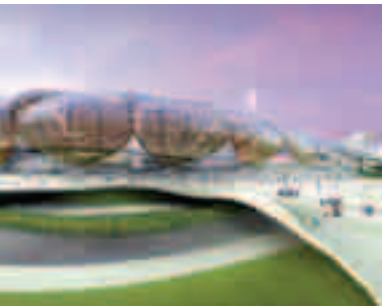
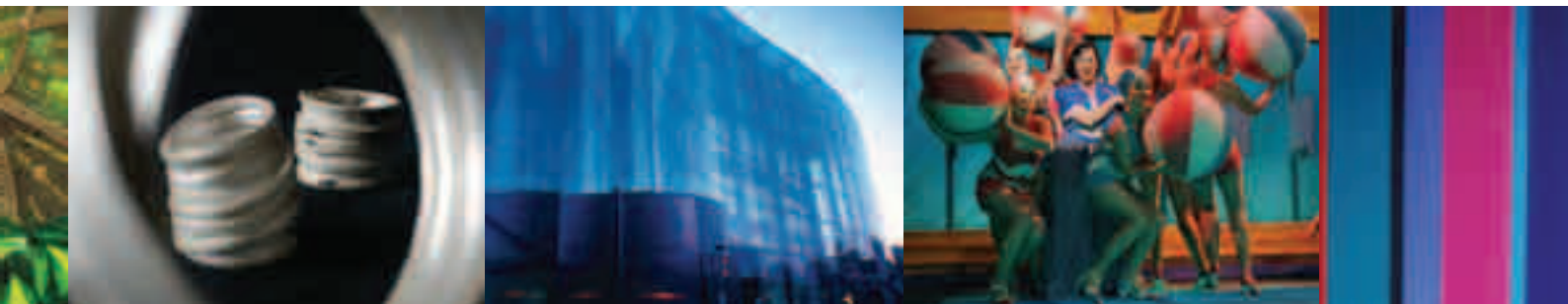




ANNUAL REPORT 2006





This document is part of a series of Departmental Reports (Cm 6811 to Cm 6838) which, along with the Main Estimates 2006-07, the document Public Expenditure Statistical Analyses 2006 and the Supplementary Budgetary Information 2006-07, present the government's expenditure plans for 2005 to 2008.



Annual Report 2006

Department for Culture,
Media and Sport –
Departmental Annual Report 2006

Presented to Parliament by the Secretary
of State for Culture, Media and Sport and
the Chief Secretary to the Treasury by
Command of Her Majesty, May 2006.

Cm 6828

£21.00

OUR AIM IS TO IMPROVE THE QUALITY OF LIFE FOR ALL THROUGH CULTURAL AND SPORTING ACTIVITIES, SUPPORT THE PURSUIT OF EXCELLENCE, AND CHAMPION THE TOURISM, CREATIVE AND LEISURE INDUSTRIES

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CULTURE

Embroidered linen doublet
from the 1650's

2012 OLYMPICS

The 80,000 seat Olympic Stadium
will be built at the heart of the new
Olympic Park in east London

ARTS COUNCIL ENGLAND

Jenny Beavan is a ceramic artist based
in Cornwall. She is artist in residence at
Imerys Minerals, St Austell. Isolated
within this cube is a small piece of clay.
The 'crystals' are growing and constantly
changing

