



Chapter 2

Departmental Management, Resources and Expenditure

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Efficiency, effective management and inclusive personnel policies and practices, all essential components of our overall performance, are reported on here. This chapter also sets out DCMS achievements in specialist areas.

Introduction

Following the General Election last year we took charge of a number of additional policy areas. DCMS now has responsibility for gambling, licensing, film and video classification, horseracing and planning for the Golden Jubilee. We also reorganised internally, with the creation of our Policy, Innovation and Delivery Unit, our Economics and Statistics resources merged into a new Analytical Services Division and our Education Unit and Social Policy Units merging into one.

Following an open external competition, Sue Street, formerly Director of the Criminal Policy Group at the Home Office, joined DCMS as Permanent Secretary in December 2001.

The Department's Values

In DCMS, we:

work together as a team

- by valuing each person's contribution and treating colleagues with courtesy and respect;
- by promoting fairness, integrity and equality of opportunity in all the Department's dealings;
- by communicating effectively both within and between divisions;
- by encouraging everyone to generate ideas and solutions.

work in partnership with others

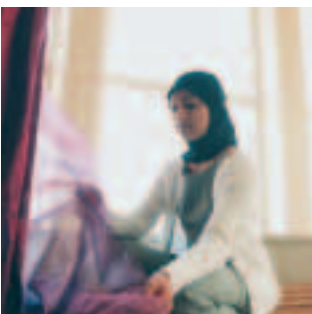
- by identifying, and listening and responding to those who are engaged in the activities we promote;
- by ensuring that we and our funded bodies fully understand each other's purposes and expectations;
- by appreciating the wider context of Government policy and collaborating with other Departments.

maintain high standards

- by providing a prompt, impartial and effective service to Ministers, Parliament and the public;
- by ensuring probity and value for money in spending public money;
- by identifying the skills needed and helping our staff develop them;
- by setting clear rules on conduct and propriety and ensuring they are met.

deliver results

- by stating what we and our partners can realistically achieve and ensuring that we are all equipped to achieve it;
- by improving efficiency and value for money in the use of our resources.





External Recruitment

In line with the Modernising Government agenda, we are keen to see DCMS draw its staff from as wide a range of backgrounds, skills and experience as possible both from within the Civil Service and outside - external recruitment is a key tool in achieving this objective.



We have successfully recruited staff through external recruitment campaigns at all levels, from the Permanent Secretary to administrative support staff. 41 people (over 8 percent of all staff) have joined through open recruitment in 2001-2. The table below sets out how we have recruited grade by grade over the last year.

Grade	Number of staff recruited externally
D	10
C	10
B	16
A	2
SCS	3

Equal Opportunities, Training and Development

- Mandatory equal opportunities training forms part of the induction process for all staff.
- DCMS has Investors in People accreditation and is committed to providing opportunities for staff development.
- We encourage staff to identify their own training and development needs, through the annual appraisal system.
- Formal opportunities include bought-in training from bodies such as the Government's Centre for Management and Policy Studies, and courses delivered by DCMS's in-house trainers. Other informal opportunities include shadowing, secondments and coaching.
- Central training provides core developmental opportunities such as 'Working with Ministers', speech writing and consultancy skills.
- In addition Divisional budgets allow for individual developmental training or job specific training.

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Senior Civil Service Salaries

The Senior Salaries Review Body published salary details for Permanent Secretaries in February. Details for the rest of our Senior Civil Service are shown below:

Salary band	Number of staff in band
£40,000–£44,999	1
£45,000–£49,999	5
£50,000–£54,999	4
£55,000–£59,999	2
£60,000–£64,999	-
£65,000–£69,999	3
£70,000–£74,999	4
Over £75,000	3

Better Management

In line with our Modernising Government Action Plan we have continued to work on our own management practices. Progress in this area is set out below.

Providing Stronger Leadership

We are committed to improving management and have prepared an action plan to help achieve this objective. We aim to have consistently good management, more effective communications and better evaluation of training. All line managers have a management objective specific to them in their annual appraisal; good management skills are regarded as essential in assessing suitability for promotion. All staff have been encouraged to have Myers Briggs

Type Indicator assessment and managers have been offered 360° feedback to help improve self awareness, enhance performance and improve team working.

Sharper Performance Management

During the past year DCMS has taken forward an extensive programme of reform and modernisation. We were the first Department to undergo a peer review, following which we developed an action plan which has now been implemented. A follow-up review was carried out earlier this year, which commented very favourably on the Department's progress and achievements since the original review.

We have developed and trained all staff in a new performance appraisal system based on the principles set out in the Bichard report, with stretching objectives linked to business plans and three main performance categories based on relative performance. We have also introduced a new promotion system involving self-nomination, and have already put 15 percent of our staff through it.

Improvements in Diversity

We have introduced a new programme of diversity training and established a network of equality advisers from across DCMS. All staff have a mandatory diversity objective in their annual appraisal. A new updated diversity action plan will be produced by April 2002, covering work-life balance, training, recruitment/ outreach, placements and complaint handling.

A More Open DCMS Which Brings on Talent

Secondments and interchange help bring on talent and open us up to fresh thinking from other organisations. In the past year we have arranged 18 secondment opportunities across a range of organisations. We are currently piloting a development programme, the Opportunity Scheme, to identify and develop the potential of junior staff. We have also conducted external recruitment campaigns at all grades (see section on recruitment practice).

A Better Deal for Staff

We are now working to a partnership agreement which clearly sets out the need for both management and unions to work together. The second phase of our Work-Life Balance Review is underway, and has involved research into best practice in both public and private sectors and consultation with staff. A staff restaurant was opened last year to provide healthy, reasonably priced food. It provides dining and break-out spaces. We also refurbished adjacent meeting rooms and the information centre.

Touchstone Project

We have set in hand the Touchstone project to look at ways in which our internal organisation and ways of working could be improved. The project, so called because the customer is the touchstone for everything we do, has been jointly undertaken with the Centre for Management and Policy Studies and the Treasury, and the Office of Public Services Reform have been

closely consulted. It recommends that internally we should embrace a new culture of programme and project-based working across the Department to improve our focus on delivery and manage our strategic priorities as coherent, cross-cutting programmes. It also suggests that we should implement a package of measures to strengthen and streamline the way we handle core functions such as correspondence, speech-writing, briefing and appointments. We are now working closely with all staff to take these recommendations forward.

Information Age Government

We continue to build on the opportunities offered by e-business and new technologies to improve access, encourage participation and develop new ways of working. In addition, we have continued to work towards meeting the target for making all services available online by 2005.

Since the last Annual Report we have:

- published an updated and fully revised e-business strategy, www.culture.gov.uk/role/dcms_e_business.html. This document sets out a challenging vision for the Department and its sectors which encompasses both the 2005 target and the wider opportunities for business and service transformation offered by e-business;
- launched the new Government Art Collection website, www.gac.culture.gov.uk/home/index.asp, which provides online access to over 4,000 works of art

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from this important national collection through a fully searchable front-end;

- launched the Golden Jubilee website, www.goldenjubilee.gov.uk/, which provides information on Her Majesty the Queen's Golden Jubilee;
- redeveloped our own Intranet to provide a greater range of information and functionality to staff, including online stationery ordering and conference room booking;
- implemented a policy of advertising all public appointment vacancies on the DCMS website and have made public appointments literature, including the application form, available online;
- launched the vision website for Culture Online, www.cultureonline.gov.uk. This site enables visitors to discover exciting opportunities for improving access to the nation's cultural assets;
- revised our project management processes to reflect the guidance resulting from the Review of Major Government IT Projects and the resulting Gateway process;
- launched a joint Communications White Paper website with DTI, www.communicationswhitepaper.gov.uk, to support the White Paper. This site included a realtime video feed of the statement to the House of Commons, which proved to be the most popular UK Government webcast up to that date;

- launched a joint Digital Television website with DTI, www.digitaltelevision.gov.uk, which provides information on digital television developments and policy;
- carried out a user feedback exercise to gather views on the Department's website prior to its relaunch in spring 2002.

The bulk of the Department's services will be available online by 2002.

Policy, Innovation and Delivery Unit (PIDU)

Set up by the Secretary of State in September 2001, the Policy, Innovation and Delivery Unit (PIDU) is a small, flexible unit which concentrates on helping to ensure the delivery of Ministers' strategic priorities, ensuring that DCMS objectives reflect - and are reflected in - the wider Government agenda, and facilitating new thinking in policy areas across the Department's responsibilities. It therefore contributes to all our key objectives. The Unit is also the Departmental Regulatory Impact Unit and advises on regulatory reform, conducting public consultation exercises, human rights matters and equality proofing. The Unit has recently taken on the responsibility for organising and arranging Management Board meetings.

