



National Audit Office

OVERVIEW

# Department for Culture, Media & Sport

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Departmental Overview 2022-23

We are the UK's independent public spending watchdog

January 2024

## What this guide is about

**This guide has been produced to support the Culture, Media and Sport Committee in its examination of the Department for Culture, Media and Sport's, (DCMS) spending and performance. It summarises the key information and insights that can be gained from our examinations of DCMS and related bodies in the sector in England and DCMS's Annual Report and Accounts.**

**DCMS spends nearly £10 billion each year to deliver policies covering arts and culture, media and creative industry, sport, tourism, and building a shared society.**

The guide includes:

- ➔ how DCMS is structured including an overview of the February 2023 machinery of government changes affecting DCMS's digital work;
- ➔ where DCMS spends its money; and
- ➔ key issues in DCMS's main areas of responsibility: media and the creative industries; culture, arts, heritage and tourism; gambling and sport; and civil society and youth.

### How we have prepared this guide

The information in this guide draws on the findings and recommendations from our financial audit and value for money programme of work, and from publicly available sources, including the annual report and accounts of DCMS and its bodies.

We have cited these sources throughout the guide to enable readers to seek further information if required.

Where analysis has been taken directly from our value-for-money or other reports, details of our audit approach can be found in the Appendix of each report, including the evaluative criteria and the evidence base used.

Other analysis in the guide has been directly drawn from publicly available data and includes the relevant source as well as any appropriate notes to help the reader understand our analysis.

### Other relevant publications

More information about our work on DCMS in England, as well as information about our other recent and upcoming reports can be found on the NAO website.

### More information about central government accounting and reporting

You may also be interested in our interactive guide to *Good practice in annual reporting* (February 2023) which sets out good-practice principles for annual reporting and provides illustrative examples taken from public sector organisations who are leading the way in this area.



This report updates our previous overview, *Department for Digital, Culture, Media & Sport: Departmental Overview 2021-22*, published in March 2023.

# Departmental Overview 2022-23

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#### About the National Audit Office

The National Audit Office (NAO) scrutinises public spending for Parliament and is independent of government and the civil service. We help Parliament hold government to account and we use our insights to help people who manage and govern public bodies improve public services.

The Comptroller and Auditor General (C&AG), Gareth Davies, is an Officer of the House of Commons and leads the NAO. We audit the financial accounts of departments and other public bodies. We also examine and report on the value for money of how public money has been spent. In 2022, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £572 million.

If you would like to know more about the NAO's work on Department for Culture, Media & Sport, or are interested in the NAO's work and support for Parliament more widely, please contact:

Parliament@nao.org.uk  
020 7798 7665



Part One • Overview

## DCMS and the impact of machinery of government changes

In February 2023, machinery of government changes brought together parts of the former Department for Business, Energy & Industrial Strategy, and the digital, telecom and technological teams of DCMS to form a new Department for Science, Innovation and Technology (DSIT). DCMS became the Department for Culture, Media & Sport.

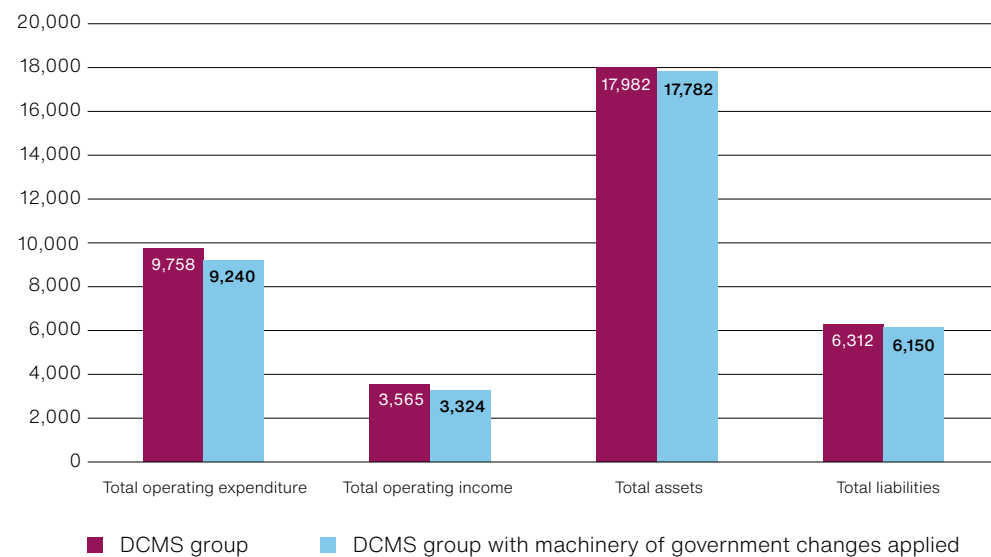
The digital policy teams of the DCMS core department and four entities within DCMS and its group – Building Digital UK (BDUK), The Information Commissioner’s Office (ICO), Ofcom, and the Phone-paid Services Authority, transferred to DSIT

The 2022-23 annual report and accounts of DCMS have been prepared prior to machinery of government changes and therefore the financial performance and position of the group presents the digital components later transferred to DSIT. If the machinery of government changes were applied to the 2022-23 DCMS group finances, this would have removed from DCMS: £518 million of expenditure, £241 million of income, £200 million of assets and £162 million of liabilities.

The business areas no longer in DCMS’s remit are cyber security and digital identity, data policy, BDUK, digital infrastructure, security and online harms, the Centre for Data Ethics and Innovation and elements of international engagement and trade.

### The effect of machinery of government changes to the DCMS group’s 2022-23 financial performance and position on 31 March 2023

Spending £mn



Source: National Audit Office analysis of the Department for Digital, Culture, Media & Sport’s *Annual Report and Accounts 2022-23, Note 26 Events after the reporting period.*

As the machinery of government changes happened so close to the end of the financial year, the financial and staff information contained within this overview presents DCMS as it existed prior to the changes. The thematic commentary focuses on DCMS’s remaining responsibilities.

For more information on the future of digital – the NAO has published the [2022-23 Departmental Overview for the Department for Science, Innovation & Technology](#)

## About DCMS

The Department for Culture, Media & Sport's (DCMS's) overall objective is to support culture, arts, media, sport, tourism and civil society across every part of England – recognising the UK's "world-leading" position in these areas and the importance of these sectors to the nation's economy, way of life and its reputation around the world. DCMS aims to champion sport for all at every level, support our "world-leading" cultural and creative industries and enhance the cohesiveness of communities.

**Vision** – DCMS's vision is to drive growth and enrich the lives of people and communities across the UK.

### DCMS's Outcome Delivery Plan objectives

DCMS's plan to deliver its priority outcomes<sup>1</sup> which was agreed in the 2020 Spending Review. It includes how DCMS will measure its success, and how DCMS will ensure it continuously improves.

Of the four priority outcomes outlined in the Outcome Delivery Plan, two will now be carried forward by DSIT:

#### Priority outcomes retained by DCMS:<sup>1</sup>

**1** Growing and evolving the UK's sectors domestically and globally, particularly sectors most affected by COVID-19, including culture, sport, civil society, and the creative industries.

**2** Enhancing the cohesiveness of UK communities and nations, including through major events and ceremonial occasions, and reduce inequalities of participation in society, particularly among young people.

#### Priority outcomes moved to DSIT:

**3** Increasing economic growth and productivity through improved digital connectivity.

**4** Increasing growth through expanding the use of data and digital technology and increasing innovation, while minimising digital harms to the UK's economic security and society.

To deliver its priority outcomes, DCMS's Outcome Delivery Plan states that it needs to focus on four key enablers:

Workforce, skills  
and location

Innovation,  
technology and data

Delivery, evaluation  
and collaboration

Sustainability

### Reflecting its priority outcomes, DCMS's business areas



Civil Society and youth



Culture, arts, heritage and tourism



Ceremonials



Media and creative industries



Sport and gambling

<sup>1</sup> The outcomes are currently being revised to refocus DCMS's portfolio after machinery of government changes.

Part One • Overview

# How DCMS is structured in 2022-23

## Department for Culture, Media & Sport (DCMS)

DCMS's core department is responsible for providing oversight and funding to its bodies and delivering government policies. Prior to the machinery of government changes announced in February 2023, the DCMS family included the core department, one executive agency, 36 arm's-length bodies, two advisory NDPBs, five other public bodies and the National Lottery Distribution Fund and its six distribution bodies.

DCMS's executive agency and arm's-length bodies have a wide range of policy and operational responsibilities. They are all governed by their own independent boards. They are all incorporated into DCMS's group accounts.

### 36 arm's-length bodies, 2 advisory bodies and 1 executive agency

15 museums and galleries	3 heritage bodies	5 sport bodies
British Museum	Churches Conservation Trust	Birmingham 2022 Organising Committee for the 2022 Commonwealth Games <sup>3</sup>
Horniman Public Museum and Public Park Trust	Historic England	Sports Grounds Safety Authority
Imperial War Museum	National Heritage Memorial Fund	Sport England
Museum of the Home	<b>2 arts and libraries bodies</b>	UK Anti-Doping
National Gallery	Arts Council England	UK Sport
National Museums Liverpool	British Library	<b>3 media/creative industries bodies</b>
National Portrait Gallery	<b>2 civil society bodies</b>	British Broadcasting Corporation (BBC)
National Maritime Museum	National Lottery Community Fund	British Film Institute
Natural History Museum	National Citizen Service Trust	S4C
Royal Armouries Museum	<b>2 gambling bodies</b>	<b>2 cultural property bodies (advisory NDPBs)</b>
Science Museums Group	Gambling Commission	Reviewing Committee on the Export of Works of Art and Objects of Cultural Interest
Sir John Soane's Museum	Horserace Betting Levy Board	Treasure Valuation Committee
Tate Gallery	<b>1 tourism body</b>	
Victoria and Albert Museum	British Tourist Authority (VisitBritain and VisitEngland)	
Wallace Collection		
<b>4 data and telecoms bodies<sup>1</sup></b>		
Information Commissioner's Office		
Office of Communications (Ofcom)		
Phone-paid Services Authority		
<b>Including 1 executive agency</b>		
Building Digital UK <sup>2</sup>		

DCMS sponsors, and has lead policy responsibility for, two non-ministerial government departments and three public corporations. These are not incorporated into the DCMS group accounts.