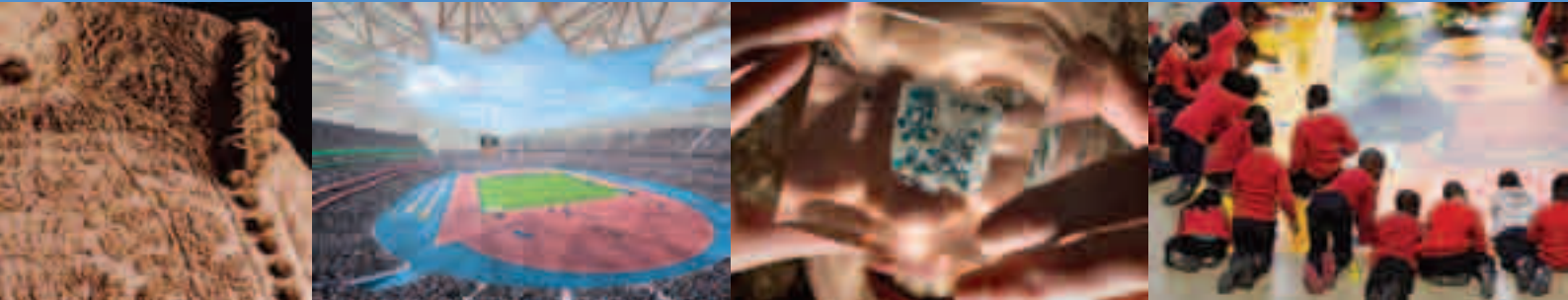
ART

School children copying a
Frida Kahlo painting at Tate Modern

SPORT

Sport England Active Sports
Talent Camp

FOREWORD



The last 12 months have been incredible for this country. Fantastic achievements and terrible events, and moments when the country has come together to come to terms with both. And so much of what has happened – for good or ill – has had a connection with my Department and what we do.

Winning the Olympic bid in July was a fabulous achievement, and a tribute to the drive, determination and imagination of the hundreds of people who worked so very hard to make it happen. As we said in the bidding process, the 2012 Olympic and Paralympic Games represent a once in a lifetime opportunity and lasting legacy for the whole of the UK. The transformation of one of our capital city's most deprived areas is already well underway; the Games will inspire a new generation of sporting heroes; and the economy will be boosted throughout Great Britain.

Of course our sporting achievements didn't end there. English sportsmen and women demonstrated once again the success that can be achieved when investment in sporting opportunities meets pride and ambition in our young people. We remain committed to this, from supporting schools sports to increased assistance via our Talented Athlete Scholarship Scheme.

Another of our commitments has been in securing a strong and independent BBC, through the Charter Review process. This is the result of a massive public consultation. We were determined to get the views of as many people as possible, which is exactly what we did. So thank you to all those who took the time to offer their opinions.



RT HON. TESSA JOWELL MP
Secretary of State for Culture,
Media and Sport

Still with broadcasting, in September we announced that Digital Switchover will start from 2008. As this will be a major technical and logistical challenge affecting most UK households, the switch will take place on a region by region basis. All the evidence from the two towns used in the trial proved that the switch from analogue to digital will be a huge – and permanent – benefit to all viewers.

Reform and modernisation have also been at the heart of our legislative programme. The implementation of the Gambling Bill in April was joined by the largest reform of our licensing laws in 40 years, in November. Both are first and foremost about treating adults like grown-ups,

while giving real power back to local communities and their elected representatives.

We have also taken the National Lottery Bill through Parliament, aiming to make the Lottery even more responsive to the public. We are proud that our National Lottery is one of the most successful in the world and has raised over £18 billion for good causes.

On top of this, the fruits of the 2004 Spending Review meant that we were able to increase support for museums, particularly outside London. And who can forget the Live 8 concert, made possible by DCMS and The Royal Parks.

Sadly we had to create the Humanitarian Assistance Unit.

This is an invaluable service that now provides humanitarian assistance to all British victims of major disasters. Last year the people it helped included those affected by the Asian Tsunami, the Turkish and the London bombings.

Thank you to everyone at DCMS and our sponsored bodies for a truly remarkable year – including Sue Street and my Ministerial team, Richard Caborn, David Lammy and James Purnell. We wish Sue the very best for the future as she moves on after being Permanent Secretary for nearly five years; I am enormously grateful for the contribution she has made.

Tessa Jowell

HERITAGE
Medieval figurine

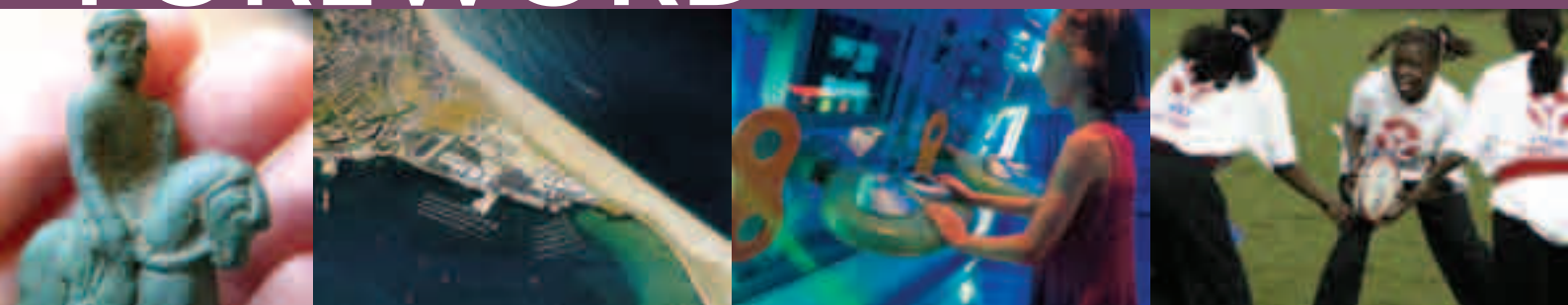
2012 OLYMPICS
The world-class facilities at Weymouth
and Portland host sailing events