A key objective for the Unit is to sharpen our focus on delivery and it jointly set in hand the Touchstone project with the Centre for Management and Policy Studies and the Treasury. The project is looking at improving both our internal organisation and ways of working and the relationship between the Department and our NDPBs. The

Unit is now liaising closely with the rest of the Department and NDPBs to take forward the project's findings.

Quality, Efficiency and Standards Team (QUEST)

Building on its first work programme, QUEST has been addressing core issues related to the improved delivery of the Department's objectives. A key challenge for the Department and its sponsored bodies is to understand how cultural and sporting activity can best be used to combat social exclusion, and to contribute fully to the educational resources available to children and life-long learners. To that end, and following extensive research into both current practice and existing research knowledge, QUEST has developed a set of planning and performance measurement tools which should help both DCMS and its sponsored bodies to focus their activity and report their achievements.

Part of QUEST's brief is to help DCMS and sponsored bodies drive improvements in their overall management efficiency. As well as suggesting better measures of performance, QUEST has been developing a set of Management Bulletins, in which authoritative and comparative data about core aspects of management performance are collected from across the sponsored bodies and DCMS, giving managers a better set of tools to understand their own performance in relation to other cultural and sporting bodies.

At the end of its first three years, QUEST can reflect on a set of proposals for how DCMS and its sponsored bodies can sharpen their

approach to performance management, and more effective ways of understanding what is being delivered. The challenge for QUEST in future, working with DCMS and its sponsored bodies, will be to help deliver on the promise of more strategic management, with improved focus on outcomes.

Quinquennial Reviews

We completed reviews of the following bodies: Advisory Committee on the Government Art Collection; British Library; British Tourist Authority; National Gallery; National Heritage Memorial Fund/Heritage Lottery Fund; National Portrait Gallery; Royal Commission on Historical Manuscripts; Royal Parks Agency; and Sport England. Reviews of the following bodies will continue into 2002-2003: English Heritage; Geffrye Museum; Horniman Museum; Museum of London; Museum of Science and Industry in Manchester; National Maritime Museum; Public Lending Right Registrar and Advisory Committee; Reviewing Committee on the Export of Works of Art; and the National Museum of Science and Industry. As a result of the review of the Royal Parks Agency we propose to establish the Royal Parks as an NDPB from 1 October 2002.

The reviews are delivering significant strategic and policy benefits by:

- helping us judge how far our NDPBs are contributing to the wider Government agenda (e.g. Sport England; British Tourist Authority);





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- helping us to forge better links with other Government Departments in providing a coherent policy context for our NDPBs (e.g. the National Museum of Science and Industry);
- illuminating the nature of the sponsorship relationship, leading to a clarification of what DCMS and the NDPBs should be looking for from each other (e.g. National Gallery and National Portrait Gallery);
- contributing to the process of policy development (e.g. regional museums and national archives network) which would otherwise have been much more difficult to take forward;
- encouraging NDPBs to use their resources more effectively.

In the first half of 2002-03 we will be reviewing the programme to concentrate resources on fewer, but more focused, reviews that will deliver more of the benefits described above.

Analytical Services Division

In October 2001 the Analytical Services Division was formed, bringing together the expertise of Statistics Branch and Economics Branch. We created the new Division to ensure that our approach to policy-making is founded on identifying and using sound evidence. The Division will provide a Department-wide service of interpretation of research and data in support of policy development and offer technical expertise in monitoring and evaluation techniques.

The Division will also work with NDPBs on research and will look at ways to explore jointly problems and solutions across the many common

initiatives being pursued by our NDPBs. Our economists have been involved in research on a wide range of policy issues, such as the economic impact of the National Lottery, and the creative industries. On the wider research front, Economics Branch provides technical input to a range of academic research projects and programmes and participates in research seminar groups and networks funded by the Economic and Social Research Council and others.

Statistics Branch has already built strategic partnerships across the Department's areas of interest, working alongside the research groups of NDPBs. Projects such as the Time Use and General Household Surveys, led by the Office of National Statistics in conjunction with other Government Departments, will greatly enhance our information when they are published later in 2002 and 2003.

Work has also begun on commissioning a regional data framework and establishing common EU understanding of the cultural field, which will underpin the process of establishing the Departmental database. This initiative will bring together a range of research and statistical sources spanning our sectors.

Investment and Asset Management

The Departmental Investment Strategy (DIS), published separately as an outcome of the 2000 Spending Review, describes our strategic plans for both new investment and the use of existing assets. The DIS can be viewed on the Internet site www.culture.gov.uk.

Strategic Policy Context

We are putting in place more effective framework documents between the Department and the bodies entrusted with delivering its objectives, and in doing so will promote the efficient use of resources, including assets. Three year funding agreements are already in place, which link government investment to outcomes which reflect our central themes of access, excellence, education and the development of the creative industries. They set challenging targets for each body and ensure that we can meet our PSA targets. They also give certainty of forward budgets, allowing better forward planning.

Asset Utilisation

The Department has direct ownership of a limited range of assets. The bodies outside the accounting boundary, for which the Department has policy responsibility, own and manage a wide range of assets, including heritage assets and inalienable assets, which are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. These heritage assets include historical buildings, archaeological sites, museum and gallery collections, archives, burial mounds, ruins, monuments and statues.

The National Asset Register (which can be viewed on the HM Treasury's website www.hm-treasury.gov.uk) contains information on the assets held by DCMS, the Royal Parks Agency and the executive NDPBs and public corporations sponsored by DCMS as at 31 March 2000 (unless otherwise stated).

Asset Disposals

Progress on the asset sales anticipated over the planning period is as follows:

- disposal of Blundell Street Warehouse by National Museums and Galleries on Merseyside was completed on 3 September 2001;
- furniture, equipment and supplies were disposed of following the closure of the Convalescent Home at Osborne House;
- the National Museum of Science and Industry is awaiting the results of the York central project, before proceeding with a land consolidation deal, which involves the disposal of their Foundry Lane warehouse site at the National Railway Museum, York.

In addition, land at St Pancras has been temporarily transferred for use by DTLR and contractors during the construction of the Channel Tunnel Rail Link.

New Investment

Our capital budget is set out in the table on page 105. Along with all other departments DCMS is reviewing the implementation of its DIS.



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Public Private Partnerships

DCMS and its sponsored bodies are alive to the opportunities provided by the Private Finance Initiative, in particular its scope for providing better managed procurement and for transferring to the private sector those risks that the public sector does not have the expertise to manage so successfully. Sponsored bodies are encouraged to identify opportunities and implement projects. Projects agreed to date include the following:

- the British Library Catering project, for the provision of catering services, including equipping of the catering facilities. Private Sector Capital Investment = approximately £1 million in fixtures and fittings;
- the Royal Parks - restoration and catering facilities at Pembroke Lodge. Private Sector Capital Investment = £1 million.

The contract for the British Library Bibliography Programme, for the provision of an integrated bibliographic service, has been terminated.

DCMS now has direct responsibility for a tranche of local authority Private Finance Initiative credits: £30 million per annum was allocated in Spending Review 2000. Previously responsibility rested with DTLR. We invited bids from local authorities in March 2000 and will hold further annual bidding rounds. Demand has been high and £79.4 million of credits have been committed to date.

Procedures and Systems

We are developing an Asset Management Plan to inform decisions on spending priorities for the 2002 Spending Review. This will set out the extent, condition, sufficiency and suitability of the asset base and determine its priority needs. The aim of the plan is to ensure efficient and effective procurement, management and improvement of assets. We still have plans to explore the scope for exploring asset management planning in sponsored bodies.

Capital Modernisation Fund

We have been allocated funds from the Capital Modernisation Fund to support the following:

- £75 million for the Space for Sport and Arts Scheme to improve sport and arts facilities in primary schools in deprived areas, for use by children within school hours and by the local community outside school hours. The project is also supported by Lottery funding;
- £0.9 million for Tourism Destination Services. This is a project to join up national, local and public and private sector tourism information, by establishing an electronic data-sharing network for tourism managers. The objective of the project is to improve the quality of information provided to visitors and potential visitors to the UK;



- £0.9 million for British Museum History Timeline. This is a website and database providing a reference timeline of key events and major cultural developments in world history and interactive access to the British Museum's collection, referenced to those of regional museums. The project will enhance visitor satisfaction with museum visits, will serve as a valuable teaching aid for the history curriculum in schools and will provide a reference work accessible to all.

Internal Audit

Our Internal Audit Unit gives assurance to the Accounting Officer on DCMS's internal control system and assists managers in the DCMS by advising on the adequacy of the controls for which they are responsible and recommending improvements where necessary.