5 other public bodies
<b>3 sponsored public corporations</b>
Channel 4
Historic Royal Palaces
The Royal Parks
<b>2 non-ministerial government departments</b>
The National Archives
The Charity Commission

DCMS has responsibility for the operation of the National Lottery Distribution Fund (NLDF). The NLDF distributes income generated by the National Lottery to 12 distributing bodies that make grants to what it defines as good causes. Six of these bodies are overseen by the devolved administrations. NLDF is accounted for separately and has its own accounts.<sup>4</sup>

6 lottery distributing bodies
<b>2 arts bodies</b>
Arts Council England
British Film Institute
<b>1 heritage body</b>
National Lottery Heritage Fund
<b>1 community body</b>
National Lottery Community Fund
<b>2 sport bodies</b>
Sport England
UK Sport

### Notes

- Digital elements of DCMS core department and the four data and telecom bodies transferred to DSIT on 1 April 2023.
- Building Digital UK was an executive agency of DCMS in 2022-23.
- The Birmingham 2022 Organising Committee for the 2022 Commonwealth Games entered liquidation on 15 March 2023.
- The British Film Institute, Arts Council England and UK Sport account for government funded and lottery-funded activities separately and produce two sets of accounts. They are both arm's-length bodies and lottery distribution bodies. Along with the National Lottery Heritage Fund and National Lottery Community Fund, they are sponsored by DCMS and included within the DCMS accounts.

Source: National Audit Office analysis of the *Department for Digital, Culture, Media & Sport's Annual Report and Accounts 2022-23*

Part Two • Spending and financial management

# Where DCMS spends its money

**In 2022-23, DCMS group total expenditure increased by £318 million (4%) to £8,485 million (£8,167 million in 2021-22).**

Prior to the machinery of government changes, the DCMS group included the core department and its executive agency Building Digital UK (BDUK), along with its arm's-length bodies, including the BBC.

National Lottery funds are separate from exchequer funding. These funds are distributed at arm's-length from government by 12 lottery distributing bodies to fund projects to fund good causes in the arts, heritage, sport and community sectors where core government funding would not normally be available.

### Highlights

Total spending for the arts, sports, libraries and heritage sector arm's-length bodies fell by £180 million (14%) from £1,258 million in 2021-22 to £1,078 million in 2022-23. This is partly due to a reduction in grant funding, notably the Culture Recovery Fund which closed in 2021-22.

Spending funded by lottery grants fell by £159 million (9%) 2021-22 to 2022-23. The reduction is because, by its nature, lottery grant making and therefore spending is variable and demand led.

Spending related to ceremony and support for the heritage sector rose by £70 million from £47 million (148%) in 2021-22 due primarily to DCMS funding of Her Late Majesty Queen Elizabeth II's funeral and Her Late Majesty the Queen's Platinum Jubilee.

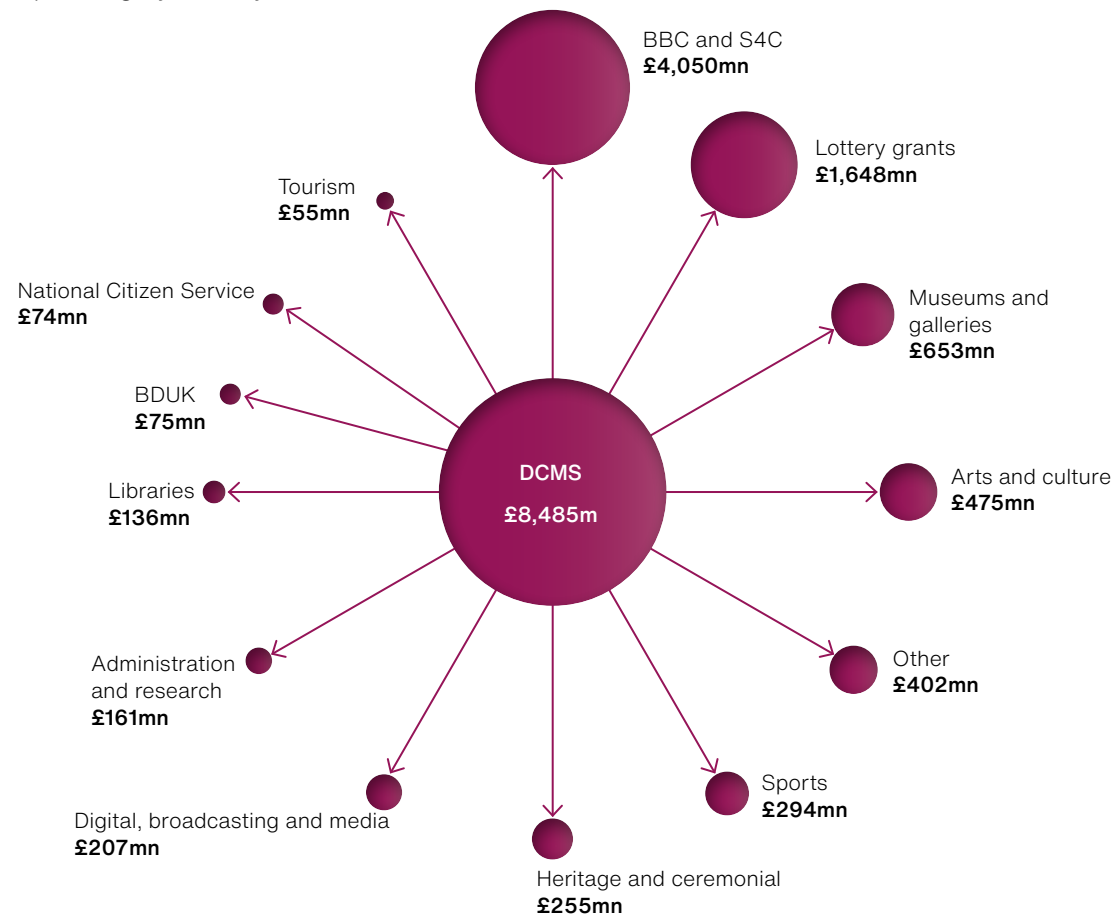
Some activities generate income for DCMS. It received £202 million in 2022-23 (compared to £218 million in 2021-22). This includes:

- £22 million from the gambling and horseracing sector;
- £50 million from ceremonial and heritage activities; and
- £96 million from the arts sector.

Other spending increased in 2022-23 by £250 million (165%). This is mostly due to spending £302 million on preparation for, and delivery of, the Birmingham Commonwealth Games in 2022.

The BBC accounted for £3,961 million (47%) of DCMS's spending in 2022-23 (£3,793 million (46%) in 2021-22).

DCMS's spending by activity, 2022-23



### Notes

- 1 Figures include resource and capital funding. Resource funding is spent on day-to-day resources and administration costs. Capital funding is spent on investments. Both are net of any income received by DCMS.
- 2 The BBC and S4C figures relate to licence fee income. Under the licence fee arrangement, the BBC collects licence fee revenue from customers and transfers it to the Consolidated Fund. The revenue collected is then passed back to the BBC as grant-in-aid from DCMS.
- 3 'Other' includes net spend on the gambling sector, Office for Civil Society, the Commonwealth Games and Festival 2022, levy bodies, provisions, impairments and other annually managed expenditure (AME) spend. AME is money spent on programmes that are demand-led such as welfare, tax credits or public sector pensions.
- 4 The machinery of government changes moved BDUK and the digital components of DCMS's portfolio to DSIT from 2023-24. (See page 4 for the financial implications)

Source: National Audit Office analysis of the Department for Digital, Culture, Media & Sport's *Annual Report and Accounts 2022-23*, Statement of Outturn of Parliamentary Supply 1.1 and 1.2

The BBC group Departmental Overview 2022-23 has more information specifically about the BBC

Part Two - Spending and financial management

# Where funding for good causes is spent

DCMS is the custodian of money raised for good causes through the National Lottery to fund good causes in the arts, heritage, sport and community sectors where core government funding would not normally be available.