EDUCATION
Interactive display, National
Science Museum

SPORT
Girls' rugby

CULTURE
Marble statue
V&A

FOREWORD





DAME SUE STREET DCB
Permanent Secretary

I am proud to present our Annual Report to Parliament for 2005-06 and to record my appreciation to our Secretary of State, Tessa Jowell, and to her Ministerial team, for their leadership of the Department.

Just about everyone in the country uses, cares about or is employed by the people, places and institutions we work with. This puts a great responsibility to succeed on our shoulders.

For me, our year was exemplified by just two days – the 6th and 7th of July 2005. I was one of thousands out in Trafalgar Square as the word “Lon-don” boomed out from the Olympic Committee in Singapore. And I will never forget how fiercely DCMS staff had fought to win, or how loudly they cheered.

But the next day the bombs went off in London. Tessa Jowell took personal responsibility for ensuring that the victims and their families were well supported at an horrendous time. The Department worked with tremendous energy, compassion and focus to support her in her role.

On both days, the Department rose to the occasion. But we also ensured that it was “business as usual” throughout the very broad span of our core work.

That’s some trick to pull off. But DCMS colleagues did it then and do it every day. I couldn’t be prouder of them.

This is my last Annual Report as their Permanent Secretary

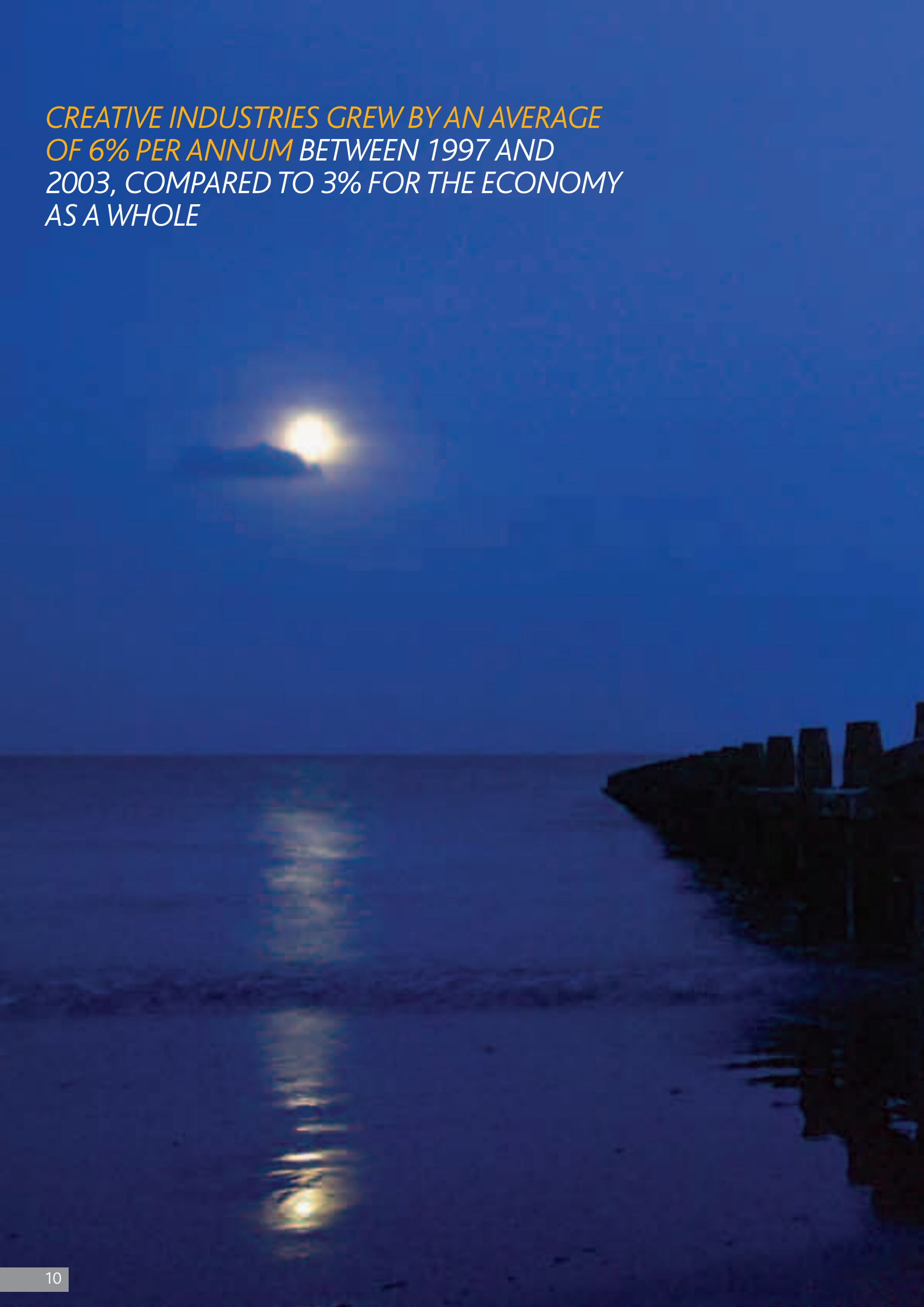
for DCMS. I shall be leaving a department that has the commitment, energy and capability to meet the challenges that lie ahead. The future of our sectors and our world class institutions is bright, and their contribution to our quality of life and the economy goes from strength to strength.