Key activities in 2001-02 included cross-cutting audits of sponsorship subjects. Findings from these audits will be incorporated into our risk assessment framework for financial delegation to NDPBs. The Unit continues to support and promote internal audit in our NDPBs, through an annual conference, seminars and advice, and monitors its adequacy and effectiveness.

The audit strategy for 2002 and beyond will be shaped by the business risks identified from our emerging risk management systems, the further development of corporate governance, and other work to support the Accounting Officer's statement on internal control.



Bill Payment

We have signed up to the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890) and are committed to the payment of all invoices not in dispute in accordance with agreed contractual conditions or, where no such conditions exist, within 30 days of receipt of goods or services or the presentation of a valid invoice.

Monitoring of DCMS payment performance as at the end of January 2002 showed that 99 percent of invoices were settled within this timescale. This compares with a performance of 99 percent in 2000-01 and 99.6 percent in 1999-00.

Sustainable Development

Sustainable development means establishing and maintaining a good quality of life for everyone by encouraging the responsible use of natural resources and building cultural, social and economic capital. It is an overarching theme of Spending Review 2002. For the first time, Departments are required to set out any anticipated significant social, economic and environmental implications for their bids in a Sustainable Development Report to Treasury.

The emphasis of sustainable development policy is now on promoting public understanding and involvement and this is being taken forward in all areas of Government by the Green Ministers group. DCMS is represented at Minister of State level by Baroness Blackstone, who champions DCMS involvement, which besides specifically improving the greening of



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our own buildings and procurement practices, promotes a greater understanding of sustainable development by raising public awareness via our sponsored bodies. A major conference was held in the Science Museum in April to explore these themes.

DCMS Progress: Museums & Galleries:

This sector continues its very active participation in promoting sustainable development education. A seminar for DCMS sectors was held at the Science Museum in October to examine the ways in which DCMS and its sectors are involved in sustainable development; to identify common interests; to discuss how to raise internal and public awareness of the issues; and to look at how DCMS can assist sectoral bodies in taking forward sustainable development aims. Baroness Blackstone visited the Science Museum to hear a presentation on its proposals to be a leader in educating the public in environmental and sustainable development issues, and to exemplify this in its new buildings and essential refurbishment. Sir Neil Chalmers, Director of the Natural History Museum, is a member of the Sustainable Development Education panel established by the Department for the Environment, Food and Rural Affairs.

Sustainable Tourism: Developing Performance Indicators

The English Tourism Council (ETC) has developed a set of national sustainable tourism indicators to help measure collective progress towards making English tourism more

sustainable, in such a way that tourism:

- protects and enhances the built and natural environment;
- supports local communities and culture;
- benefits the economy of tourism destinations.

DCMS has published on its website '*Guidance on Measuring Sustainable Tourism at the Local Level - An Introduction and Background*' as a non-prescriptive contribution to the current debate on developing local sustainable tourism indicators.

Architecture and Historic Environment

DCMS continues to work with English Heritage to achieve sustainable conservation-led regeneration and to use the built environment to support social, physical and economic regeneration.

Royal Parks Agency

The RPA works with DCMS Education and Social Policy Unit to promote environmental education centres in Richmond, Bushy and Hyde Parks; contributes to local Biodiversity Action Plans; is introducing a biological recording system (in conjunction with English Nature and the London Wildlife Agency); implements sustainable maintenance regimes; and ensures that grounds maintenance contractors follow best conservation practices such as using horses instead of tractors in forest areas.



National Lottery

All projects submitted are required to take into account the need to further the objectives of sustainable development, and to be sensitive to the needs of the environment and the use of natural resources. Social and community progress and employment opportunities are also taken into account. Examples include the Heritage Lottery Fund's work on urban parks and on local heritage, and the New Opportunities Fund's Green Spaces and Sustainable Communities initiative.

Personnel and Central Services Division

Facilities Management (FM) Branch has worked with contractors WSP to produce the Environmental Policy Statement for the Environmental Management System, which is now in place and has been sent to all our sponsored bodies. The next step is to widen involvement in the operation of the management system to create greater ownership and hence continuous improvement. In line with Modernising Government, a checklist reminding policy-makers of the need to consider sustainable development is on the DCMS intranet.

Health and Safety

We have embraced the aims of the Revitalising Health and Safety Strategy Statement. A renewed departmental Health and Safety Committee meets quarterly with membership from DCMS management, the trade unions and employee representatives, and a revised Health and Safety Manual has been published. Regular health and safety inspections are made in

cooperation with trade union representatives and line managers, and an annual report will be made to the Management Board in April.

Facilities Management

Last year we outsourced facilities management provision to WSP Facilities Management. The partnership is bearing fruit as the WSP team have achieved a better understanding of the DCMS business and have learned how best to support it. A three to five year programme of pre-planned maintenance is in place which will ensure continuity of services to the Department and will even out the peaks and troughs of expenditure, aiding the control and more efficient use of budgets.

Procurement

We continue to take part in Office of Government Commerce (OGC) initiatives aimed at greater cost-effectiveness and efficiency in procurement. The Gateway process is in use internally for low-risk projects. With the assistance of the OGC we hosted a seminar aimed at joining together with NDPBs in a mutually beneficial procurement network.

Public Accounts Committee (PAC) Recommendations

During the year we were involved in a number of PAC hearings. Details are as follows.



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Gaming Board - November 2000

The Public Accounts Committee published a report of the Gaming Board in November 2000, following a comprehensive value for money audit by the National Audit Office in June 2000. The report made 26 recommendations about the efficiency and effectiveness of the work of the Board. These included a more risk-based approach to inspection; better certification and registration of employees employed by the gaming industry; better sharing of information with other regulatory bodies; and the elimination of cross-subsidy of the bingo and machine sectors of the gaming industry by the casino industry and of cross-subsidy of lotteries by 2001-2002. The Board and the Government accepted these recommendations and all but three are now fully in effect. Two of these are being taken forward in conjunction with an upgrade of the Board's IT systems and the other, relating to pay and grading and recruitment arrangements, is under consideration following the transfer of sponsorship to DCMS. Completion of work on the three recommendations is expected during the summer of 2002.

Renegotiation of the PFI-type deal for the Royal Armouries Leeds - 12 December 2001

The Royal Armouries' new museum in Leeds, which opened in 1996, was built and operated by the private sector under a prototype PFI scheme. By 1998 it was becoming clear that, with falling visitor numbers and income, the operation was no longer sustainable in its current form and there was a serious

risk that the museum might close. In July 1999 the Royal Armouries, with the active support of DCMS, successfully renegotiated the deal with the private operator and its lender. The subsequent NAO study was intended to draw wide lessons for future PFIs.

The PAC hearing took place on 30 January 2001 and the report was published on 12 December 2001. The Committee made a number of generic recommendations, concluding that Departments should:

- make sure that they have access to the necessary skills and business knowledge;
- watch for early warning signs that a PFI deal may be unsustainable e.g. insufficient interest from the private sector, difficulty in obtaining an operating agreement, lack of access to financial records etc;
- obtain impartial advice on the merits of a proposed PFI deal before it is signed, consider in advance how they will exit from PFI deals if necessary, and ensure that they have a clear understanding of their consultants' visitor projections;
- assess the reasonableness of visitor projections by comparing them with comparable attractions; ensure that the capital structure of a proposed deal is consistent with the riskiness of the project;
- consider where the business risks ultimately lie and draw up their own contingency plans;

- be clear about their legal rights and the strength of their commercial position; be prepared to use those rights and powers aggressively in negotiations; ensure that their negotiation team includes people with previous experience of commercial negotiations and that they are supported by appropriate commercial advice.

In addition the Committee reached a number of specific conclusions:

- the original deal for the new museum had foundered because of lower than expected visitor numbers. The private operator had priced the product at a level above that recommended by the consultants. Visitor numbers are price-sensitive and the lower numbers appear to be consistent with the consultants' price-sensitivity model;
- an increase in the number of other competing attractions, delays in the development of the surrounding Clarence Dock and a reduction in expenditure on marketing also contributed to lower visitor numbers;
- the Committee welcomed the Department's attempts to identify good practice when reviewing visitor projections for proposed projects;
- the revised deal for the museum effectively bailed out the private sector;
- free access should result in higher visitor numbers.

In the Treasury Minute published and laid before Parliament on 28 February the Department has generally welcomed the Committee's conclusions but has pointed out that there has been no bail-out. The revised deal ensured that the museum remained open, £21 million of debt remained in the private sector, the transfer of risk was optimised in accordance with current PFI practice and the private operator did not receive any Government funding.

The advent of full free access on 1 December 2001 resulted in a 150 percent increase in visitors compared with December 2000.

Maintaining the Royal Palaces - 15 March 2001

The Royal Household receives grant-in-aid from the DCMS for the maintenance of the Palaces occupied by members of the Royal Family and their staff. The PAC report on maintaining the Royal Palaces was published on 15 March 2001. The Treasury Minute in response to the report was laid and published on 19 July 2001.