£ **£47.7 billion**

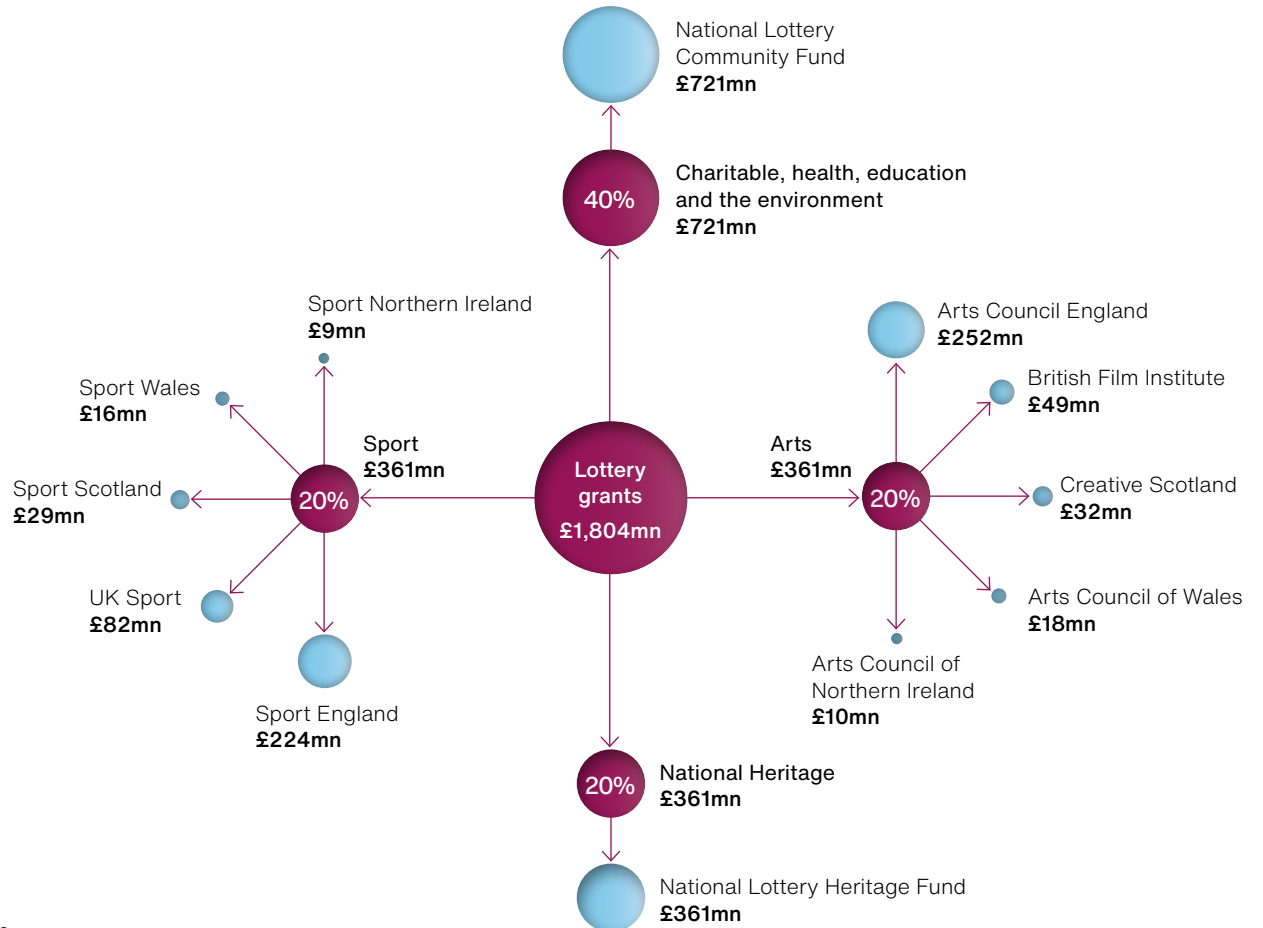
The National Lottery has generated more than £47.7 billion for good causes since its launch in 1994 to March 2023, supporting more than **672,000 projects**

In 2022-23, the National Lottery Distribution Fund provided £1.804 billion (2021-22: £1.810 billion) to be spent on good causes.

Under the National Lottery etc. Act 1993, the net proceeds of lottery sales are granted to projects across the UK in the arts, sport, heritage, health, education, environment and community/charity sectors. These are known as good causes. In 2022-23:

- the **National Lottery Community Fund** made more than 13,858 grants to community-related projects, totalling £615.4 million. These grants supported national events such as His Majesty King Charles III's Coronation events (£5 million) and projects designed to tackle inequality for disadvantaged groups and young people.
- the **National Lottery Heritage Fund** gave £252.7 million (£234.3 million in 2021-22). The money was used to support, among other things projects such as the regeneration of Shrewsbury Flax Mill and development of The Black Country Living Museum, two projects that neared completion in 2022-23.
- the **sports lottery distributing bodies** were given £361 million to spend on sports projects, including projects designed to bring communities together and tackle inequalities using sport and physical activity.
- the **arts lottery distributing bodies** were given £361 million for the arts, including museums and libraries, theatres, dance, music, literature and collections.

Lottery good causes funds apportioned by funding area and body, 2022-23



Notes

- All figures have been rounded to the nearest million.
- Good causes are projects in the arts, sport, heritage, health, education, environment, and community/charity sectors, across the UK.
- Total lottery grants is the net realised income for distribution. This is the share of income from National Lottery plus investment income, less total share of operational costs.
- Good cause funding includes distribution of investment income.
- The Welsh, Scottish and Northern Irish arts and sports bodies are sponsored by the devolved administrations and are therefore not included within the DCMS group.

Source: National Audit Office analysis of *National Lottery Distribution Fund Annual Report and Accounts 2022-23*, notes 9 and 12



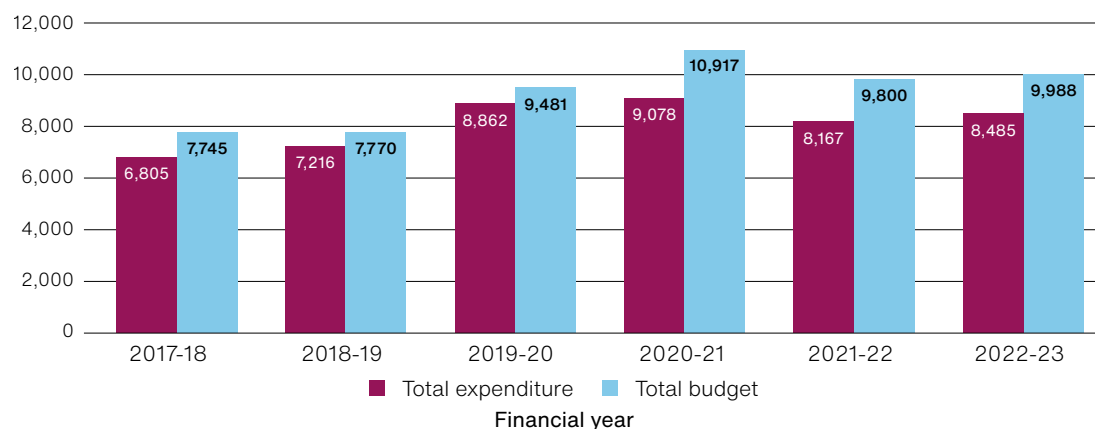
Part Two • Spending and financial management

## How the DCMS group's spending has changed over time

The Department for Culture, Media and Sport (DCMS) group's total expenditure compared to budget, 2017-18 to 2022-23

The DCMS group budget rose between 2018-19 and 2021-22, mostly reflecting growing policy responsibilities and COVID-19 support programmes

Spending £mn



Notes

- Total spend includes both voted and non-voted departmental expenditure limit and annually managed expenditure spend.
- DEL expenditure includes both resource DEL, which is for day-to-day resource costs and administration, and capital DEL, which is for investment, for example, in new buildings.

Source: National Audit Office analysis of the Department for Digital, Culture, Media & Sport *Annual Report and Accounts 2016-17 to 2022-23*

Budget and spending have risen since 2017-18 with both increasing from 2018-19 to reflect COVID-19-related spend.

DCMS group budget and spending have risen over the past seven years: DCMS group budget by 32.8% and spending by 22.9%. Expenditure peaked in 2020-21 due to an expansion of DCMS's policy remit, particularly for digital policy from 2017, DCMS's COVID-19-related support to its sectors from late 2019-20 and the inclusion of the Office of Civil Society and Birmingham Commonwealth Games into the DCMS group in 2016 and 2018 respectively and Building Digital UK in 2022-23.

In 2022-23, the DCMS group spent £1,503 million (15%) less than its budget. Some of this underspend related to the following:

- The BBC underspent by £425.4 million. Of this, £124.7 million relates to net additions and disposal movements, coupled with movements in the valuation of financial instruments as well as reduced expenditure plans and higher than expected income.
- Museums and galleries sponsored arm's-length bodies underspent by £48.9 million. Of this:
  - £26.4 million is due to higher income than anticipated driven by improved visitor numbers towards the end of 2022-23 above that which was forecasted for Science Museum Group, Imperial War Museums and the Natural History Museum; and
  - £23.4 million is due to a range of programme delays or deferrals and operational underspend by the British Museum and the Victoria and Albert Museum.
- The Gambling Commission had an £8.9 million underspend due to surplus income (caused by delayed investment activity) and underspend in respect of other staff and professional fees.
- Channel Four Television did not borrow any money this year within its borrowing limit of £200.9 million, which is covered by DCMS as set in statute.
- Of the total underspend, £37.7 million is related to capital underspend from the museum and galleries sponsored bodies. More than half of this capital underspend can be explained as follows:
  - £18.6 million is attributed to the Natural History Museum and the British Museum due to delays to capital projects and lower than expected lease capitalisation costs.
  - £16.3 million is due to capital underspend by the Tate Galleries predominantly for asset disposals and revaluation of plant and property, plus additional income for works of art and endowment funding.
  - £9.0 million is due to capital grant income received by Science Museum Group.



In 2022-23, the DCMS group spent £1,503 million (15%) less than its budget.



Since 2017-18, the DCMS group has spent on average 12.4% less than budget.

Part Two • Spending and financial management

## Financial position of the DCMS group

On 31 March 2023, the DCMS group had assets worth £18 billion. This is an increase of £535 million (3%) compared with 31 March 2022. An increase in property, plant and equipment's net book value accounts for £245 million of the increase in assets.