7,000 NEW JOBS WILL BE CREATED
TO BUILD THE OLYMPIC PARK





*CREATIVE INDUSTRIES GREW BY AN AVERAGE
OF 6% PER ANNUM BETWEEN 1997 AND
2003, COMPARED TO 3% FOR THE ECONOMY
AS A WHOLE*







SIX OF OUR SPONSORED MUSEUMS
AND GALLERIES ARE AMONG **THE TOP 10**
MOST POPULAR FREE TO VISIT TOURIST
ATTRACTIONS IN THE UK



THE BIG LOTTERY FUND DISTRIBUTES 50% OF THE MONEY RAISED FOR GOOD CAUSES BY THE LOTTERY, TRANSFORMING MANY PLACES AND LIVES ACROSS THE UK









THE GOVERNMENT IS ON TARGET TO INCREASE THE NUMBER OF SCHOOL CHILDREN PARTICIPATING IN TWO HOURS A WEEK OF HIGH QUALITY PE AND SCHOOL SPORT TO 75% BY 2006, AND 85% BY 2008



*THE 2012 LONDON OLYMPICS WILL TRANSFORM
THE PHYSICAL AND ECONOMIC LANDSCAPES
IN THE POOREST AND MOST DEPRIVED AREAS
OF LONDON*



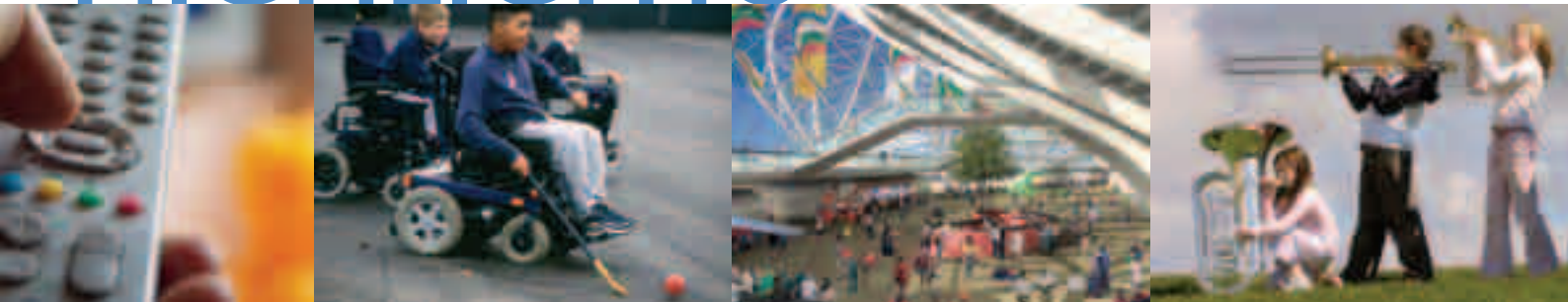
LONDON 2012 OLYMPIC BID

6 July 2005, will go down in history as one of the greatest days ever for the United Kingdom and British sport. The International Olympic Committee's (IOC) decision to award the 2012 Olympic Games and Paralympic Games to London was a tremendous honour and achievement and a wonderful tribute to the skill and passion of all those involved in the bid. We now have a once in a lifetime opportunity to stage the greatest show on earth and to transform the UK's sporting, cultural and social landscape.