The June 2000 National Audit Office report was generally favourable and made three relatively low-key recommendations for action by the Department. All have been accepted.

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The principal recommendations were as follows:

- Following the fire at Windsor Castle, Buckingham Palace was opened to visitors during the summer. The income generated was used to meet part of the cost of the fire restoration work. The Committee said that consideration should be given to applying a proportion of the receipts at Buckingham Palace to meet the cost that would otherwise be borne by the grant-in-aid for property services. The Department is discussing this with the Royal Household.
- The PAC's report made some wider comments about progress by the Royal Household in letting properties no longer needed for use by staff. The Treasury Minute draws attention to the Royal Household's success to date and future plans for disposal of properties or letting at commercial rents for those to be retained.

Windsor Precincts receipts are being used towards the general maintenance of the occupied palaces and refurbishment of properties for commercial let (£309,000 in 1999-2000). Buckingham Palace receipts are being used for the conservation and presentation of the Royal Collection. A contribution is made to the property services budget for the maintenance of those areas open to the general public. The receipts are paying for the redevelopment of the new Queen's Gallery at Buckingham Palace. This will allow more of the Royal Collection to be displayed to the public.



The Royal Household will have let 17 properties by the end of 2003. Nine are to be transferred back to the Crown Estate and three sold.

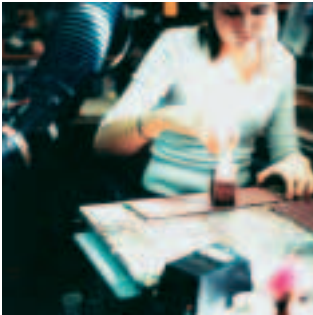
Grants made by the National Lottery Charities Board - 26 April 2001

On 26 April 2001, the Government published its response to the PAC report on grants made by the National Lottery Charities Board (NLCB). The report followed an investigation by the NAO into progress made by projects funded by the NLCB under their first three main grants programmes, and examined the NLCB's management of their grant programmes. The NAO concentrated on grants of £20,000 and over - 4,789 grants, with a total value of over £460 million, made between October 1995 and January 1997.

Overall the NAO report was positive, and recognised that the NLCB's grant programmes have done much to help those in society at greatest disadvantage. At the time of the report's publication and by the date of the PAC hearing (10 May 2000) the majority of the recommendations had already been implemented or were in the process of being implemented.

The principal recommendations were as follows:

- DCMS needs to ensure that lessons and good practice are identified, disseminated and implemented throughout the sector;
- NLCB should give priority to finding ways of capitalising on the knowledge and expertise of local authorities;



- NLCB should take steps to make their application and monitoring processes less onerous for applicants, while maintaining an appropriate degree of control;
- NLCB should identify the key risk and success factors for the projects they have funded to date, to ensure that they are not overlooked in considering future applications;
- NLCB should see through their programme of fraud awareness training for their grant officers.

The Department and the NLCB (now known as the Community Fund) welcomed and accepted the PAC's comments and recommendations.

English Heritage - Access to Properties - 3 May 2001

The PAC's report was published on 3 May 2001. The inquiry followed an NAO report on Access to Properties grant-aided by English Heritage (EH). PAC examined DCMS and EH about the provision of public access to grant-aided properties, records on the assessment of grant applications, and grant recovery on disposal of property.

The NAO report noted some inaccurate entries in the published guide and website about properties, and recommended that EH should be aware of how the access arrangements worked in practice. NAO found that in a minority of cases there was a lack of clear evidence about financial appraisal or about the basis on which grants had been awarded. PAC recommended tighter procedures to ensure evidence was recorded. PAC also recommended that EH follow the practice of CADW: Welsh Historic Monuments for two

procedures. PAC acknowledged that EH were updating their records of these properties.

EH has already accepted and implemented most of the PAC recommendations. It is keen to ensure that the public has accurate and up-to-date information on access to properties and that its procedures are robust and effective. EH undertakes an annual survey of grant-aided properties to gather information. It makes available an up-to-date list of properties open to the public on its website and in a major historic attractions publication. It also undertakes mystery shopper visits to a sample of grant-aided properties. It has liaised with CADW.

Although not covered by the NAO report, PAC also questioned the use of Kenwood House in Hampstead for a wedding reception in July 1999. The wedding reception was for the daughter of the former King of Greece and involved closing the House to the public on that day for security reasons. PAC was critical of the financial basis on which EH allowed Kenwood House to be used. EH has since ensured that there is no discretion over the amount a hirer pays for an event. A full list providing the scale of charges for each type of hiring is used and enforced, unless there are other exceptional benefits to EH, in which case clear terms are agreed in advance.

The Millennium Dome

The PAC's report '*The Millennium Dome*', published on 1 February 2002, was based on its proceedings held in November 2000. The principal recommendations were that there should be more clarity in arrangements



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for managing such projects, that more commercial opportunities could have been exploited, and that the indemnity offered to Directors of the New Millennium Experience Company (NMEC) should have been notified to Parliament. The report did not cover the subsequent winding down of NMEC and its successful entry into voluntary liquidation. The Government's response to the report was published on 24 April.

Local Government

Local authorities make a crucial contribution to delivering cultural and leisure services and have annual expenditure of some £2 billion within the sector. Whilst the library services are the main statutory element of the cultural and leisure sector, local authorities continue to attach great significance to the provision of discretionary services within the Department's remit.

More than a third of the Local Public Service Agreements completed so far have included one or more cultural sector targets. The Department has arranged local authority briefing events to explain the procedures and benefits and will continue to promote this area of work. Local authorities have been encouraged to develop Local Cultural Strategies (LCS), and most have indicated that they are likely to have a strategy in place by December 2002. Work will take place in the course of the year to assess the benefits of LCS and identify any areas where support is required. The Department has produced guidance on developing an LCS, *'Creating Opportunities'*. For 2002-2003 Best Value Performance Indicator 114 has been expanded to include

questions about quality and how far strategies are aligned with DCMS guidance. During the formal consultation process the culture and leisure community universally welcomed these developments. The Best Value regime is becoming established and so far over 150 cultural sector inspections have taken place.

This year's Beacon Councils for regeneration through culture, sport and tourism were Gateshead, Knowsley, Nottingham and Sunderland. They represent outstanding examples of what culture can achieve for communities. We are very grateful for the work they have done to disseminate their good practice to the wider local government community.

The Local Government White Paper, *'Strong Local Leadership - Quality Public Services'*, published in December 2001, sets out a new vision for local government and seeks to establish a partnership between central and local government. The Department has an important role to play in supporting the White Paper's aims and has been closely involved in developing the Government's implementation plan, including discussions on Comprehensive Performance Assessment (CPA). Proposed changes to financial procedures and incentives for further partnership working will create new opportunities for local authorities delivering the Department's key priorities.

Private Finance Initiative (PFI)

In 2001-2002 the department ran its first programme of PFI credit approvals for Local Authority infrastructure improvements. The Department's relatively small allocation of credits (£30m per year from 2001-2002 to 2003-2004) were in great demand from authorities wishing to improve culture and leisure services such as libraries, art galleries and sporting venues. Four projects received endorsement during the year from the Project Review Group (the inter-departmental body responsible for allocating local authority PFI credits across all Departments) and are now progressing with procurement. For historical reasons these projects are all leisure-orientated, but the new ones being considered represent most of our areas of interest. A further bidding round is being held in 2002 and again the credits are expected to be in great demand.



DCMS in the Regions

The Regional Cultural Consortia in the eight English regions outside London have worked closely with the Regional Development Agencies and other regional and local partners to champion cultural and creative interests and to promote the role of culture, sport, tourism and the creative industries in economic development, regeneration, education and social inclusion. They have all published regional cultural strategies which reflect the diversity of cultural life across the country and show how culture can contribute to the achievement of wider objectives and make a real difference to people's lives. They include action plans which the

Consortia and their partners will now take forward. In London, the Mayor's Cultural Strategy Group is drafting a Cultural Strategy which is expected to be published for consultation during 2002.

The Department's staff in each of the nine English regional Government Offices have provided a focal point within Government for articulating the regional contribution of the cultural and creative sectors to education, social inclusion and regeneration. They have also provided essential support to the Regional Cultural Consortia. The Department has agreed to integrate these staff fully into the Government Office structure from April 2002.

The Department has maintained good relations with all three Devolved Administrations and officials meet regularly to review the arrangements for consultation and issues of mutual interest.