Assets include:

- property, plant and equipment with a value of £6,756 million (£6,511 million in 2021-22), of which the museums and galleries hold £4,955 million, the British Library holds £941 million and the BBC £480 million.
- heritage assets of £1,621 million, consisting of buildings, antiques, works of art (including the Government Art Collection and the National Collection of British Art held by sponsored bodies), and scientific and natural history collections. The majority of the DCMS group's heritage assets such as Stonehenge and Dover Castle are not valued and therefore not included on the balance sheet.
- cash of £2,975 million, including £1,779 million held by lottery distributing bodies to fund grants. Another £445 million relates to the BBC, £220 million to museums and galleries and £143 million relates to the DCMS core department.
- leasehold assets of £1,286 million, including £109 million of new leases for 2022-23. Of the total, £928 million relates to the BBC's property holdings while the museums and galleries hold £210 million.
- financial assets of £3,684 million, including £1,938 million from the BBC's investment in its commercial subsidiaries and outstanding loans of £302 million relating to the Cultural Recovery Fund, Sport Survival Package and Rugby Football emergency loans.

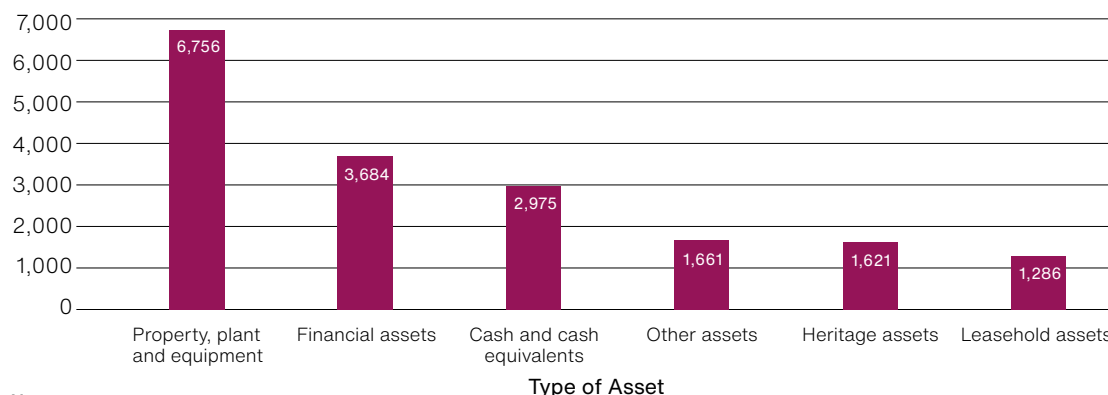
On 31 March 2023, the DCMS group had liabilities of £6.3 billion.

Liabilities include:

- provisions of £258 million. £177 million are related to the BBC: £135 million relates to restructuring, decommissioning and dilapidations and £42 million for taxation, litigation and insurance.
- DCMS's net pension balance which happens to be an asset of £721 million, though recorded as a liability for financial reporting purposes. This is £315 million less than the prior year's net pension asset.
- a £15,500 million total pension asset, that is made up of property, infrastructure and private equity assets. It is offset by £14,779 million of liabilities (an estimation of future pension payments due to scheme members). Within this total, the BBC funded pension scheme has an overall pensions accounting surplus of £702 million.
- total payables of £4,339 million, including £2,512 million of grants issued by lottery distributing bodies for projects funded over several years.

The Department for Culture, Media & Sport (DCMS) group's total assets on 31 March 2023

Asset value £mn



Notes

- Other assets refer to contract assets, trade and other receivables, investments in associates and joint ventures, assets held for sale, inventories, investment properties and intangible assets.
- The DCMS group's assets were £17.98 billion on 31 March 2023.

Source: Consolidated Statement of Financial Position, Department for Digital, Culture, Media & Sport *Annual Report and Accounts 2022-23*

The Department for Culture, Media & Sport (DCMS) group's total liabilities on 31 March 2023

Liability value £mn



Notes

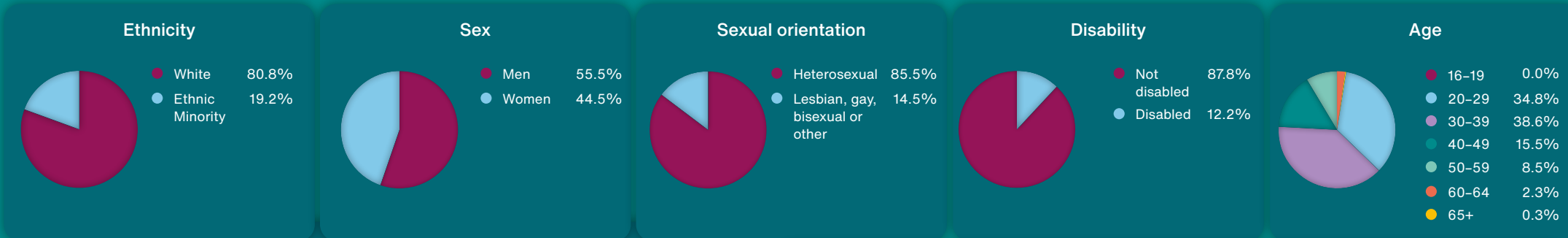
- Other liabilities refer to contract liabilities, provisions and other financial liabilities.
- The DCMS group's liabilities were £6.31 billion on 31 March 2023.

Source: Consolidated Statement of Financial Position, Department for Digital, Culture, Media & Sport *Annual Report and Accounts 2022-23*

Part Three • People and pay

# Staff and pay

## The Department for Culture, Media & Sport's (DCMS's) workforce statistics, 31 March 2023



Notes

<sup>1</sup> Workforce statistics and relative percentages include only those that have elected to declare their information and those where the information is known.

Source: National Audit Office analysis of civil service statistics: 2023, available at [www.gov.uk/government/statistics/civil-service-statistics-2023](http://www.gov.uk/government/statistics/civil-service-statistics-2023)

### Staff diversity

The DCMS core department's Diversity and Inclusion Strategy is part of a wider civil service strategy that aims to increase representation, inclusion and education to support a more diverse workforce. Of the DCMS staff who declared their information, in 2022-23:

- 19.2% of staff identified as being from an ethnic minority, compared with the civil service average of 15.4%;
- women made up 55.5% of DCMS's workforce, which is in line with the civil service average of 54.6%;
- 14.5% of staff identified as lesbian, gay, bisexual or other, compared with the civil service average of 6.4%;
- 12.2% of staff declared they had a disability. In the civil service, the average was 15.8%; and
- 73.4% of DCMS staff were under 40 years of age. The average across the civil service was 39.0%.



### Pay gap

The gender pay gap shows the difference in pay between men and women in the workforce.

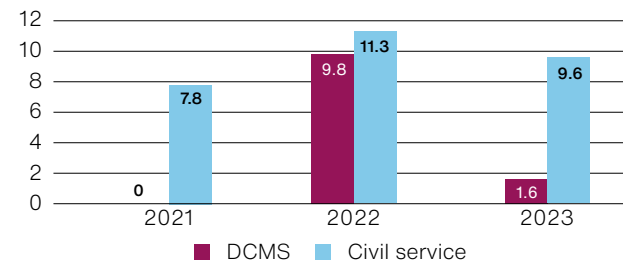


The median gender pay gap for the core department was **1.6%** in 2023

Gender pay gap: the Department for Culture, Media & Sport (DCMS) and civil service median 2021 to 2023

DCMS's median gender pay gap has fallen since 2022 and remains below the civil service average.

Median gender pay gap (%)



Note

<sup>1</sup> The 2021-22 DCMS Departmental Overview reported the mean (average) pay gap. This year, median pay gap has been analysed in line with DCMS reporting in its annual report and accounts.

Source: National Audit Office analysis of the Department for Digital, Culture, Media & Sport gender pay gap reports, 2021, 2022 and 2023

In 2023, the DCMS core department's median gender pay gap was lower than that of the overall civil service and has fallen from 9.8% in 2022. In its gender pay gap report 2023, DCMS report that this improvement is likely due to more women being recruited into higher paying Grade A roles in 2023.

Part Three • People and pay

## Key staff and pay trends in DCMS and its bodies, 2022-23

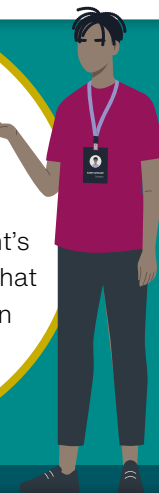
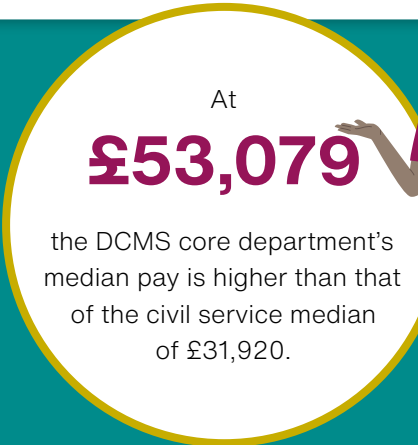
### 1,946 to 1,818

Between 2021-22 and 2022-23, the number of full-time equivalent (FTE) employees in the DCMS core department decreased from 1,946 to 1,818. DCMS's arm's-length bodies employed 33,819 FTE staff in 2022-23, up from 33,324 the year before.



### £2.25 billion

Overall DCMS and its arm's-length bodies spent a total of £2.25 billion on staff costs, down from £2.32 billion in 2021-22.



