

## Estimates Memorandum

### Department for Culture, Media and Sport 2010-11 Winter Supplementary Estimate

#### Overall Summary

The Department for Culture, Media and Sport (DCMS) Winter Supplementary Estimate for 2010-11 seeks the necessary resources and cash to provide for spending on improving the quality of life for all through cultural and sporting activities (RFR 1) and broadening access to a rich and varied cultural and sporting life through broadcasting and other services and activities (RFR 2). These are continuing functions from previous years and no new functions have been added.

The purpose of this memorandum is to provide the Select Committee with an explanation of how the resources and cash sought in the Winter Supplementary Estimate will be applied and includes information on comparisons with the resources provided in earlier years in Estimates and departmental budgets.

#### Summary of the main spending control figures contained in the Estimate

##### Voted provision

The Supplementary Estimate provides for a 0.84% increase in voted resource:

- Increase in the Net Resource Requirement (NRR) of £42,858,000

RfR1 £42,858,000

RfR2 No change

- Increase in the Net Cash Requirement (NCR) of £43,100,000

##### Budgetary data

The changes to key budgetary figures are:

Resource Departmental Expenditure Limit increases by £9,640,000

Capital Departmental Expenditure Limit increases by £30,060,000

Amount

### **Movements in Provision related to DEL**

£000's

#### Resource End Year Flexibility (EYF)

3,700	Administration EYF for the Government Olympic Executive
2,000	To the Museums and Galleries to meet agreed spending plans.
4,000	Contribution toward Stage 2 Northern Ireland Devolution of which £3.0m for the Irish Language Broadcasting Fund and £1.0m for Ulster Scots Broadcasting.

#### Capital End Year Flexibility

19,500	Arts Council England (ACE) to meet agreed spending plans
6,500	To Sport England to meet agreed spending plans.
4,000	To English Heritage to meet agreed spending plans.

#### Take-up of Departmental Unallocated Provision

100	To the Museums and Galleries to meet agreed spending plans
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#### Transfer from Resource DEL to Capital DEL

60	Moving Voted Resource DEL to Voted Capital DEL to fund grants to the Poetry Archive
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### **Movements in Provision with no effect on budgets**

#### Resource transfers within voted budgets

25	From Other Heritage Support as a contribution to fund IDeA
106	From the Creative Economy budget to fund the British Museum Treasure agreement
15	To Arts support to fund successful support budget bids
26	To Arts support to amend budgets incorrectly contributing to the 3% reduction implemented in May 2010
42	To other Sports support to fund successful support budget bids
43	To other Sports support to amend budgets incorrectly contributing to the 3% reduction implemented in May 2010
320	From the Creative Economy budget to part fund the Hillsborough Independent Panel costs

13	From other Heritage support to part fund the Hillsborough Independent Panel costs
33	From other Media support to part fund the Hillsborough Independent Panel costs
150	To Humanitarian Assistance to amend budget incorrectly contributing to the 3% reduction implemented in May 2010
12	From Creative Economy to partially cover the costs of the visit of Pope Benedict XVI
39	Moving budget from Art support to Tourism support to correct Estimate line
100	To the Taking Part Survey to partially amend budget incorrectly contributing to the 3% reduction implemented in May 2010
42	To “End of Service” costs amending budget incorrectly contributing to the 3% reduction implemented in May 2010
500	To General Research amending budget incorrectly contributing to the 3% reduction implemented in May 2010
504	Part of the agreed programme to administration switch for the Government Olympic Executive funded from savings elsewhere on the Vote.
2,996	Part of the agreed programme to administration switch for the Government Olympic Executive funded from savings elsewhere on the Vote.
500	To the Taking Part Survey to partially amend budget incorrectly contributing to the 3% reduction implemented in May 2010

Transfers to/from non-voted spending

8	From the Museums and Libraries Archive Council to correct their contribution to IDeA
841	From Museums and Galleries to provide additional funding for Wolfson Museums and Galleries improvement fund
25	Decreasing “Own Arts” funding in line with 2010 savings
45	Decreasing “Take it Away’s” funding in line with 2010 savings
11	Re-allocation of 3% reduction to Sport England
2,646	Reduction in Income from DFE for Find Your Talent which equates to a reduction in spend by the Arts Council England (ACE)
30	Funding to Sport England for the Sport Website pilot
50	From Dancelinks to Sport England for the Multi-skills Clubs
4,817	Moving Resource funding from Sport England for Free Swimming
4,000	Agreed reduction realised from 2010 savings to meet British Library spending plans
139	To Museums and Galleries sector to amend budget incorrectly contributing to the 3% reduction implemented in May 2010
896	Agreed funding reduction moved to cover Museums and Galleries spending plans
15	Reduction in Joint Research contributions by ACE

### Increases in non-budget spending

1,400	Increase in non-budget Grant in Aid for Sport England
1,400	Increase in non-budget Grant in Aid for VisitBritain