European Capital of Culture

There has been considerable interest across the UK in the competition to select the UK's nomination for European Capital of Culture 2008. The city which wins the title will have a unique opportunity to showcase its culture and creativity on the national and international stage. An independent advisory panel will be appointed to assess bids and advise Ministers. The winning city will be nominated to the EU by the Prime Minister. The other shortlisted cities will be publicised and commended as Centres of Culture. At the closing date of 31 March, 12 cities had submitted bids.

2

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International Work

Since the Government rejoined UNESCO in 1997, DCMS has played a key role in ensuring that the UK is able to feed in ideas from civil society to the work of UNESCO, mainly through the UK National Commission to UNESCO. The Culture Committee of the National Commission has produced some excellent work on cultural diversity, which was communicated to UNESCO through the General Conference in November 2001.

The Government is also committed to working closely with our European Union partners and the institutions of the EU. The Department has several important policy areas where EU legislation has an impact, such as broadcasting and the Regulation governing the export of cultural goods, and these are dealt with in the relevant policy areas of this Report. However, the DCMS has an International Unit which acts as a central contact point, liaising with other Whitehall Departments and EU organisations on EU and international issues.

Millennium Unit

DCMS remains committed to co-ordinating the Government's interest in the Millennium, following an array of celebrations during the year 2000. After the closure of the Millennium Experience on 31 December 2000, we worked closely with the New Millennium Experience Company (NMEC) as it undertook an orderly wind-down of its activities towards a solvent liquidation on 18 December 2001. The process involved settling over 1,300 contracts and as

much as possible of outstanding litigation, selling assets and dealing with remaining insurance, environmental and planning matters. As a result of intensive negotiation on contractual liabilities and litigation as well as the realisation of best achievable value for assets, while keeping costs under control, £25 million of NMEC's grant from the Millennium Commission did not need to be drawn down before the liquidators were appointed. With NMEC placed in solvent liquidation, DCMS has taken responsibility for NMEC's archive. Both Houses of Parliament, as well as the media, have maintained a high level of interest in the Millennium Experience project and DCMS has continued to answer many Parliamentary questions.

A study into the economic impact of the Millennium Experience at Greenwich which was jointly commissioned by NMEC, English Partnerships and the London Borough of Greenwich, established that the Dome eventually generated contracts worth more than £500 million for UK companies, generated £385 million in direct spending by visitors on transport, accommodation, catering etc, provided work for over 7,700 people in construction and over 5,000 in management and operation between 1997 and 2000; and led to the regeneration of nearly 300 acres of formerly derelict, contaminated land.

The Commission also undertook its second Social Impact Study into the Millennium Awards scheme. The Study found that the Awards have made a great impact on both individuals and their communities. Over 90 percent of Award Winners thought their project was a success for themselves and over



85 percent thought it a success for their community. Awards are also having a lasting benefit on the individuals, with almost 90 percent of winners gaining confidence from their Award and almost 70 percent now more likely to take part in education and training as a result. 30 percent thought that undertaking their project had helped them to secure employment. Just over 20,000 awards have been made so far, with an expected 35,000 in total by the end of the Commission's life.

We also continue to work closely with the Millennium Commission, which is distributing over £2 billion of Lottery funds and has invested carefully to ensure that the projects it has funded will leave a lasting legacy for generations to come. The Millennium Festival, which ran throughout the year 2000 and closed on 31 December 2000, has guaranteed that the legacy of the thousands of festivals lives on in the new community groups formed and the people united in celebration. The Millennium Awards continue to grow, with thousands of new award winners starting their community projects and thousands of awards still to be granted.

The Commission's projects have created an estimated 13,300 permanent jobs and many capital projects have also acted as a catalyst for the regeneration of key areas throughout the country. For example, Millennium Point in Birmingham has encouraged additional investment into the surrounding area, as have Millennium Link in the central belt of Scotland and Our Dynamic Earth in Edinburgh. Several projects are leading to the redevelopment of disused or contaminated land; for example The Lowry in Salford, where more people now work on Salford

Quays than in its industrial heyday. Projects have levered in significant additional funding from a wide variety of sources, and the capital projects programme has constituted 1.35 percent of the total UK construction industry by value since 1994. The work of The Commission is far from over; it expects to conclude its functions around 2005.

Cultural Property Unit (CPU)

CPU is responsible for advising Ministers on policy relating to moveable cultural goods, including international issues, and for the operation of statutory schemes affecting cultural objects in the UK.

In addition to having responsibility for the processing of all export licences required for works of art, antiques and other cultural goods, CPU provides the Secretariat to the Reviewing Committee on the Export of Works of Art (RCEWA). This Committee makes recommendations to the Minister for the Arts, with whom rests the final decision as to whether to defer granting export licences for objects of outstanding historical, aesthetic or scholarly importance, giving museums and galleries, other institutions and private individuals a last chance to raise money for them. In 2000-2001 23 outstanding items were purchased by a variety of museums and galleries where they will be publicly accessible, including a reliquary statuette of St Sebastian, the residual archive of Sir James Mackintosh and a series of letters from George Eliot and the Voysey archive.



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The Unit manages the Acceptance in Lieu Scheme, which enables important artistic and historical objects to be acquired by the nation and put on public display or, where appropriate (for archives and other delicate objects such as drawing and watercolours) made accessible to the public. Under the scheme archives of national and local importance have been acquired for record offices around the country. These include the papers of Julian Amery and his father Leo which are now at Cambridge University. Great paintings and sculptures grace galleries throughout the country including works by Edward Baird, John Crome and Henry Moore.

The Unit also operates the Government Indemnity Scheme, which indemnifies private lenders to museums, galleries and other institutions when mounting exhibitions or taking in long-term loans for either study or display. The scheme has once again enabled many popular exhibitions to take place this year, including *Kitaj: In the Aura of Cezanne and Other Masters* at the National Gallery and *Earl and the Pussycat* at the Liverpool Museum (National Museums and Galleries on Merseyside).

Following recommendations made in a report on *Cultural Property: Return and Illicit Trade* by the Select Committee on Culture Media and Sport in July 2000, the then Minister for the Arts announced the setting up of a Working Group on Human Remains under the Chairmanship of Professor Norman Palmer, Professor of Commercial Law, University College, London. They were given the remit of examining the current legal status of human remains in Government funded museums and

galleries in the UK and considering how the law might be changed to allow museums and galleries to repatriate remains if they so wish. The Group also considers guidance on the care and safe keeping of human remains and on the handling of requests for return.

Ministers welcomed the recommendations in the report of the Illicit Trade Advisory Panel (ITAP) in December 2000, in particular the proposals to accede to the 1970 UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property, and for a new criminal offence of importing, dealing in or possessing stolen or illegally removed cultural objects. It is expected that the necessary formalities for accession to the convention will be completed this summer. The ITAP has continued in existence to monitor the implementation of its recommendations under the chairmanship of Professor Palmer and has also established an Export Licensing Subcommittee, whose members include Professor Rosemary Cramp of the RCEWA, to monitor the operation of the export licensing system for cultural goods.

Government Art Collection (GAC)

GAC is the only collection of art for which DCMS is directly responsible. The GAC plays a significant role in promoting British art through the display of works of art in major government buildings in the UK and around the world, placing them in key locations as well as commissioning new works from artists for particular sites.

The collection comprises around 11,800 works of art which reflect the breadth of British art from the sixteenth century to the present day, and the GAC also acts in an advisory and administrative capacity for many more works of art. Annual commissioning and purchase of works of art is guided by the Advisory Committee on the Government Art Collection, whose Chair is John Tusa. This year the GAC's acquisitions have included a striking portrait by Henry Raeburn (1756-1823), a watercolour of a Cairo street scene by Albert Goodwin (1845-1932), a colourful abstract painting by David Austen (born 1960) and a photograph by Darren Almond (born 1971) of Flatford Mill, taken with a very long exposure at night to create an unnatural light effect.

Major events over the last year include the following:

- the launch of our website in May 2001. A second phase of development of the site will add the remaining prints and photographs to the 4,500 works of art already on the site;
- new displays of works of art being installed in many Ministerial offices in London following the General Election in June 2001, as well as in Lancaster House and 10 Downing Street;
- extending the placing of works of art in regional government buildings around the country;
- review and rehangings of displays in locations including Embassy Residences in Geneva, the Hague and Brussels;
- conservation of major works, including Thomas Gainsborough's portrait of *Rev Robert Sherard, 4th Earl of Harborough (1712-99)*, a fine watercolour by George Lennard Lewis, *View of the Tagus and Tower of Belem from the British Legation* and a portrait now attributed to Tilly Kettle;
- research completed on works of art in locations including 10 Downing Street, Dover House (Scotland Office) and diplomatic residences in Brussels, New York and Cairo;
- the loan of works of art to public exhibitions, including *Art on the Line* (Courtauld Gallery, London), *Close Encounters: The Sculptor's Studio in the Age of the Camera* (Henry Moore Institute, Leeds) and *The British in New York since 1770* (New York Historical Society, New York).