### 2.9

The pay ratio is the ratio between the highest paid director and the median remuneration of the work force. In 2022-23 this ratio decreased by 1.1 due to an increase in the median pay of the workforce and a fall in the total remuneration of the highest paid director.

Staff numbers and costs, 2022-23 and 2021-22

	Core department	Arm's-length bodies	Agency	Total
<b>Staff numbers (full-time equivalent)</b>				
2022-23	1,818	33,819	247	35,884
2021-22	1,946	33,324	-	35,270
<b>Staff costs (£'000)</b>				
2022-23	128,355	2,096,181	20,629	2,245,165
2021-22	137,271	2,183,179	-	2,320,450

Pay multiples 2022-23, DCMS core department

	2021-22	2022-23	Percentage change
Band of highest paid director's total remuneration (£000)	180-185	150-155	-16.4%
Median total remuneration (£000)	45.3	53.1	+17.2%
Ratio	4.0	2.9	



Notes

- 1 The average number of staff employed at the BBC public service broadcasting group in 2022-23 was 17,688 (2021-22: 17,890).
- 2 Staff costs include salaries, social security and pension costs.
- 3 Remuneration includes salary, non-consolidated performance related pay and benefits in kind, it does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Source: National Audit Office analysis of Department for Digital, Culture, Media & Sport Annual Report and Accounts, 2022-23, pages 89 and 90.

Part Three • People and pay

# Annual Civil Service People Survey

	Result in 2021 (% positive)	Result in 2022 (% positive)	Change (Percentage points)	Civil service mean in 2022 (% positive)
 Employee engagement index	70	68	-2	61
 My work	82	77	-5	75
 Organisational objective and purpose	80	80	0	81
 My manager	76	79	+3	76
 My team	88	86	-2	82
 Learning and development	58	52	-6	56
 Inclusion and fair treatment	86	85	-1	79
 Resources and workload	75	75	0	72
 Pay and benefits	39	24	-15	29
 Leadership and managing change	64	59	-5	49
<b>Response rate</b>	<b>93</b>	<b>94</b>	<b>-1</b>	<b>65</b>

The annual Civil Service People Survey looks at civil servants' attitudes to, and experience of working in government departments. The survey asks staff questions about topics including pay and leadership, and their views of their own department's organisational objective and purpose. The most recent survey was carried out between September and October 2022 and the results were published in March 2023.

**94%**  
DCMS's response rate in 2022 was 94% (93% in 2021), well above the civil service response rate of 65%.

**Highlights**

Compared with 2021, trends in employee engagement at DCMS were mixed.

- It maintained or improved its score for three of the 10 themes covered by the survey.
- It saw scores fall for seven of the 10 themes.
- It performed particularly poorly on pay and benefits, which fell by 15 percentage points.

DCMS scores compared well against civil service averages across the engagement themes. It had higher scores for seven of the 10 themes.

Source: National Audit Office analysis of the annual *Civil Service People Surveys, 2021 and 2022*

Part Four • DCMS's main areas of responsibility

## DCMS group's key priorities

DCMS has four major projects in the Government Major Project Portfolio (GMPP).

The Infrastructure and Projects Authority (IPA) gives an update each year on the progress of each project. IPA is the government's centre of expertise for infrastructure and major projects and aims to support the successful delivery of all types of major projects, improve the way the government delivers projects and programmes and to provide confidence that they will achieve their aims.

### Fourth National Lottery Licence Competition

Aim: Ensuring the continuation of the National Lottery on the current expiry of the current third licence at the end of January 2024.

Entered the GMPP: 2019-20

IPA rating in 2022-23: Amber

More information: [page 22](#)

### Blythe House Programme

Aim: To relocate collections currently stored at Blythe House to appropriate facilities and to dispose of Blythe House by 2024.

Entered the GMPP: 2016-17

IPA rating in 2022-23: Amber

### Natural History Museum Unlocked

Aim: To build new, bespoke storage for the Museum's collection.

Entered the GMPP: 2020-21

IPA rating in 2022-23: Amber

More information: [page 17](#)

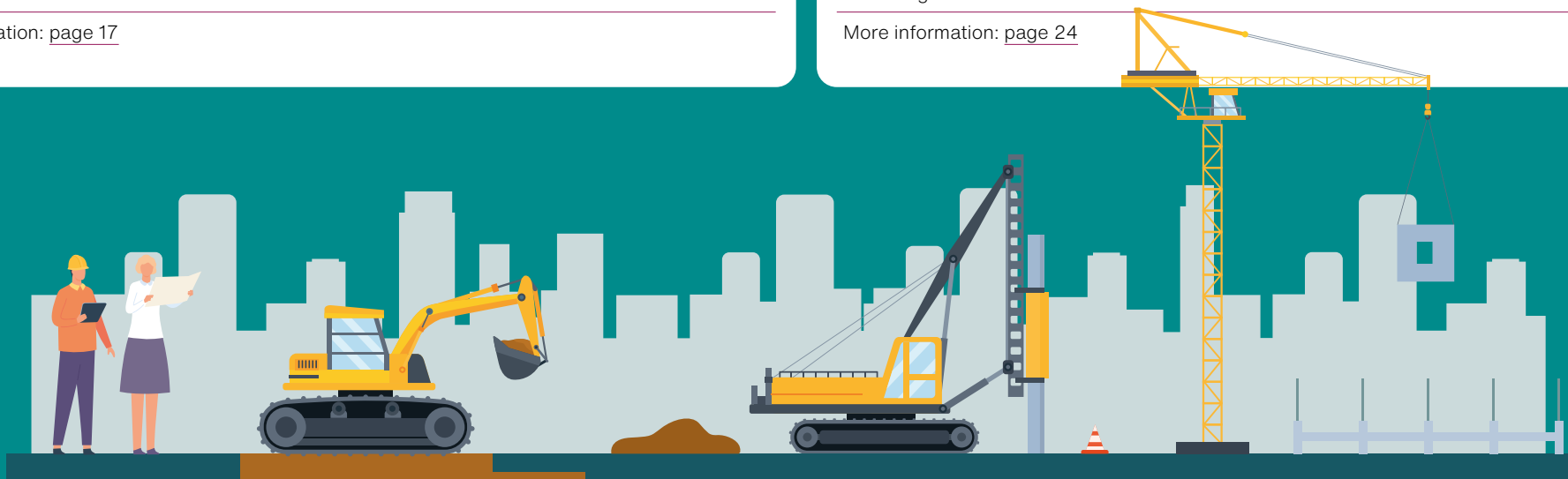
### Youth Investment Fund

Aim: To create, expand and improve local youth facilities and their services.

Entered the GMPP: 2022-23

IPA rating in 2022-23: Amber

More information: [page 24](#)



Part Four • DCMS's main areas of responsibility

## Media and creative industries

### DCMS's work in support of media, broadcasting and press over 2022-23

#### The BBC

Published the Terms of Reference for the mid-term review of the BBC Charter, in May 2022. This review aims to examine and assess how effectively the governance and regulation arrangements of the BBC are performing at the half-way point of the BBC Charter. The government published the outcomes from the mid-term review in January 2024.

Introduced measures to give low-income pensioners easier access to free TV licences.

#### Wider broadcasting

Published "Up next - the government's vision for the broadcasting sector" white paper, focusing on the growth and sustainability of public sector broadcasting. This was followed by the draft Media Bill to support public service broadcasters to grow, maintain quality and invest in new technology. DCMS will use its new legislative powers to set out an updated regulatory framework. Reforms include:

- a new online prominence regime for public service broadcasters;
- a new content code for video-on-demand services; and
- guaranteed access to UK radio on smart speakers.

Launched the Listed Events Digital Rights Review of broadcast rules around major sporting events and whether public service broadcasters should be guaranteed the opportunity to buy digital rights to them.

#### Channel 4

Confirmed that Channel 4 would remain publicly owned and introduced reforms to improve the channel's commercial sustainability. These include:

- allowing Channel 4 to make some of its own content;
- a new legal duty for Channel 4's board to protect its long-term, financial sustainability;
- increasing the level of Channel 4's independent quota (currently 25% of programmes) following consultation; and
- making it easier for Channel 4 to draw on its £75 million credit facility and allowing it to access more private capital.

#### Press

Published a report to address gaps in the existing evidence base regarding the financial sustainability of the UK press sector.

Development of the press sustainability policy and the design of potential interventions to support the sector.

#### National Audit Office reports about the BBC's work

- Our value-for-money report on the [BBC's Across the UK strategy](#).
- Our [overview of the BBC](#) contains more information about its activities over 2022-23.
- Our value-for-money report on the [BBC's digital strategy](#).

#### Creative industries

DCMS's second objective includes growing and evolving the creative industries domestically and globally. The creative industries are one of the Chancellor's five priority sectors for future growth.

Across 2022-23 DCMS spent:

- £28.4 million for the Create Growth Programme to help small and medium sized enterprises to scale up.
- £21 million UK Global Screen Fund, to support the UK's independent film industry.
- £8.4 million UK Games Fund, to support the UK's early-stage games businesses, plus an additional £5 million in June 2023.
- £1.2 million contribution to the Creative Industries Cluster Programme (with UK Research and Industry), to help demonstrator projects with research and development, growth and attracting investment.
- £950,000 to 2025 to the Creative Careers Programme for specialist careers advice and guidance, especially for youths from less advantaged backgrounds

#### DCMS's policy work included:

- A closed consultation to inform DCMS's review of the regulatory framework of paid-for online advertising, part of its work on online advertising.
- Developing a Creative Industries Sector Vision, working with the Creative Industries Council, focussing on growth, skills, and maximising the sector's impact. The Vision was published in June 2023.

