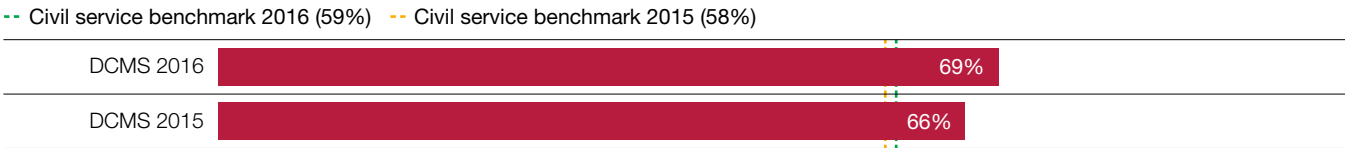
Except for pay and benefits, the Department scored above the civil service average across all criteria.

The Department’s return for leadership and managing change showed the largest deviation from the civil service average with a 19-point positive score.

The employee engagement index was 10 points higher for DCMS at 69% than the civil service average for 2016. This was an increase of three points in comparison with 2015.



Engagement index 2016



Sources: Civil Service People Survey 2016 and 2015



Appendix Three – Sponsored public bodies

Links to the website of sponsored bodies/arm's-length bodies, executive agencies and executive non-departmental public bodies

Public bodies within the Departmental accounting boundary

Core Department, executive agencies and public broadcasting authorities

Department for Digital, Culture, Media & Sport
www.gov.uk/government/organisations/department-for-culture-media-sport

Royal Parks
www.royalparks.org.uk/

BBC
www.bbc.co.uk/

S4C
<http://s4c.cymru/>

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 Museums Liverpool
www.liverpoolmuseums.org.uk/

National Maritime Museum
www.rmg.co.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/

Arts

Arts Council England
www.artscouncil.org.uk/

Architecture and the historic environment

Historic England
www.historicengland.org.uk/

National Heritage Memorial Fund/Heritage Lottery Fund
www.nhmf.org.uk

Churches Conservation Trust
www.visitchurches.org.uk/



Appendix Three – Sponsored public bodies *continued*

Links to the website of sponsored bodies/arm's-length bodies, executive agencies and executive non-departmental public bodies *continued*

Communications

Ofcom
www.ofcom.org.uk/

PhonepayPlus
www.phonepayplus.org.uk/

Tourism

British Tourist Authority
www.visitbritain.com

Creative industries

British Film Institute
www.bfi.org.uk/

Sports

Sports Grounds Safety Authority
www.safetyatsportsgrounds.org.uk/

Sport England
www.sportengland.org/

UK Sport
www.uksport.gov.uk/

UK Anti-Doping
www.ukad.org.uk/

Gambling and National Lottery

Big Lottery Fund
www.biglotteryfund.org.uk/

Gambling Commission
www.gamblingcommission.gov.uk

Horserace Betting Levy Board
www.hblb.org.uk/

Data protection

Information Commissioner's Office
www.ico.org.uk/

Public bodies outside the Departmental accounting boundary

Non-ministerial government department

The National Archives
www.nationalarchives.gov.uk/

Public corporations sponsored by the Department

Channel Four Television Corporation
www.channel4.com/

Historic Royal Palaces
www.hrp.org.uk/

National Lottery Distribution Fund

National Lottery Distribution Fund
www.gov.uk/government/publications/national-lottery-distribution-fund-account-2016-17

Committees funded by the Department

- Reviewing Committee on the Export of Works of Art
- Treasure Valuing Committee

Note

- 1 New bodies joining the Departmental group in 2016-17 include the National Citizen Service as an arm's-length body and the Charities Commission as a non-ministerial government department.