### Increase/decrease in AinA fully offset by an increase/decrease in spending

14	Increased income from the sale of prints
60	Capital grant income from Department for Education (DfE) for the Poetry Archive
750	Income from the Department of Health (DH) for the Change4Life programme
-3,266	Reduced income from Communities and Local Government (CLG) for the Free Swimming programme
-6,531	Reduced income from Department for Work and Pensions (DWP) for the Free Swimming programme
-12,976	Reduced income from Department of Health (DH) for the Free Swimming programme
17	Income from the Council of Europe's Educational Planning Assessment System (EPAS) to partially cover the visit of Pope Benedict XVI
27	Increased income allowing spending on Ceremonial events
26	Increase in Capital Grant receipts from the Association of Television on Demand
14	Increased income from the recovery of legal costs
117	Increased income for the Government Olympic Executive
50	Increased income from CLG for the Olympic meta-evaluation.
-10	Reduction in Joint research income from English Heritage equating to a reduction in spending
4,500	Income from DfE for Sport Unlimited
4	Income from the Council of Europe's EPAS scheme for UK Sport
1,000	Increase in Income to cover the National Lottery Commission's increased legal costs
-15000	Reduced Capital income from DfE for the Free Swimming programme
47	Increased income from the Government Art Collection

## Departmental Expenditure Limit (DEL)

The Supplementary Estimate will result in an overall increase in Resource DEL of £9,640k. Capital DEL increases by £30,060k. Details of DEL in Estimates are:

<b>£000's</b>	<b>Voted</b>	<b>Non-voted</b>	<b>TOTAL</b>
<b>Resource DEL</b>			
Main Estimate	86,467	1,454,976	1,541,443
Winter Supplementary Estimate	90,863	1,460,220	1,551,083
<b>Capital DEL</b>			
Main Estimate	-655,307	1,199,233	543,926
Winter Supplementary Estimate	-643,406	1,217,392	573,986
<b>TOTAL DEL following Winter*</b>	<b>-560,043</b>	<b>2,557,006</b>	<b>1,996,963</b>

\*Depreciation which forms part of Resource DEL is excluded from total DEL to avoid double counting.

### Significant movements in the Resource and Capital DEL all relate to the drawdown of End Year Flexibility

- £3.7m Resource End Year Flexibility (EYF) to assist with the costs of the Government Olympic Executive.
- £3.0m Resource EYF for the Irish Language Broadcasting Fund and £1.0m Resource EYF for Ulster Scots Broadcasting as part of a contribution to Stage 2 Northern Ireland Devolution.
- £2m Resource EYF to cover Museums and Galleries' budgetary pressures.
- The department has drawn down £30 million Capital End Year Flexibility for ACE, English Heritage and Sport England, to fund agreed spending plans.

## End Year Flexibility (EYF)

The table below provides a history of the Department's EYF stocks and drawdown over the past three years

					£000's
	Admin	Other Resource	Total RDEL	Near-cash	Capital
EYF Stocks as at PEOWP July 2008	11,366	246,572	257,938	232,691	23,916
Agreed drawdown in year 2008-09	-3,000	-27,100	-30,100	-30,100	-18,600
EYF Stocks as at PEOWP July 2009	11,321	239,457	250,778	244,370	192,247
Agreed drawdown in year 2009-10	-3,300	-3,879	-7,179	-7,179	-132,500
	Admin	Other Resource	Total Resource DEL	Of which Depreciation/ Impairments*	Capital
EYF Stocks as at PEOWP July 2010*	8,265	321,075	329,340	237,191	84,239
Agreed drawdown at Winter Supplementary 2010-11	-3700	-6,000	-9,700	0	-30,000

\*The Alignment project aims to improve current financial processes by bringing together, as far as is reasonably possible, the present Treasury controls (Budgets), Parliamentary approval (Estimates) and end year reporting (Resource Accounts). The first stage of this process was to remove the "non-cash" element of the Vote. From 2010-11 Depreciation and Impairments move from Non-cash to Resource DEL, Provisions move to Annually Managed Expenditure and the Cost of Capital Charge is removed from budgets. The End year Flexibility stocks as at July 2010 were recorded on this basis.

## Administration Budget

The Supplementary Estimate will increase the Administration Budget by £7,200,000 to £51,488,000. A comparison with earlier years (outturn) and plans is set out below.

Administration budget (previous years) Year	£000's	
	Plans	Outturn
2007-08	55,570	54,790
2008-09	55,539	52,838
2009-10	55,133	53,301

The changes to the current year's Administration Budget are:

### Changes to Administration Budget in the Winter Supplementary Estimate

1 April 2010 at Main Estimate	<b>44,288</b>
Changes announced at Winter Supplementary Estimate	<b>7,200</b>
<i>of which:</i>	
End Year Flexibility to assist with the costs of the Government Olympic Executive	3,700
Agreed switch from Programme to Administration to assist with the costs of the Government Olympic Executive	3,500

## Request for Resources 2

### *Non Budget*

#### **A: Home Broadcasting**

This provides for the funds allocated to the BBC as grant in Aid. No change is proposed to this Request for Resource.

## **Approval of Memorandum**

This memorandum has been prepared with reference to the guidance in the Estimates Manual issued by HM Treasury which can be found on the House of Commons Scrutiny Unit website. This memorandum has been approved by the DCMS Director of Finance.

## **Glossary of Key Terms**

**Annually Managed Expenditure (AME)** - a Treasury budgetary control for spending that is generally difficult to control as a proportion of the department's budget and volatile in nature.

**Departmental Expenditure Limit (DEL)** - a Treasury budgetary control for spending that is within the department's direct control and which can therefore be planned over an extended (Spending Review) period (such as the costs of its own administration, payments to third parties, etc).

**Request for Resources (RfRs)** – a limit on resources voted by Parliament for a specific area of spending, usually a high-level objective of the department, within a departmental Estimate.

**End Year Flexibility** - is a mechanism whereby departments may carry forward unspent DEL provision into later years.