It also ended the Film and TV Production Restart Scheme that supported 100,000 jobs during 2019. DCMS estimates that it supported 100,000 jobs and contributed to £6.3 billion production spend.

Part Four • DCMS's main areas of responsibility

## Culture, arts, heritage and tourism

DCMS aims to grow and evolve culture and the creative industries domestically and globally. Across 2022-23 DCMS's own contribution to culture, arts and heritage was diverse.

### Examples of DCMS's work in the culture, arts and heritage sectors, 2022-23

Ensuring the UK's artistic heritage can be widely appreciated	Supporting the UK's cultural and artistic infrastructure	Strategy development	Post-COVID work
£275,000 to prepare Bradford for becoming the UK City of Culture 2025	£74.7 million committed to DCMS sponsored cultural bodies for critical infrastructure – part of a £300 million 3-year programme	Setting up an expert panel to help develop a joint DCMS/Department for Education Cultural Education Plan	Ended the Culture Recovery Fund, and published the evaluation report in April 2023. (We published our <a href="#">Investigation into the Culture Recovery Fund</a> in 2021).
122 displays of the Government Art Collection across the UK	£21.4 million to 36 museums to maintain museum estates through the Museum Estate and Development Fund (part of the Culture Investment Fund)	£3.1 million to support research to measure the cultural, economic, and social value of the culture and heritage sectors for the DCMS Culture and Heritage Capital Programme	
£60 million to improve people's access to cultural venues, museums and libraries through the Culture Investment Fund	£4 million joint funding from DCMS and the Wolfson Foundation for 33 museums and galleries to improve display, protect collections and make exhibitions more accessible	Preparatory research and consultation to inform drafting a new strategy in 2024 to support public libraries to provide the best possible service for their communities, updating the 2016 strategy	Closed the Live Events Reinsurance Scheme that had enabled organisers of events like The Brits to buy COVID-19 cancellation cover, when insurance companies withdrew from the market
Government Art Collection on tour to Bangkok, Holy See in Vatican City, Rome and Bern	Launched Art X-UK, a 5-year commitment to support artists through acquisitions for the Government Art Collection		
	£47,800 to the Government Art Collection to buy 8 new works through the Robson Orr TenTen Award		
	Worked with Arts Council England (ACE) to support the announcement of its 2023-26 investment programme across 985 organisations		

Source: National Audit Office analysis of the Department for Digital, Culture, Media & Sport's *Annual Report and Accounts, 2022-23*

DCMS's arm's-length bodies for example, ACE and the National Lottery Heritage Fund, also contribute to DCMS and wider government objectives. Arts Council England's 2023-26 investment programme transferred 22% more investment outside of London in 2023-24 in support of the wider government's levelling-up policy.



Part Four • DCMS's main areas of responsibility

## Culture, arts, heritage and tourism part 2

DCMS's culture, arts and heritage bodies have experienced challenges and change during the year

British Museum	British Library	Arts Council England	Natural History Museum
<p><b>August 2023:</b> The Museum revealed thefts from its collections. The Museum began a review of its security. Missing items included gold jewellery and gems of semi-precious stones and glass dating from the 15th Century BC to the 19th Century AD.</p>	<p><b>October 2023:</b> A cyber attack took down the Library's website, online systems and services and some onsite services including Wi-Fi</p>	<p><b>November 2022:</b> Arts Council England (ACE) announced the removal of investment funding from the English National Opera (ENO) but offered funding to transfer out of London.</p>	<p><b>May 2022:</b> The Museum signed a lease with the University of Reading for a new science centre at the Thames Valley Science Park. The building is in the design phase.</p>
<p><b>September 2023:</b> Sir Mark Jones became the British Museum's new interim director.</p>	<p><b>November 2023:</b> The Library announced that the attack was a ransomware attack, by a known group. The Library is working with the National Cyber Security Centre, the Metropolitan Police and cybersecurity specialists on a forensic investigation.</p>	<p><b>December 2022:</b> Questions asked in the House of Commons about the removal of ENO funding.</p>	<p><b>February 2023:</b> HM Treasury approved the budget for the building and moving collections. The total budget is £220 million. DCMS is providing £201 million of this. The Museum is planning to move 28 million specimens.</p>
<p><b>October 2023:</b> The chair and interim director appeared before the Culture, Media and Sport Select Committee and outlined the measures they will take to protect its collection. They estimated that there were currently about 350 objects in the process of being returned and that around 2,000 objects had been stolen.</p>		<p><b>January 2023:</b> ACE agreed to invest £11.46 million in the ENO for 2023-24 to sustain a programme of work at the ENO's London Coliseum home, and start planning for a new base outside London by 2026.</p>	
<p><b>December 2023:</b> Independent review completed and a report of the findings from the review presented to the Board of Trustees at the British Museum setting out the extent of loss, where controls and process failed and to establish a programme of recovery.</p>		<p><b>July 2023:</b> ACE set aside up to £24 million for 2024-26 to enable ENO to revise its artistic and business model with a primary base out of London, and continue operations in London. The ENO must move to its new base by March 2029.</p>	
		<p><b>December 2023:</b> ENO announced its new base will be in Greater Manchester.</p>	

Part Four • DCMS's main areas of responsibility

## Culture, arts, heritage and tourism part 3

DCMS's second objective is to grow and evolve its sectors domestically and globally, particularly sectors most affected by COVID-19, like tourism.

### Tourism Recovery Plan

DCMS published its Tourism Recovery Plan in 2021 in response to the impact of the COVID-19 pandemic on the tourism sector. This outlined its plan to return domestic tourism to pre-pandemic levels by 2022 and international tourism by 2023. By 2023, domestic visitor numbers had nearly returned to 2019 levels, but international visitor numbers and spend were still below 2019 levels. In March 2023, DCMS reset the plan's target for international visitors from the end of 2023 to the end of 2024, which it describes as more realistic.

### Other DCMS work in support of tourism across 2022-23 included:

#### Destination management organisations

- Published response to independent review of destination management organisations
- Announced plan for a new network of the highest performing organisations, giving them the title Local Visitor Economy Partnerships
- Announced a £2.25 million pilot to deliver greater strategic development of the visitor economy at a regional level focused on the North East of England with funding used to attract more visitors and visitor spend as well as investment

#### Short-term holiday lets

- Published response to its call for evidence on benefits and challenges of increase in short-term and holiday letting
- Put out a call for evidence to inform its commitment to introduce a registration scheme

#### Marketing for large events, including:

- UNBOXED ([page 26](#))
- HM the Queen's Platinum Jubilee ([page 23](#))
- Birmingham Commonwealth Games
- The coronation of Their Majesties the King and Queen ([page 23](#))

#### Other support for tourism by DCMS and its arm's-length bodies:

- £24 million through the Business and Tourism programme to boost tourism and spend in the West Midlands around the Birmingham Commonwealth Games
- £10 million National Lottery 'Days Out' campaign
- £0.6 million for the 'England for Everyone' fund to provide trips for hundreds of families in need.

Part Four • DCMS's main areas of responsibility

## Gambling and sport – An overview of DCMS's work on sport

In 2022-23, enhancing the cohesiveness of UK communities including through major events and reducing inequalities of participation in society – particularly amongst the youth – was DCMS's fourth priority outcome. DCMS uses sport to help meet this objective.



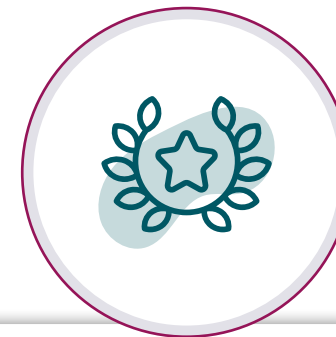
### Capital funding:

- £63 million to support publicly-owned leisure centres with swimming pools, for investment in decarbonisation, and long-term energy efficiency.
- £8.3 million to renovate around 750 tennis courts in parks across Scotland, England and Wales, working with the Lawn Tennis Association.
- An additional £68 million for multi-sport, grassroots facilities across the UK, at least half in the most deprived areas.
- In November 2023, Sport England announced a £250 million extension of its Place Partnerships scheme to ensure those in greatest need are able to be physically active. This supports a recommendation in our report on grassroots sports participation.<sup>1</sup>



### Oversight and governance:

- Reviewed the Sports Grounds Safety Authority's scope, capacity, efficacy and governance.
- Organised an independent review of the future of women's football, and published the Football White Paper – see below.
- Allowed Premier League and Championship clubs to have licensed safe standing areas at stadiums.
- Finalised *Get Active: a strategy for the future of sport and physical activity*, which was published in August 2023.



### Brought sporting events to the UK:

- UEFA women's EUROs (July 2022).
- 22nd Commonwealth Games in Birmingham (July-August 2022).
- The men's, women's and wheelchair Rugby League World Cup tournaments (October-November 2022)

#### Note

<sup>1</sup> Comptroller and Auditor General, *Grassroots participation in sport and physical activity*, Session 2022-23, HC 72, National Audit Office, July 2022.

Part Four • DCMS's main areas of responsibility

## Gambling and sport – An overview of DCMS's work on sport *continued*

In 2022-23, enhancing the cohesiveness of UK communities including through major events and reducing inequalities of participation in society – particularly amongst the youth – was DCMS's fourth priority outcome. DCMS uses sport to help meet this objective.



