



DEPARTMENT FOR CULTURE, MEDIA AND SPORT

Government Response to the  
Culture, Media and Sport Select Committee  
Report on the DCMS Annual Report:  
Work of the Department in 2002-03  
Session 2003-2004

*Presented to Parliament by the  
Secretary of State for Culture, Media and Sport  
by Command of Her Majesty  
June 2004*

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# **GOVERNMENT RESPONSE TO THE CULTURE, MEDIA AND SPORT SELECT COMMITTEE REPORT ON THE DCMS ANNUAL REPORT: WORK OF THE DEPARTMENT IN 2002-03**

The Government welcomes the report of the Select Committee on the Department's 2003 Annual Report and the acknowledgment of its achievements during 2002-03.

## **PSA targets**

We fully agree that the Department should not concentrate on just delivering against its PSA targets. The areas of work that do not form PSA targets are also important to the Department and underpin our strategic priorities. It would be very difficult to set meaningful PSA targets that reflected everything that the Department does, as it is so broad.

## **Staff Issues**

Surveys show that staff morale within DCMS is good and the Department has taken positive steps to engage staff in 'Touchstone', the Department's change programme. The survey results indicated job satisfaction has increased over previous years.

The Department was successfully re-accredited for Investors in People in July 2003.

The Committee's Report makes a number of conclusions and recommendations, which are listed below with the Government's response to each of them.

## **Summary of Conclusions and Recommendations**

**1. We believe that it will be extremely important for the Department to keep the state of the People's Network under review to ensure that the impressive performance reported in 2002-03 does not fall off over time as the "turbo charge" effect of a specific PSA target is lost. (Paragraph 17)**

### **Government Response**

The Department is grateful for the Committee's positive comments about the impressive performance relating to the People's Network in 2002-03. The Department notes the Committee's concern that performance may fall off, and we will work closely with the Museums, Libraries and Archives Council (MLA) to monitor the situation. The Department with MLA and the New Opportunities Fund will also review the impact of the People's Network.

**2. We welcome the performance of the Department in relation to the establishment of Creative Partnerships. We hope that the scheme continues to grow with consistent vigour. The target seems to have been met, and exceeded, with considerable ease well ahead of the deadline. This suggests there may be a need for the Department to take care to set targets which are challenging in order to stimulate peak performance. (Paragraph 20)**

### **Government Response**

Ministers have announced plans to extend Creative Partnerships to 20 new areas by September 2005, resulting in a total of 36 Partnership areas. Building on the success of the first phase, the Department is currently negotiating a new floor target for Creative Partnerships with Arts Council England covering the expansion of the programme. The detailed aims of the

programme are outlined in a Policy Framework, which specifies the outcomes which Creative Partnerships are expected to achieve. Progress towards achieving these outcomes is being measured through the collection of monitoring data and via a national evaluation of the programme.

**3. The Secretary of State advances an attractive argument but we remain to be convinced – perhaps by an independent audit – that the loss of school and community playing fields, since 1997, has been outweighed by improved sporting facilities provided as part of subsequent development. The Government should, however, strongly encourage local authorities to build a presumption for this to occur into development plans. (Paragraph 26)**

### **Government Response**

On 4 March 2004, DCMS released statistics for planning applications relating to playing fields in 2002/03. Of the 807 approved planning applications in 2002/03, at least 472 will lead to improved sporting facilities like Astroturf pitches, multi-sport centres, swimming pools, floodlights, new changing rooms, or replacement playing fields. In 90% of the approved planning applications, sport benefited or remained unaffected.

These playing field applications have also led to planned investment of £268 million and the proposed development of 489 new sports facilities, highlighting the fact that sport is benefiting significantly. The 2002/03 statistics build on those published in our Annual Report 2003 Review and counter the notion that every playing field application is a playing field loss.

The Government has dramatically reduced the overall number of sales of both school and community playing fields through the introduction of legislative changes and robust checks to the planning system. Since 1998, local authorities and schools have been required to obtain the Secretary of State for Education and Skills' agreement before they can dispose of their land; revised planning guidance on open spaces, sport and recreation, has been issued by the Office for the Deputy Prime Minister (ODPM) for use by local planning authorities; and Sport England has been appointed as a statutory consultee on all planning applications affecting playing fields.

Government investment programmes of over £1 billion, alongside robust planning controls on playing fields, and a new national facilities database to be launched later this year, amounts to a major strategic investment in school and community sports facilities.

**4. We accept that a more focused PSA target, for the promotion of sport and physical activity amongst children, was required. We expect that the new target, and the associated initiatives and investment to which the Department refers, will stimulate increased participation in sport by young people which we believe is vital for their health and well-being. (Paragraph 27)**

### **Government Response**

“The impact of School Sport Partnerships,” published in March 2004 by the Department and DfES, demonstrated the difference that the oldest Partnerships have already made to the take-up of high-quality PE and school sport since their establishment in September 2000. The full results of the 2003-04 PE, School Sport and Club Links survey, covering more than a third of maintained schools in England, was published on the 29 April in the annual report on the implementation of “Game Plan”.