The 2012 Games will leave a lasting legacy for the entire country. The Games will deliver thousands of new jobs and homes, a huge range of opportunities for businesses of every size up and down the country, and will transform one of the most deprived parts of London. There will be a four-year cultural festival and a massive boost to tourism. The Games will also inspire a new generation to greater sporting activity and achievement and will help to foster a healthy and active nation.

Preparations are already well underway. The London Olympic Games and Paralympic Games Bill received Royal Assent in March 2006 - just nine months after the IOC's announcement. Twenty days after London's success, the first Lottery scratchcards were launched to help fund the games; at the end of March, we had exceeded the 2005-06 income target. Work has already begun on the Olympic Park site and 80,000 people had registered an interest in volunteering for the Games.

HIGHLIGHTS



LICENSING REFORM

The Licensing Act 2003, the most radical shake up of our licensing laws in 40 years was implemented in November 2005. This followed an intense transition period during which around 190,000 licences were agreed for individual premises and over 300,000 personal licences were approved by the new licensing authorities.

The modernised licensing law, which covers the supply of alcohol and the provision of regulated entertainment and late-night refreshment, provides local communities with a greater say in licensing decisions. The reforms deliver a balance of tough new sanctions to deal with problem premises and irresponsible licensees, whilst increasing choice and freedom for the public.

As with any major reform, a comprehensive monitoring and evaluation programme has been put in place, and this will inform any future developments.

LIVE 8 CONCERT

This event, facilitated by The Royal Parks and DCMS, saw Hyde Park hold the biggest ticketed event in UK history. The Royal Parks met Hyde Park's cost for holding this event and co-ordinated the event managers, emergency services and local authorities to ensure that the concert site could manage the large and enthusiastic crowds in safety. Over 200,000 people watched the event in the main arenas in Hyde Park while thousands watched on big screens across the UK.

REFORMING GAMBLING

The Gambling Bill became an Act in April 2005. Its implementation will modernise the regulation of all forms of gambling and in particular provide greater protection for children and vulnerable people. It will also, for the first time, provide a regulatory regime for online gambling. The Gambling Commission, the new, tough, gambling regulator, was established in October 2005. The Casino Advisory Panel was also appointed then to advise the Secretary of State on the locations for the 17 new casinos allowed by the Act. The Panel will report at the end of 2006. We are working closely with the Commission, local authorities, the industry, community groups and other stakeholders to implement the Act in autumn 2007.

DIGITAL SWITCHOVER

The UK leads the world in digital television. Seventy per cent of UK households are already enjoying the greater choice and improved reception that come with digital television. We want all UK households to benefit. But it is only by switching off the analogue network and moving to digital only broadcasting that we can ensure everyone who currently receives analogue television can choose digital television through an aerial.

In September 2005, we announced that Digital Switchover would take place from 2008 on a region by region basis, starting with the Borders region. The programme will be completed by 2012.

Digital Switchover will be a major technical and logistical challenge affecting almost all UK households. Digital UK will be responsible for coordinating the programme and making sure all viewers know what is happening. 2006 is an important year for preparations, and will mark the start of a major communications campaign to raise public awareness.



DCMS and the DTI will continue to be closely involved in the implementation of digital switchover through the digital switchover programme which includes representatives of Digital UK and Ofcom.

DEVELOPING THE NATIONAL LOTTERY

Our National Lottery is one of the most successful in the world and has raised over £18 billion for good causes since 1994. Over the past year we have been taking the National Lottery Bill through Parliament, and have actively sought people's views on future priorities. The Bill aims to make the Lottery even more responsive to the public. This includes funding good causes that the public see as important, streamlining the process and distributing funds more quickly, and maximising the return to good causes by effective competition and regulation. The consultation will help us decide what share should be spent on arts and film, heritage and sport in the period after 2009, and what the policy priorities should be.

In November 2005 the National Lottery Commission launched the competition for the third Lottery licence by issuing its Statement of Main Principles. The detailed terms of the competition are expected to be finalised by June 2006, with a view to awarding the licence in mid-2007.

INCREASING FUNDING FOR MUSEUMS

As a result of the 2004 spending review, support for museums dramatically increased. There were above inflation rises for the national museums' running costs, guaranteeing free admission for the three years to 2007-08. By December 2005, a 66 per cent increase in visits to former charging national museums was seen. Visits to former charging London museums were up by 65 per cent while visits to national museums in the regions increased by 72 per cent since December 2001. Capital funding was also increased from 2005-06 to help ensure that museum buildings are in good shape to welcome the increase in visits. Capital funding for museums and galleries is due to increase by nearly 82 per cent in 2006-07, with a further increase of nearly 49 per cent in 2007-08.