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Royal Parks Agency

The Agency, established on 1 April 1993 as an Executive Agency of DCMS, is responsible for managing and policing the eight Royal Parks and a number of other open spaces, in London.

In 2001, DCMS announced that the Royal Parks would be working towards achieving NDPB and charity status by October 2002. Consequently the Chief Executive restructured the administration, creating new posts in public affairs, marketing, fundraising, education and major projects, with a view to raising the Agency's profile and providing the framework for increasing income.

Achievements over the last year include the following:

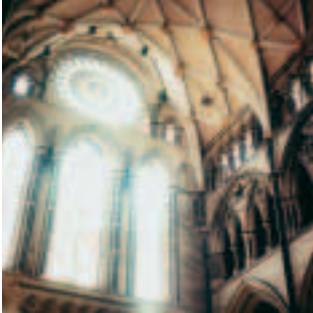
- an average score of 89 percent for soft landscape presentation from an independent horticultural expert, and average scores from visitors of 85 percent for cleanliness and 86 percent for overall quality;
- the refurbishment of Bushy Park's Grade II listed White Lodge within budget, and its removal from English Heritage's 'Buildings At Risk' register;
- two large concerts at Hyde Park, with a total audience of approximately 140,000, and five smaller concerts, with music ranging from pop to Latin American;

- summer events at each park forming a comprehensive programme of largely free entertainment: steel and brass band concerts; jazz; opera; dance recitals; guided nature walks and talks; a regatta; children's entertainments; and football coaching for youngsters provided by local League clubs;
- over 5,000 visitors to the three Environmental Education Centres in Richmond, Bushy and Hyde Parks, 10 percent more than the previous year, despite foul weather and temporary closure of the deer parks as a precaution against the spread of foot-and-mouth disease.

The RPA is committed to improving facilities for people with disabilities and runs companion cycling and horse riding schemes in Bushy Park, provides educational facilities for young people with disabilities at Holly Lodge, and runs Liberty Drives (electric cars) to carry the elderly and infirm around Hyde Park. A pilot disability audit of part of Richmond Park has been completed (in partnership with Harrow Association for the Disabled) with a view to formulating a strategy for auditing all the parks.

The Agency is developing a strategy to promote environmental education opportunities across all the Royal Parks to a wider range of visitors. It has set up the RPA Wildlife Conservation Partnership with the RSPB, London Wildlife Trust, GLA, English Nature and the British Trust for Conservation.

Regular meetings have been held with Bushy Park's resident sports clubs to discuss improving their facilities, plus successful promotional days to encourage new members. The number



of young people playing sport in Bushy Park has increased this year by an estimated 40 percent.

A new IT data recording system was introduced so that the Royal Parks Constabulary can record all offences reported within the Royal Parks and target the areas where crimes tend to occur. Crimes against individuals - such as pickpocketing and handbag snatching - have subsequently reduced by 61 percent.



Sustainability

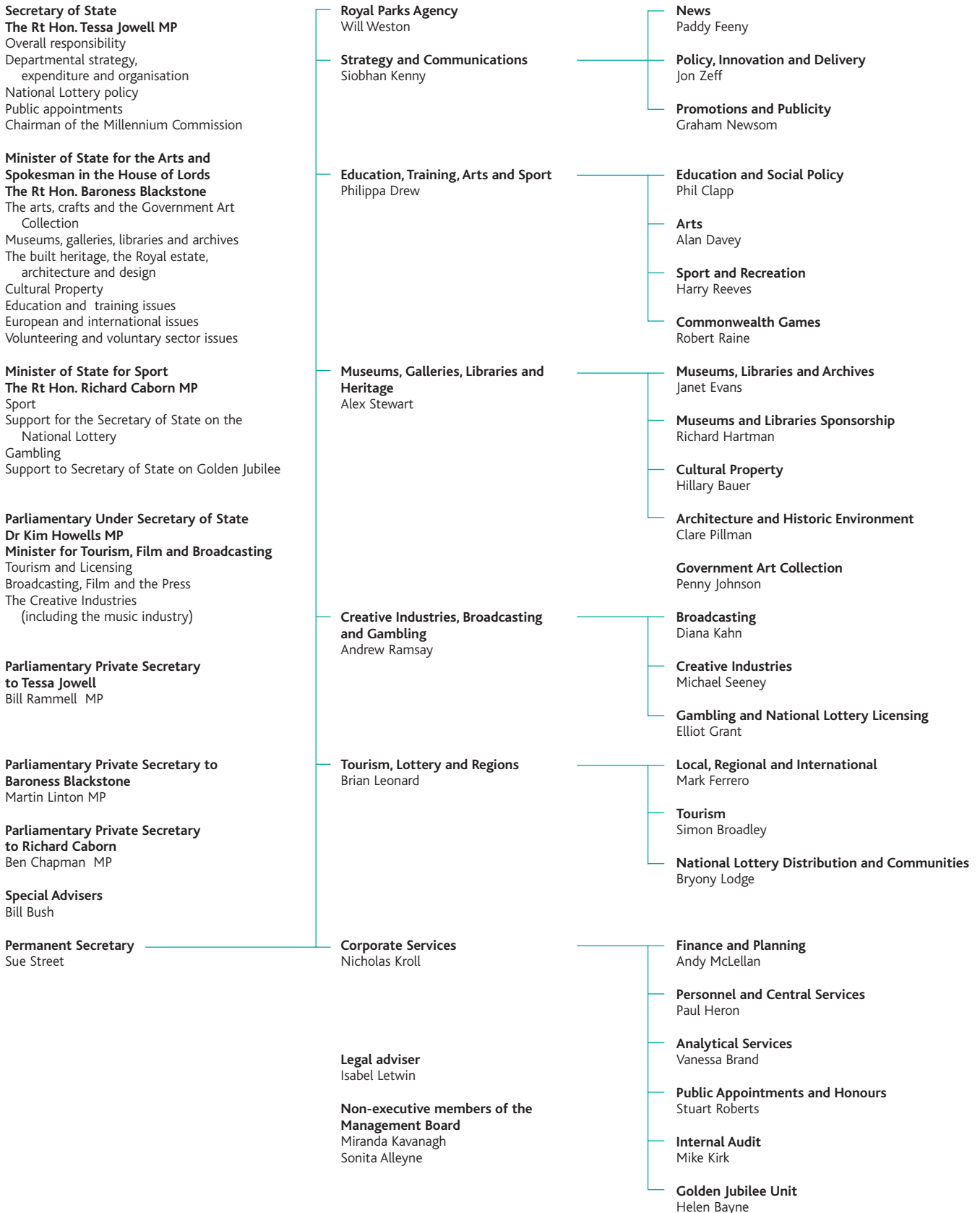
RPA manages the grasslands, gardening operations and wildlife habitats with environmentally-friendly methods - recycling leaves, mulching and making minimum use of herbicides and pesticides. An Energy Consultant is employed to seek innovative ways of ensuring the efficient use of gas and electricity and to explore the possibility of developing more sustainable sources of energy. Richmond Park, already a Site of Special Scientific Interest and a National Nature Reserve, was designated as a Special Area of Conservation this year because of its rare stag beetle population.

RPA has undertaken to seek ISO14001 accreditation: this is an internationally recognised standard, which rewards the integration of effective Environmental Management Systems into existing management systems.

Income

In 2000-01 income increased by 10 percent (to £4.492 million) on the previous year, from all sources except recharges and VAT refunds. RPA stayed within its running costs allocation.

Department for Culture, Media and Sport Organisational Chart



Department for Culture, Media and Sport Public Spending

£ millions	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 estimated outturn	2002-03 plans	2003-04 plans
Consumption of resources:						
DCMS	963	1,018	1,063	1,189	1,318	1,340
National Lottery	550	292	802	935	889	729
Total DCMS Resources Budget	1,513	1,311	1,865	2,124	2,207	2,069
<i>of which:</i>						
DCMS departmental expenditure limit (DEL)	854	926	947	1,032	1,160	1,167
Non-cash items in AME	127	125	144	173	187	213
Capital spending:						
DCMS	311	218	190	247	251	240
National Lottery	1,281	1,616	1,053	765	1,411	1,571
Total DCMS Capital Budget	1,592	1,834	1,244	1,012	1,662	1,811
<i>of which:</i>						
DCMS departmental expenditure limit (DEL)	115	76	45	68	104	89
Total public spending by the Department for Culture, Media and Sport	3,105	3,145	3,109	3,136	3,869	3,880

• Total public spending calculated as the total of the resource budget plus the capital budget, less depreciation.