### Attracting more sporting events to the UK:

- World Indoor Athletics Championships 2024 in Glasgow.
- The women's Rugby World Cup 2025 in England.
- The European Athletics Championships 2026 in Birmingham.
- The women's and men's ICC T20 World Cups in 2026 and 2030.
- Worked with the football associations and other government partners on the UK's successful bid to host the men's UEFA European Championships in 2028



### A new regulator for men's football

In February 2023, DCMS published its Football White Paper, proposing a new, independent regulator for men's elite football for the top five tier leagues in England. It is acting because since 1992, 60 football clubs have entered administration, so it considers it needs to step in and protect clubs as "vital community assets". Following consultation, DCMS announced more details in September 2023. DCMS plans a regulator that is operationally independent of existing football authorities and government. Its remit will cover:

- club financial and non-financial resources, financial controls and risk management;
- suitable, i.e. fit and proper, owners;
- fan interests being considered in key decisions; and
- approving the only leagues and competitions in which clubs can compete.

The Regulator will be funded by a levy on clubs proportionate to their revenue. The legislation to establish the regulator, the Football Governance Bill, was discussed in the 2023 King's Speech.



### Review of the future of women's football

In July 2023, DCMS published *Raising the Bar*, the independent review of the future of women's football, chaired by Karen Carney MBE. It focused on the game's audience, growth, financial health and existing structures.

Part Four • DCMS's main areas of responsibility

## Gambling and sport – DCMS work on gambling

### The White Paper on gambling

Across 2022-23, DCMS developed its white paper *High stakes: gambling reform for the digital age* and published it in April 2023. It proposes reforms to the Gambling Act 2005 including:

- tackling issues with online gambling – making companies check more rigorously if losses may be unaffordable or harmful for customers and limiting stakes on online slot machines;
- strengthening rules on online VIP schemes to help stop problem gamblers being lured back with offers of a free bet;
- resourcing the Gambling Commission appropriately;
- introducing a levy on gambling companies to fund research, education and treatment for problem gambling;
- creating a non-statutory ombudsman to give customers a single point of contact if they think a gambling company has failed them;
- preventing children from gambling online or with scratchcards; and
- removing restrictions that disadvantage casinos, bingo halls, etc. in comparison with their online equivalents.

DCMS and the Gambling Commission started consultations on the proposals in the summer of 2023.

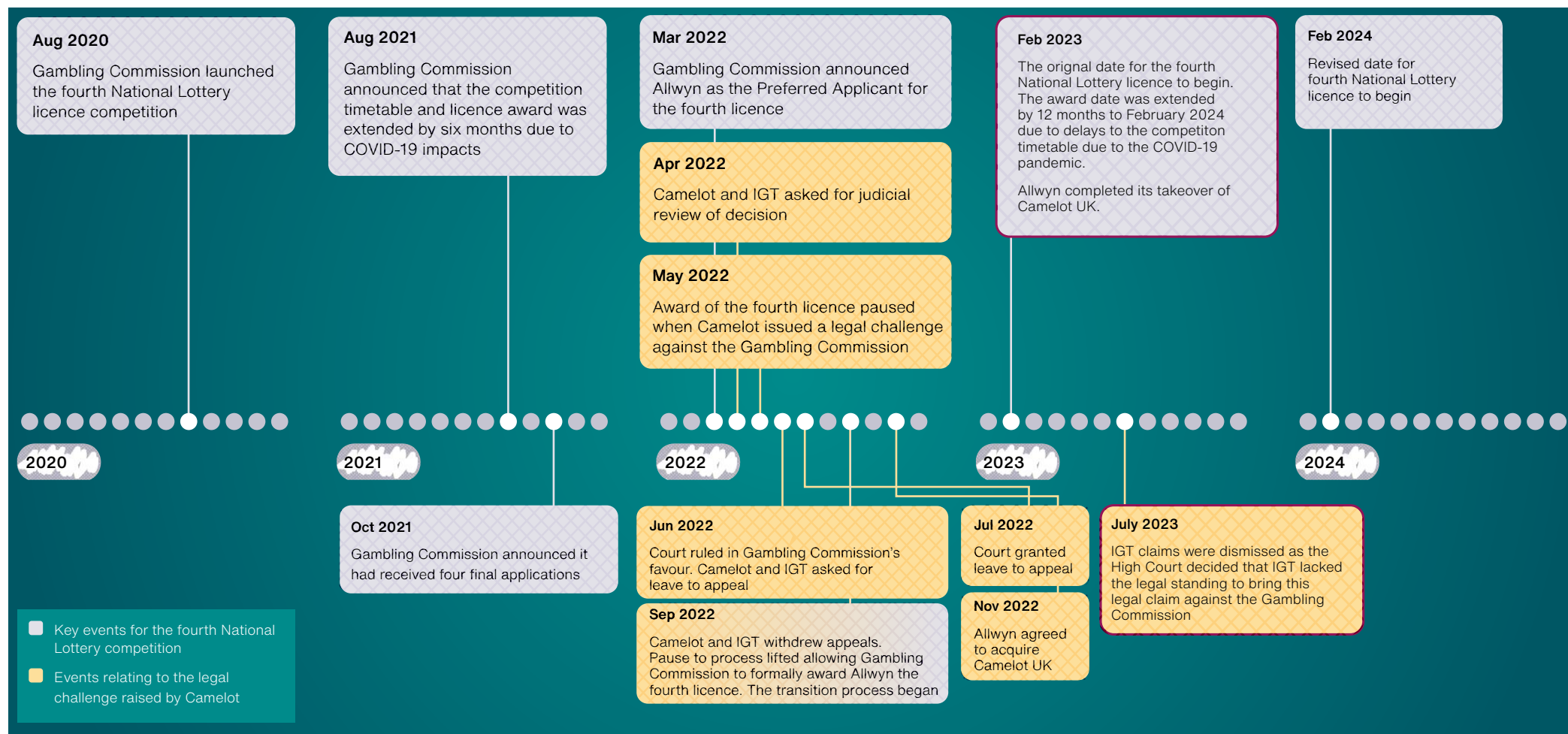
Part Four • DCMS's main areas of responsibility

## Gambling and sport – update on the fourth National Lottery

The Gambling Commission is overseeing a change in the lottery provider from Camelot to Allwyn. Allwyn will be taking over in February 2024.

For 2022-23 the Infrastructure and Projects Authority rated the fourth licence completion as amber (successful delivery appears feasible but significant issues already exist, requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun.)

Timeline of the fourth National Lottery licence competition, 2020 to 2024



Source: National Audit Office analysis of the Gambling Commission's National Lottery news announcements, August 2020 to September 2022

Part Four • DCMS's main areas of responsibility

## Ceremonials

DCMS's fourth objective is to enhance the cohesiveness of our communities across all of the UK including through major events and ceremonial occasions.

### Royal ceremonial events in 2022-23

DCMS is the lead department in government for ceremonial events, and since June 2022 it has worked with the Royal Household on:



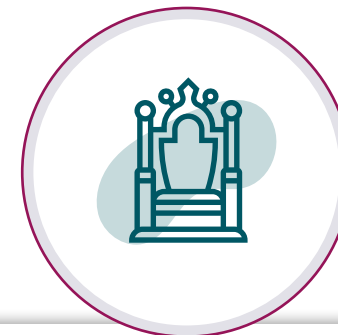
#### The Platinum Jubilee: June 2022

- Events included lighting 3,500 beacons, the Platinum Party at the Palace, and the Platinum Jubilee Pageant.
- £22 million made available through the National Lottery Fund to help communities celebrate.



#### The funeral of Her Late Majesty Queen Elizabeth II: September 2022

- DCMS was responsible for Operation Lion – the logistical plan for a royal death, and Operation Feather – the arrangements for managing the queue for the lying in state. Over a quarter of a million people paid their respects at Westminster Hall.
- HM Treasury estimated this cost government £162 million, of which DCMS spent £57 million (36%).



#### The coronation of Their Majesties the King and Queen: May 2023

- DCMS was the lead government department planning the Coronation including the Coronation Day, the BBC Coronation Concert and the Big Help Out volunteering initiative. The King's Coronation was watched by an average of over 18 million viewers in the UK.

DCMS costs for this work will appear in its 2023-24 accounts.

Part Four • DCMS's main areas of responsibility

## Civil society and youth

DCMS is committed to enhancing the cohesiveness of communities and nations and reducing inequalities of participation in society, particularly amongst the youth.

### The National Youth Guarantee and the Youth Investment Fund

#### What is the National Youth Guarantee?

By 2025, every young person in England will have access to regular out of school activities, adventures away from home and opportunities to volunteer.

This includes all 11-18 year olds, and up to 25 years old for those with special educational needs and disabilities.

#### Progress on delivering the Guarantee:

- £6 million to the #iwill Fund for new youth social action opportunities, matched by The National Lottery Community Fund and other match funders.
- Over 50,000 youths had residential experiences, through the National Citizen Service.
- £300 million investment in phase two of the Youth Investment Fund to 2025

#### The Youth Investment Fund aims:

- Increase the number of young people accessing youth services by 45,000 per year to develop key skills and become active members of their local communities.
- Build or refurbish up to 300 youth facilities in underserved areas by 2025.
- Address inconsistencies in national youth spending and levelling up.

#### Distribution of Youth Investment Fund:

- Distributed by the Social Investment Business on behalf of DCMS.
- Open to bids from August 2022.
- Over £160 million allocated to 87 projects since 2022-23, including for community youth spaces and activity centres.
- DCMS expects virtually all funding to be committed in 2023.
- The first projects completed in summer 2023.
- Funding is targeted towards modular youth buildings created by off-site modular construction methods and use of a standard prototype design.