Our leading regional museums enjoyed a 50 per cent funding increase in the investment programme, "Renaissance in the Regions" that is transforming these museums into centres of excellence.

HUMANITARIAN ASSISTANCE UNIT

In 2005, the Secretary of State was given responsibility for the provision of humanitarian assistance to British victims of major disasters, building on the work DCMS had carried out to support those affected by 9/11, the Bali bombings and the Indian Ocean tsunami.

Following the bombings in London on 7 July, the Humanitarian Assistance Unit was created to continue this work. The Unit has worked with families bereaved by the bombings in London, Egypt, and Turkey. Memorial services have been held for the tsunami and the London bombings and a service is being planned for those affected by the Egypt, Doha and Turkey bombs.



Over the next year the Unit will work with partners in central and local government to embed humanitarian considerations in emergency response planning, to ensure that the UK is ready to meet the needs of people affected by any future incidents. It will continue to support those affected by terrorist attacks in 2005 and will ensure that their experiences inform the Government's learning and planning process.

A STRONGER INDEPENDENT BBC

The existing BBC Charter expires on 31 December 2006 and we are introducing a new Charter covering the subsequent 10 years. The White Paper and drafts of the new Royal Charter and Agreement have been issued, following the most comprehensive consultation ever of a BBC Charter. Once in place, these will ensure that the BBC remains strong and independent, setting world-class standards across a wide range of programmes. Technology, and the broadcasting market are changing rapidly, so we have defined the BBC's role and scope more clearly than before through a new set of purposes. Measures have also been proposed in the White Paper and the draft Charter and Agreement to ensure the BBC becomes more transparent and directly accountable to licence fee payers.

In a step change for the BBC's governance we will abolish the BBC Governors and replace them with two new bodies; a BBC Trust and a separate Executive Board which will run the BBC's services. The BBC Trust will oversee the Executive Board and will be the licence fee payer's voice. It will act as a proxy for the BBC's shareholders, making it the first public interest body on this scale the country has ever seen.

CONTINUING OUR COMMITMENT TO SPORT

The past sporting year has been one of high achievement, in particular the performances of the men's and women's England cricket teams in reclaiming the Ashes and Liverpool FC's triumph in the UEFA Champions League. The celebrations of these triumphs will not only be remembered by all who experienced them, but serve as a reminder of the immense power of sport in bringing people together.

We have continued to build towards our goal of creating an active and successful sporting nation, particularly through substantial investment in sporting opportunities for our young people. We are meeting our targets to ensure that our children have access to good quality school sport and PE, and significant progress has been made to promote competition in school sports.

We have reversed the decline in the numbers and condition of playing fields and have provided extra assistance to over 1,000 of our most promising young sportspeople through the Talented Athlete Scholarship Scheme.

CREATIVE ECONOMY PROGRAMME

We have launched a Creative Economy Programme which is the first step towards our goal of making the UK the world's creative hub. The programme looks at seven key productivity levers for the creative industries through a twin track approach of investigatory groups and industry consultation. We hope that the programme will push forward policy development in the creative industries and deliver real improvements to the support that Government gives to the Creative Industries.

In addition to this, the reform of film tax relief and the introduction of a new Cultural Test for British Films will support the Government's aim to promote a sustainable British film industry. More



generous rates of support offered by the new tax relief will reward the use of British film making content, facilities and practitioners. Targeting the support in this way will help Britain to continue to grow as a world leading location for film making, with a wealth of film making talent, as recognised by British success in this year's Oscars.

EU PRESIDENCY

The UK's Presidency of the EU Council of Ministers ran from July to December 2005. We achieved many important goals during the Presidency. Political agreement was reached on several EU funding programmes, a new action plan for the digitisation of cultural heritage was agreed, and good progress was made on an initiative to facilitate the mobility of museum objects and collections throughout the Community.

We jointly hosted a major European Audiovisual Conference with the European Commission in Liverpool. It facilitated expert discussion of the revision of the 'Television Without Frontiers' Directive.

We led the Government's delegation on the negotiations in Paris on UNESCO's Cultural Diversity Convention. As the climax coincided with the UK Presidency of the EU, we were able to lead the 25 EU Member States in the negotiations, ensuring the adoption of the Convention.