• Most non-cash items AME will move into DEL when DEL is measured on a full RAB basis, after the 2002 Spending Review.

• AME may contain spending other than non-cash items. A full breakdown of budgets into their DEL and AME and voted and non-voted components is contained in the Supplementary Budgetary Information publication which accompanies the Main Estimates.

Spending by local authorities in England on libraries, sport and recreation and other services that are relevant to the Department for Culture, Media and Sport

Current spending	1,517	1,618	1,737	1,758
<i>of which:</i>				
financed by grants from DCMS	6	45	40	49
Capital spending	369	426	455	584
<i>of which:</i>				
financed by grants from DCMS	349	297	326	376

Department for Culture, Media and Sport Resource Budget

£ millions	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 estimated outturn	2002-03 plans	2003-04 plans
Consumption of resources by activity:						
Museums, galleries and libraries	403	414	455	506	530	555
<i>of which:</i>						
Museums and galleries	257	286	315	363	388	408
Libraries	137	117	126	130	128	134
Museums, libraries and archives	10	12	13	13	14	13
Culture online			1	1		
Arts	193	231	239	254	297	337
Sport	46	51	52	72	114	107
Historical buildings, monuments and sites	138	135	139	140	153	152
The Royal Parks	24	30	26	26	27	29
Tourism	44	48	48	66	71	51
Gambling and the National Lottery	550	292	802	937	892	732
<i>of which:</i>						
National Lottery	550	292	802	935	889	729
Other gambling and gaming bodies				2	3	3
ERDF	10	10				
Broadcasting and Media	81	72	76	88	81	73
Commemorative Services (Queen's Golden Jubilee)					4	
Administration and research	23	28	28	34	35	34
Unallocated provision					5	
Total DCMS Resource Budget	1,513	1,311	1,865	2,124	2,207	2,069
<i>of which:</i>						
DCMS departmental expenditure limit (DEL)	854	926	947	1,032	1,160	1,167
Non-cash items in AME	127	125	144	173	187	213
<i>of which:</i>						
Depreciation	54	56	63	69	71	86
Cost of capital charges	73	69	81	105	116	127
Changes in provisions and other charges						

Department for Culture, Media and Sport Capital Budget

£ millions	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 estimated outturn	2002-03 plans	2003-04 plans
Capital spending by activity:						
Museums, galleries and libraries	97	49	6	26	36	41
<i>of which:</i>						
Museums and galleries	92	27	16	11	23	25
Libraries	2	17	-14	4	2	4
Museums, libraries and archives	2	4	4	11	12	12
Arts						
Sport	2	2	1	2	1	9
<i>of which:</i>						
Sport and recreation	2	2	1	1	1	1
Space for sports and arts	0	0		1	0	8
Historical buildings, monuments and sites	7	13	14	9	38	8
The Royal Parks		1	2	4	1	1
Tourism	2	1	1	1	2	1
Gambling and the National Lottery	1,281	1,616	1,053	765	1,411	1,571
<i>of which:</i>						
National Lottery	1,281	1,616	1,053	765	1,411	1,571
Other gambling and gaming bodies						
ERDF	31	23	31	31	31	31
Broadcasting and Media	172	128	138	172	139	143
Administration and research	1	2	-2	1	1	1
Unallocated provision						3
Total DCMS Capital Budget	1,592	1,834	1,244	1,012	1,662	1,811
<i>of which:</i>						
DCMS departmental expenditure limit (DEL)	115	76	45	68	104	89

Department for Culture, Media and Sport Administration Costs

£ millions	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 estimated outturn	2002-03 plans	2003-04 plans
Gross administration costs:						
Paybill	19	19	16	18		
Other	16	20	19	24		
Total gross administration costs	35	39	36	42	43	43
Related administration cost receipts						
Total net administration costs	35	39	36	42	43	43
<i>of which:</i>						
Departmental expenditure limit (DEL)	30	34	31	35	35	33
Non-cash AME	5	5	5	7	8	9
Total net administration costs by activity:						
Museums, galleries and libraries	3	4	4	4	4	4
Arts	2	2	2	2	4	2
Sport	2	2	2	2	4	2
Historic buildings, monuments and sites	3	4	4	4	4	4
Royal Parks	12	12	8	9	9	10
Tourism	4	4	4	5	6	6
Broadcasting and media	4	4	4	5	6	6
Administration and research	7	8	8	10	7	7
Total net administration costs	35	39	36	42	43	43
Controls and limits:						
Administration costs limits for gross controlled areas:						
Central DCMS	22	26	27	31	31	
The Royal Parks	8	8	4	4	4	
Total administration costs limits for gross controlled areas	30	34	31	35	35	
Administration costs limits for net controlled areas:						
Total administration costs limits for net controlled areas						

Department for Culture, Media and Sport Staff Numbers

Staff Years		1995-96 actual	1996-97 actual	1997-98 actual	1998-99 actual	1999-00 actual	2000-01 actual	2001-02 estimated outturn	2002-03 plans	2003-04 plans
Department for Culture, Media and Sport (Gross Control Area)	CS FTEs	351	577	590	597	653	397	408	451	439
	Overtime	16	13	26	26	28	14	12	13	13
	Casuals	7	17	7	3	0	2	3	4	4
	TOTAL	374	607	623	626	681	413	423	468	456
Royal Parks Agency (Gross Control Area)	CS FTEs	249	Figures included in DCMS table				229	227	259	259
	Overtime	6					9	9	9	9
	Casuals	17					3	0	0	0
	TOTAL	272	0	0	0	0	241	236	268	268
Historic Royal Palaces¹	CS FTEs	401	429							
	Overtime	10	50							
	Casuals	48	63							
	TOTAL	459	542	0	0	0	0	0	0	0
Office of the National Lottery²	CS FTEs	26	28	28	31					
	Overtime	1	1	1	1					
	Casuals	0	0	0	0					
	TOTAL	27	29	29	32	0	0	0	0	0
Total DCMS		1,132	1,178	652	658	681	654	659	712	700

¹ Historic Royal Palaces Agency became a Non-Departmental Public Body on 1 April 1998

² The Office of the National Lottery became the National Lottery Commission, an NDPB, on 1 April 1999

Detailed Allocations

£ thousands	1999-00 outturn	2000-01 outturn	2001-02 estimated outturn	2002-03 plans	2003-04 plans
Museums, Galleries and Libraries	328,299	325,326	373,360	387,677	395,307
<i>of which:</i>					
British Museum	34,721	34,939	36,969	36,869	37,269
Natural History Museum	29,583	30,408	32,377	38,085	39,203
Imperial War Museum	12,149	11,743	13,118	16,350	16,541
National Gallery	19,478	19,215	19,949	20,449	20,449
National Maritime Museum	10,923	11,660	12,588	13,681	13,945
National Museums & Galleries on Merseyside	13,714	14,013	15,468	16,569	17,332
National Portrait Gallery	5,115	5,138	5,462	5,732	5,712
National Museum of Science & Industry	24,537	24,347	27,600	32,035	33,625
Royal Armouries	4,807	5,227	5,945	6,157	6,286
Tate Gallery	19,727	24,881	26,775	27,779	28,282
Victoria & Albert Museum	30,034	30,449	32,487	34,621	34,839
Wallace Collection	2,463	2,073	2,163	2,463	2,513
Museum of Science & Industry in Manchester	2,717	2,677	2,739	3,336	3,199
Museum of London	4,361	4,480	4,951	6,293	6,099
Sir John Soane's Museum	630	593	699	874	1,074
Horniman Museum	2,961	3,327	3,106	3,246	3,181
Geffrye Museum	1,172	1,176	1,174	1,274	1,199
Tyne and Wear Museums		994	1,000	1,000	1,100
National Coal Mining Museum of England (NMSI)		1,152	1,332	2,072	2,118
Design Museum	200		200	250	200
Museums reserve			1,987	-680	921
Government Indemnity Scheme	12	2	150	150	150
Spoliation compensation		125			
British Library	78,465	82,266	94,100	85,093	86,093
British Library St Pancras Project	6,981				
Historical Manuscripts Commission	1,078	1,103	1,129	1,220	1,220
Public Lending Right	5,051	5,137	5,214	7,001	7,201
Royal Geographic Society	54				
Resource: The Council for Museums, Archives and Libraries	12,983	13,164	12,996	13,490	13,288
DCMS/Wolfson Challenge Fund	1,883	454	3,663	2,000	2,000
Designated Museums Challenge Fund	2,500	3,044	9,456		
Regional Funds				10,000	10,000
Public Library Volunteering Scheme			268	268	268
Other libraries support			115		
Asset sales		-8,461			
Arts	231,766	239,724	253,117	296,421	336,446
<i>of which:</i>					
Arts Council	229,226	238,179	252,455	295,405	335,455
Other support	170	307	311	465	440
Government Art Collection	370	288	351	551	551

Detailed Allocations (cont.)