**5. We recommend that the Department consider what further information (including ethnicity, socio-economic group, home town, etc.) might be collected about the children visiting the museums so that a closer analysis of trends can be carried out and any areas of weakness within the target identified and properly tackled. For this to be accomplished universally and consistently the Department would have to supply the necessary resources. (Paragraph 30)**

#### **Government Response**

The Department will consider whether there is scope for collection of further information on children attending museums.

**6. We welcome this provision – relating to British Film – within the Communications Act and hope that the Department, in concert with Ofcom and the broadcasters, will act to ensure that the expectations of real benefits for British film production that have been raised are actually realised. (Paragraph 44)**

#### **Government Response**

The Government notes the Committee's recommendation. Effective co-operation between the public service broadcasters and the British film industry is vital for the long-term health of the film industry. OFCOM has been charged with taking account of the broadcasters contribution to film as part of their public service remit.

All public service broadcasters (the BBC, Channel 4, ITV and Channel 5) will have a joint responsibility to contribute to the general public service broadcasting remit embodied in the Act. The public service remit covers a range of issues, including education, international issues, current affairs, and cultural activity in the UK.

OFCOM's first review of public service broadcasting will take place this year, and no less than every 5 years thereafter. The public service broadcasting reviews will include consideration of whether cultural activity in the UK and its diversity are "reflected, supported and stimulated by the representation in those services (taken together) of drama, comedy and music, by the inclusion of feature film in those services, and by the treatment of other visual and performing arts."

The public service broadcasters' Statements of Programme Policy will be the principal means by which they can communicate to OFCOM their strategies for film. OFCOM will not however be empowered to establish quotas or quantitative obligations for individual broadcasters to produce or broadcast feature films.

**7. We note the reference, in the Chancellor's Pre-Budget Report Statement on 10 December 2003, that the Treasury "will also consider the right incentives to support one of our great British creative industries: British Film"... . We look forward to the implementation, in the forthcoming Budget Statement, of an extension or evolution of the Section 48 tax break for smaller (i.e. British) film productions in order to boost an important sector within the DCMS' remit which attracts a significant amount of inward investment to the UK. It would be frustrating if potentially unintended consequences of accounting rule changes were to damage film production in the UK before the policy vacuum created by the imminent sunset of Section 48 can be tackled. (Paragraph 47)**

## **Government Response**

The Chancellor announced in the Budget statement of 17 March that Section 48 will be replaced by a new relief for production expenditure on smaller British films, which will typically provide filmmakers with 20% of their production budget. The Government will consider the scope for the new relief to improve the proportion of British films produced being distributed. HMT is in discussion with DCMS and industry representatives about the shape of the relief.

**8. The Department does not mention in the Report, but has told the Committee, that external consultancy services have been used by DCMS. Spending on these services was £358,000 in 2001-02, £595,000 in 2002-03, and is expected to be £540,000 in 2003-04 and £440,000 and £340,000 in the following two years respectively. We were concerned by the amount of money that has been, and will be, spent on Departmental administration and external consultants without it being clearly and transparently spelt out in the Annual Report. (Paragraph 51)**

## **Government Response**

Details of the Department's administrative consultancy expenditure were published in the Department's 2004 Annual Report.

**9. We believe that effective management of the Department's sponsored bodies is crucial to the overall success of DCMS in implementing its policies and meeting its PSA targets in the future. (Paragraph 54)**

## **Government Response**

Throughout this spending period and the next, we will continue to implement the modernisation of sponsored bodies associated with PSA 4. This seeks not only to build on recent successes like the reform of some of our key NDPBs but to deepen and broaden the reforms across all our delivery agents. We will continue to develop more strategic Funding Agreements and improve our sponsorship relationship with NDPBs; we will encourage more collaborative working between agents through incentive funding and continue to reform key sectors to ensure that management and delivery structures are fit for purpose.

**10. We were pleased to hear that a DCMS sustainable development strategy would be published in January 2004 and delighted to see it on 4 February. We were encouraged that the Department has nominated Estelle Morris as its Green Minister and has appointed a director at board level to champion environmental issues. (Paragraph 55)**

## **Government Response**

Since the publication of the strategy, DCMS's Sustainable Development Forum, which has representatives from DCMS staff and its bodies, has considered sustainable development in relation to funding agreements with NDPBs, the lottery distributors and tourism, and to educational outlets within our sectors.