Part Four • DCMS's main areas of responsibility

## Civil society and youth — other work

- £16.9 million for the Uniformed Youth Fund, November 2022, to tackle waiting lists for uniformed youth organisations. It aims to create up to 20,000 places for 10- to 18-year-olds.
- £11 million has been allocated to provide youth support in anti-social behaviour hotspots from 2023-24, since matched by the National Lottery Community Fund, bringing the total to £22 million.
- £4.2 million to increase access to the Duke of Edinburgh's Award in schools and community settings. Since September 2021, DCMS and the Department for Education have funded 11,500 places.
- Over 3,500 bursaries for day trips and residentials to outdoor spaces for disadvantaged and vulnerable youths.
- Bursaries for youth workers' qualifications.
- Development of a national youth work curriculum and a level 4 qualification in youth work.
- Over 120,000 youths have taken part in National Citizen Service experience, including more than 50,000 first-time residential experiences for youths since the start of COVID-19.

### Civil society

- £76 million through the Dormant Assets Scheme to support people to get out of debt and assist social enterprises with innovative, energy-saving solutions.
- £76 million through the Community Organisations Cost of Living Fund (CCLF), delivered by The National Lottery Community Fund, to support frontline services to meet increased demand for critical services.
- £30 million – including £10 million from the National Lottery Community Fund – to widen participation in volunteering and tackle loneliness in 27 disadvantaged areas of England.
- £25.5 million to help charities and community organisations improve their energy efficiency and long-term sustainability through the VCSE Energy Efficiency Scheme, delivered by a consortium led by Groundwork UK.
- £10.7 million through the Life Chances Fund that helped 1,112 people get work, 4,280 move into sustainable accommodation and 1,327 children avoid care proceedings.
- £4.1 million to support social enterprises in disadvantaged areas and collect evidence on sustainable ways to grow the sector.

Part Five • The NAO's reports in 2022-23

## Value for money report: Learning lessons from the UNBOXED festival

In December 2022, we published our investigation of the UNBOXED festival following a request by the then DCMS Select Committee Chair. The 2022 report sets out the facts surrounding the management of the festival.

The full briefing is available here: [Investigation into the UNBOXED festival](#)

The UNBOXED festival consisted of a programme of 10 creative projects, with a series of events, activities and installations that took place at locations throughout the United Kingdom, and digitally, between March and November 2022.

The Public Accounts Committee, took evidence on this in a session in January 2023. The Committee asked DCMS to set out the lessons it had learned from UNBOXED, particularly lessons about recording and monitoring audience figures.

DCMS wrote to the Committee setting out the lessons it had learned from the UNBOXED festival, and with the results of its evaluation. DCMS said that the monetisable benefits were £175.5 million, with additional, non-monetised benefits such as social cohesion. It told the Committee that the final audience figures were 20.5 million engagements with the programme. DCMS had 10 lessons learned.

1

If objectives evolve, ensure this is fully documented and implications are captured.

2

Develop and agree success measures/SMART (specific, measurable, attainable, relevant, and time-bound) key performance indicators.

3

Future publicly funded creative programmes delivered by cultural bodies may wish to consider adopting governance models to put additional assurance around creative decision-making, including curatorial committees, bringing in subject matter specialists or artistic advisors.

4

Consider opportunities and risks of using an existing arm's-length body.

5

Future creative events could consider undertaking a research and development phase to facilitate new cross-sectoral collaborations, that is, an open call for suggestions followed by funded development of shortlisted ideas before the final selection is made.

6

A concordat to agree delivery across devolved administrations can work effectively and may be a delivery choice for other major cultural events.

7

Ensure sufficient resource is in place to support robust assurance.

8

Ensure that governance structures are suitably agile.

9

Consider the longer-term monitoring and assessment of legacy.

10

Be aware that a long lead time or more marketing resources may be needed to develop mass awareness for a new concept and brand. Consider whether mass awareness is a priority.

## Factual briefing: Funding of Coventry City of Culture Trust

The full briefing is available here: [Funding of Coventry City of Culture Trust](#)

DCMS's fourth objective is to enhance the cohesiveness of communities across the UK, including through major events.

In 2023, we published a factual review into central government and National Lottery funding for Coventry City of Culture Trust following concerns raised with us after the Trust went into administration in February 2023.

UK City of Culture is a DCMS programme that invites places across the UK to generate culture-led regeneration. It takes place every four years. Coventry was the UK City of Culture from May 2021 to May 2022. Coventry City of Culture Trust (the Trust) had been set up in October 2015 to oversee Coventry's bid and subsequent activities. The Trust oversaw Coventry's bid and activities thereafter. From June 2022 to March 2024 the Trust was planning to run smaller-scale cultural activities, but it went into administration in February 2023.






Our briefing set out the funding awarded by DCMS and its arm's-length bodies to the Trust and Coventry City Council, and how DCMS and its arm's-length bodies oversaw the Trust's use of the funds they awarded. We did not examine the underlying causes of the Trust's financial problems – this is being reviewed by other bodies. We did not evaluate the effectiveness of decisions made by DCMS' and its arm's-length bodies about oversight of the Trust, nor examine how Coventry City Council oversaw the funding it provided to the Trust.

### Our briefing revealed the following:

- In total, DCMS and its arm's-length bodies paid £21.3 million to the Trust over its lifetime but did not pay out a further £1.5 million awarded. DCMS delegated administering most of its grants and financial monitoring of the Trust to Arts Council England (ACE). ACE and two National Lottery Funds made and monitored grants. ACE observed the Trust's Board of Trustees meetings. DCMS told us that its role did not extend to monitoring the totality of funding awarded by its arm's-length bodies to a single organisation, such as the Trust.
- In August 2021, the Trust reported financial difficulties and assessed that it was at risk of not remaining a going concern. The Trust and DCMS negotiated to bring forward some grant payments. The Trust also cut budgets and acted on the recommendations of an independent financial review, commissioned by ACE. By March 2022, the Trust reported it was back in good financial health.
- By autumn 2022, the Trust's finances were under pressure again. Income was lower than expected and costs higher due to the COVID-19 pandemic. The terms of grants from DCMS and its arm's-length bodies did not allow future grant funding to be spent on anything but the legacy projects for which it was awarded.
- In October 2022, the Trust requested and accepted a £1 million loan from Coventry City Council.
- DCMS and ACE monitored the Trust throughout winter 2022-23 and DCMS's UK City of Culture programme team updated DCMS ministers as and when required. In December 2022, the Trust forecast the deficit would reach £4 million by the end of March 2023.
- In January 2023, DCMS decided not to give the Trust new funding. Instead, DCMS agreed to bring forward the final £1 million of an agreed £2.6 million grant if the Trust could get enough funding from other sources to keep it as a going concern and deliver the legacy projects. The Trust could not meet these conditions and DCMS did not pay the £1 million brought-forward funding.
- On 28 February 2023 the Trust went into administration.

Part Six • Things to look out for

# What to watch for in 2023-24

 <p>Media and creative industries</p>	 <p>Culture, arts, heritage and tourism</p>	 <p>Gambling and sport</p>	 <p>Youth and civil society</p>	 <p>DCMS's priority outcomes</p>
<ul style="list-style-type: none"> <li>● Progress of DCMS's draft Media Bill through Parliament.</li> <li>● DCMS's response to its consultation on the regulation of additional electronic programme guides.</li> <li>● Outcome of the mid-term review for the BBC which the government published in January 2024 and which recommends major reforms to help boost audience confidence in the BBC's impartiality and complaints system.</li> <li>● Outcome of Ofcom's consultation on proposals for Channel 4's next licence, which will start on 1 January 2025.</li> </ul>	<ul style="list-style-type: none"> <li>● Progress on adding seven additional UK sites to the UNESCO World Heritage List.</li> <li>● Bradford's preparations to become the next city of culture, after Coventry, in 2025.</li> <li>● DCMS's response to its consultation on a registration scheme for short-term lets in England.</li> <li>● Updated guidance on contested commemorative heritage assets.</li> </ul>	<ul style="list-style-type: none"> <li>● Transfer of the fourth National Lottery licence to Allwyn scheduled for February 2024.</li> <li>● DCMS's response to its consultation on the introduction of a maximum stake limit for online slots games in Great Britain.</li> <li>● DCMS's response to its consultation on the structure, distribution and governance of the statutory levy on gambling operators.</li> <li>● DCMS's response to a call for evidence on how current systems for managing sport integrity issues – abuse, doping, corruption etc – can be strengthened, as part of <i>Get Active: a strategy for the future of sports and physical activity</i>.</li> <li>● Sport England to redirect £250 million from existing funding, including £190 million for areas with the worst levels of physical activity over the next five years.</li> </ul>	<p>Progress in rolling out the Youth Guarantee, including:</p> <ul style="list-style-type: none"> <li>● The launch of a new Summer Jobs Programme for up to 2,600 young people, across England, at risk of becoming involved in youth violence and crime in 2024-25.</li> <li>● Supporting the UK Year of Service to provide 9 to 12-month work placements to at least 100 young people at risk of falling out of education, employment or training from late 2023-24.</li> </ul>	<p>DCMS's priority outcomes have been updated following the machinery of government changes that occurred in 2022-23. The new priority outcomes are as follows:</p> <ul style="list-style-type: none"> <li>● Support the UK's cultural and creative industries to continue to be among the best in the world.</li> <li>● Increase investment in grassroots sport to boost opportunities for participation, and deliver reforms to football governance to protect its competitiveness and excellence, ensure financial sustainability and put fans at the heart of clubs.</li> <li>● Complete the review of the Gambling Act to make the UK the safest place in the world to gamble.</li> <li>● Create a broadcasting and media system fit for the 21st century.</li> <li>● Deliver the National Youth Guarantee to give young people access to more activities, trips away from home and volunteering opportunities.</li> </ul>