£ thousands	1999-00 outturn	2000-01 outturn	2001-02 estimated outturn	2002-03 plans	2003-04 plans
Sports	51,593	52,571	68,829	111,100	102,100
<i>of which:</i>					
Sport England	37,523	38,323	45,162	81,275	78,275
<i>of which: Sportsmatch</i>	3,373	3,373	3,425	3,675	3,675
United Kingdom Sports Council	12,600	12,750	17,600	19,600	19,600
Childrens' play	484	495	521	500	500
Football Licensing Authority	920	940	945	925	925
British Chess Federation	46	53	47	55	60
Other sports support	20	10	54	745	740
Commonwealth Games			4,500	6,000	
Volunteering				2,000	2,000
Historic Buildings, Monuments and sites	145,525	149,703	140,788	148,106	153,992
<i>of which:</i>					
Royal Household	16,107	16,091	16,617	16,507	16,407
Public Buildings, incl RNC Greenwich and Somerset House	9,476	5,454	3,015	2,785	2,785
English Heritage	112,609	119,000	110,397	115,397	121,397
Underwater Archaeology	247	257	340	340	340
Heritage Grant Fund	501				
Theatres Trust	55				
Churches Conservation Trust	2,479	2,829	3,000	3,000	3,000
National Heritage Memorial Fund	2,500	3,500	5,000	5,000	5,000
Chatham Historic Dockyard Trust	300	300	300	300	300
Commission for Architecture and the Built Environment	850	1,848	1,591	3,530	3,530
ICOMOS grant	38	38	38	38	38
World Cultural Convention subscription	130	138	130	130	130
World Heritage Committee		15	15	15	15
Other heritage support	56	30		789	775
Historic Royal Palaces Pensions	227	203	345	275	275
The Royal Parks	26,040	22,988	25,160	23,660	24,160
Tourism	47,362	46,919	66,663	71,763	50,763
<i>of which:</i>					
British Tourist Authority	36,000	37,020	49,700	55,500	35,500
Grant to GLA			1,900	1,900	1,900
English Tourism Council	11,783	10,068	15,000	14,300	13,300
Tourism Strategy Fund	127	47	63	63	63
Invest to Save Budget	49	48			
Sector Challenge	264	2			
Less Appropriations in Aid	-861	-266			

Detailed Allocations (cont.)

£ thousands	1999-00 outturn	2000-01 outturn	2001-02 estimated outturn	2002-03 plans	2003-04 plans
Broadcasting & Media	103,767	103,476	104,761	111,516	113,516
<i>of which:</i>					
Film Council	22,297	21,760	20,860	24,110	24,110
National Film & Television School	2,200	2,300	2,400	2,500	2,500
Audiovisual Eureka Secretariat and Audiovisual Observatory	215	188	393	393	393
Sector Challenge	1,006	642			
Other support to the film industry	94	189	156	156	156
Broadcasting Standards Commission	1,971	1,901	2,041	2,121	2,121
Welsh Fourth Channel Authority (S4C)	75,127	75,126	76,817	80,217	82,217
Payment to BBC for Met Office Weather Services	2,922	3,006	3,081	3,081	3,081
Less Appropriations in Aid	-2,065	-1,636	-987	-1,062	-1,062
Administration, Research and Other Services	26,912	31,187	34,682	32,797	31,808
<i>of which:</i>					
Running costs	24,511	26,234	31,418	31,116	29,627
Capital expenditure	1,553	4,206	1,368	1,028	1,428
Research	1,104	1,024	2,144	901	1,001
Less Appropriations in Aid	-257	-5,278	-248	-248	-248
National Lottery Commission			1	1	1
Gaming Board			2,415	2,605	2,385
Queen's Golden Jubilee Grants			3,000	3,600	
Space for Sport and Arts		13	60,000		
Culture Online		635	2,346		
Asset sales to CFERs		-9,840			
European Regional Development Fund	37,638	55,378	31,000	31,000	31,000
Departmental Unallocated Reserve			711	5,179	3,690

Note: These allocations exclude depreciation and cost of capital charges

Department for Culture, Media and Sport Capital Employed

£ millions	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 plans	2003-04 plans
<i>Assests on balance sheet at start of year:</i>						
Fixed assets	38	45	53	59	63	65
<i>of which:</i>						
Land and buildings	34	41	49	54	56	58
Current assets	255	256	97	32	32	32
Creditors (< 1 year)	-259	-252	-94	-65	-29	-29
Creditors (> 1 year)						
Provisions						
Capital employed within main department	34	49	56	26	66	68
NDPB net assets	1,166	1,092	1,307	1,697	1,870	2,043
Total capital employed in departmental group	1,200	1,141	1,363	1,723	1,936	2,111

Forecast of indemnities expected to be granted under the National Heritage Act 1980 to national and other museums and galleries funded directly from the Department's vote

Forecast of maximum contingent liabilities 2002-03	(£)
British Library	45,613,490
British Museum	50,173,150
English Heritage	63,000,000
Geffrye Museum	1,000,000
Horniman Museum	50,000
Imperial War Museum	13,926,966
Museum of Science and Industry in Manchester	1,100,000
National Gallery	950,000,000
National Maritime Museum	25,864,000
National Museums and Galleries on Merseyside	80,419,677
National Museum of Science and Industry	96,360,000
National Portrait Gallery	40,589,732
Natural History Museum	4,040,000
Royal Armouries	20,000
Sir John Soane's Museum	206,000
South Bank Centre	13,500,500
Tate Gallery	2,811,257,900
Victoria and Albert Museum	184,729,015
Wallace Collection	6,138,500
Total	4,387,988,930

1999-2002 Public Service Agreement - Performance Targets

1. Facilitate and promote our competitiveness, both at home and abroad, in the creative industries.
2. Promote quality tourism development which is economically, environmentally and socially sustainable and supports the Government's employment objectives.
3. Develop proposals for a future regulatory system for broadcasting which recognises market and technological developments.
4. Facilitate and generally promote the competitiveness of UK broadcast related industries and in particular the early take up of digital broadcast services.
5. Ensure public service broadcasters sustain quality and range of output. In particular review the BBC licence fee and publish review conclusions for consultation by July 1999.
6. Work with the British film industry to implement a new joint-funded strategy for the development of the industry by April 2000, as envisaged by the Film Policy Review.
7. Visitor numbers in major national museums to increase substantially in line with the removal of entry charges for children from 1999-2000, for pensioners from 2000-01 and for others in 2001 if trustees decide to remove charges, while maintaining the quality of exhibitions.
8. Access to the performing arts will increase by attracting new audiences over the next three years, with 300,000 new opportunities to experience the arts. New companies, new work and new venues will be funded and the New Audiences programme will continue to widen access to the arts.
9. Raise standards of collections care and public access by establishing a £15 million Challenge Fund by 1999 to fund new investment in the 43 Designated Museums.
10. Extend social inclusiveness by increasing the involvement of identified priority groups in each of the sectors the department has responsibility for.
11. Maintain standards and diversity of broadcasting output, and ensure that content is socially inclusive, to secure wide access to broadcast material.
12. 200,000 new educational sessions to be undertaken by arts organisations.
13. Make the most of the potential of libraries by doubling the number of internet connections by the year 2000; and ensure that at least 75% of public libraries have internet connections by 2002.
14. Funding of NDPBs to be conditional on quantified improvements in outputs, efficiency, access, promoting quality, and income generation/private sector funding, monitored by a new independent watchdog.
15. Improve efficiency by completing efficiency review of national museums and galleries by end October 1999.
16. Subject to the outcome of a consultation exercise, establish new funding councils for the Performing and Visual Arts and for Film, and create a new national strategic body for museums, libraries and archives in place of existing structures and exchange existing frameworks of support for heritage, sport and tourism to achieve a long term saving of £23 million.
17. Establish the new Film Council by April 2000 with clear objectives aimed at helping to develop film culture and a sustainable domestic film industry.
18. Transfer the department's responsibilities for operating the Heritage Grant Fund to English Heritage by 1 April 2000 and for underwater archaeology to the same body by the same date subject to legislation.
19. Establish a new National Lottery Commission and transfer functions from the Director General of the Office for National Lottery to the Commission, effective from 1 April 1999.
20. As required by the 1998 Act, distributing bodies to develop by 1 April 1999 new strategic plans for Lottery funding to achieve a proper balance between capital and revenue schemes and between different regions of the country.
21. Devolution of decision making to the regions, where possible, and strengthened regional bodies.



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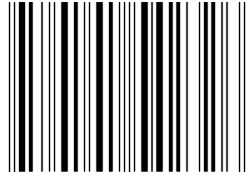
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