**11. We recommend that the Department provides more detailed supporting evidence within their annual report in future years (or at least point the reader to data that is available elsewhere) to give clear analysis of performance and make possible the effective scrutiny of targets without the need to request additional information. (Paragraph 58)**

## **Government Response**

The Department's 2004 Annual Report includes references to source data to measure PSA targets.

**12. The Committee recommend that increased care and attention is paid to the process of setting targets so that the Department does not lose the confidence of stakeholders or interested parties in the reporting of its achievements. (Paragraph 59)**

## **Government Response**

During the SR04 process, the Department has discussed its target proposals with NDPBs. We have consulted with delivery agents on what our targets should be and to what extent they are able to support their delivery. We have held two seminars to which all our NDPBs were invited; held individual bilateral meetings with key bodies with both Senior Management and data analysts and invited written comments on our PSA and strategic plan proposals. In addition, we have met the LGA to discuss how we can work more effectively with local government. We will continue to work ever more closely with our delivery agents to ensure that confidence in delivering and reporting of achievement is not only maintained but strengthened.

**13. We recommend that the Department, in future, commissions research into and only set targets where they can and do show solid reasoning for doing so using evidence that establishes the target as realistic. (Paragraph 60)**

## **Government Response**

Targets build on the work done in previous spending rounds and reflect the evaluation of existing projects and consultation with delivery agents. We are considering the scope for commissioning a new survey focussing on participation and attendance. The survey would supersede some existing sectoral surveys and provide a single new data source giving, for the first time, consistent and comparable data across all our sectors. Detailed analysis of the productivity drivers for key creative industries has already been commissioned and we will be using that analysis to identify micro-economic interventions that will support productivity growth. Overall productivity growth of our industries is guided through the analysis of ONS Annual Business Inquiry data – the national standard source.

**14. Overall, in relation to target setting, we recommend that work with the Treasury continues so that the targets set for 2003-06 have accurate baselines and can properly be measured. We also hope that the process of target setting continues to evolve and improve so that targets do in fact 'give turbo charge and focus' to the work of the Department. (Paragraph 61)**

## **Government Response**

Work on developing accurate baselines is continuing.

**15. Judging by the confidence of the Secretary of State, we expect that the Department will meet this important target for promoting sport amongst young people and we recommend close monitoring of progress over the next three years as success in this area is of very great importance to health and well-being of the nation's children. (Paragraph 68)**

## Government Response

The Government will monitor this PSA target closely over the next three years. A project director, jointly appointed by the Department and DfES, has overseen progress toward the target and delivery of the national strategy for PE, school sport and club links since July 2002. We anticipate that arrangement continuing for the foreseeable future.

**16. With regard to the existing PSA target for tourism, we recommend that the Department looks again, especially at the term “productivity” within it, to establish exactly how this will be measured and what baseline will be used. (Paragraph 74)**

## Government Response

Tourism productivity is defined by dividing gross value added by employment. Gross value added and employment are estimated from the Office of National Statistics Annual Business Inquiry. Industrial Classification (SIC) classes attributed to “tourism” are listed in the Technical Note. We are aware of the limitations of the attributing SIC classes to tourism (as with other service orientated industries) and we are negotiating with NAO to redefine SIC classes on a more useful basis. This is however, likely to be a lengthy process since it is a Europe wide debate. In the mean time we are taking steps to identify micro-economic interventions that will support tourism productivity growth by commissioning research and analysis that seeks to link potential interventions (based on the Treasury’s 5 economic drivers) with productivity growth.

**17. We recommend that the Secretary of State keeps a close eye on the reform of a number of large sponsored bodies that is being carried out now or in the near future and make sure that best practice is disseminated. (Paragraph 75)**

## Government Response

We are collecting examples of best practice from all parts of the DCMS family of sponsored bodies, and are sharing this through regular seminars, including recent discussions in the context of the Government’s Efficiency Review. We aim to build on this through increasingly proactive sponsorship of our public bodies.

**18. The staging of the largest international event of any kind – the Olympics – has the potential to yield great benefits to London and the UK, but leadership, careful planning and good management are essential from the outset. The Secretary of State must be ready to ensure that this is undertaken, leading and coordinating across all Government departments and in efficient and effective partnership with the GLA, LDA, BOA, a national organising committee and other stakeholders. (Paragraph 81)**

## Government Response

The Government agrees with the Committee that leadership, partnership and planning are crucial if the Olympic bid is to succeed, and if the benefits of a successful bid are to be realised. The DCMS Olympic Games Unit is ensuring that the necessary co-ordination takes place, both across Departments, where the Unit represents the overall Government stakeholder interest, and between stakeholders, where the Unit services a number of groups jointly planning key areas of the bid folder, games preparation and staging arrangements.









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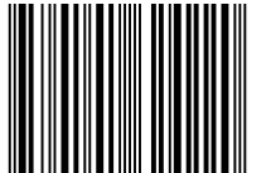
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