

This Spending Review underlines the Government's commitment to supporting and developing Britain's culture, media and sport sectors to provide opportunities for all. In particular, the 2004 Spending Review:

- increases the budget for these sectors, so that it is £230 million higher by 2007-08 than in 2004-05, equivalent to an average annual increase of 2.3 per cent in real terms;
- provides a universal opportunity for school children to take part in high quality school sport;
- renews the Government's commitment to the Football Foundation, providing sports facilities and opportunities for young people and communities, and provides an equivalent amount of funding for other sports facilities, participation and volunteering;
- extends the Renaissance in the Regions museums programme to all nine English regions, boosts spending on the national museums and galleries' capital assets, enabling them to maintain their commitment to free access, and doubles the annual funding for the National Heritage Memorial Fund by 2007-08, compared to 2004-05;
- enables children in 36 deprived areas to take part in Creative Partnerships;
- gives security of funding for arts organisations; and
- generates efficiency gains of at least £260 million, including cashable gains that will be recycled towards providing more and better opportunities to participate in sports and culture, building on the success of the programme of reform and modernisation begun in the 2002 Spending Review.

OPPORTUNITY, ACCESS AND QUALITY: BUILDING ON SUCCESS

18.1 The Government's aims for the Department for Culture, Media and Sport (DCMS) are 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.

In fulfilling these goals the department will continue to build on the Government's investment in culture and sport in the 2000 and 2002 Spending Reviews.

18.2 This Spending Review provides an annual average increase in funding of 2.3 per cent in real terms for culture and sport over the three years to 2007-08. It demonstrates the Government's ongoing commitment to providing opportunities for all, and particularly for the socially excluded and young people, to participate in sport and culture.

Children **18.3** The Spending Review sets a target to increase the proportion of school children in England who spend a minimum of two hours each week on high quality sport from 25 per cent in 2002, to 75 per cent by 2006 and 85 per cent in 2008. The Department for Culture, Media and Sport will also work towards a new PSA target to halt the year-on-year increase in obesity among children under 11 years of age.

Adult participation **18.4** The department aims to increase and broaden the impact of sport and culture among the adult population for priority groups. **This Spending Review therefore widens the scope of the PSA target that relates to increasing the participation of adults in priority communities in culture and sport to include young people between the ages of 16 and 19.**

Investment in sports and culture

Sport **18.5** The Government has renewed its commitment to the Football Foundation, and this settlement also gives equivalent funding for other sports facilities, participation and volunteering. The Football Foundation will support sporting activities and promote healthy lifestyles at a community level, paying particular attention to the needs of the socially excluded and the young.

18.6 If London is successful in its bid to host the 2012 Olympic Games, preparation will begin during this Spending Review period. In 2003, the Government and the Mayor of London signed a Memorandum of Understanding setting out the sources of public funding for the Olympics. These are the National Lottery, London Council Tax and the London Development Agency.

Arts **18.7** This Spending Review allows for a real terms increase in arts funding over the three Spending Review years to 2007-08, providing security of funding for arts organisations. The Government will provide Creative Partnerships between schools and the arts for children in 36 deprived areas.

Free access to museums **18.8** Visits to national museums that used to charge for entry were 72 per cent higher in the year to December 2003 than in the year to December 2001, when the Government introduced free access. In the light of this success, and following the recommendation of the Goodison Review *Securing the Best for Our Museums: Private Giving and Government Support*¹, the Government announced in Budget 2004 that it would consider extending the free access commitment for the main national museums and galleries to university museums. **The Government has now announced its intention to extend the policy of promoting free access, and the Value Added Tax (VAT) refund scheme that helps deliver it, to university museums.** This will allow eligible university museums to reclaim their input VAT, as they would be able to do if they charged output VAT on admission charges. DCMS will publish a full list of eligible institutions, and legislation to amend the VAT scheme will be brought forward by the end of 2004. This Spending Review also provides for national museums to maintain free access.

¹ *Securing the Best for Our Museums: Private Giving and Government Support*, HM Treasury, January 2004.

Local and regional services

Regional museums **18.9** This Spending Review extends the Renaissance in the Regions programme for regional museums, introduced in the 2002 Spending Review, to all nine English regions, as recommended in the Goodison Review. Already, the number of school children visiting museums and galleries has increased by 28 per cent in the first year in the three regions where the programme has begun.

Local services **18.10** The Government recognises the crucial contribution local government makes to the cultural, leisure and sport sectors. Over the Spending Review period the department will place a greater emphasis on working with local authorities to achieve its goals at a local level. The department will work with local government and with the Office of the Deputy Prime Minister to ensure that the culture and sports services provided by local authorities represent value for money for local people.

Contributing to economic growth **18.11** The department will continue to build on its work to support and increase the productivity of the tourism, creative and leisure industries, including funding the Regional Development Agencies (RDAs) to promote economic growth in these sectors in all regions. Full details of the RDAs spending settlement are set out in Chapter 23.

Box 18.1: Key Public Service Agreements (PSA) targets

The Department for Culture Media and Sport's Public Service Agreement contains targets to:

- increase children's and young people's experience of sport;
- halt the year-on-year rise in obesity among children under 11;
- increase take-up of cultural and sporting opportunities by adults aged 16 and above from priority groups; and
- improve the productivity of the tourism, creative and leisure industries.

EFFICIENCY

18.12 The Department of Culture, Media and Sport is committed to increasing the proportion of funding that goes towards the front-line provision of opportunities to participate in sports and culture, by ensuring that both the core department and its sponsored bodies operate efficiently and effectively. The 2002 Spending Review introduced an ambitious programme of modernisation and reform in the department's sponsored bodies. This programme is now generating annual savings of £24 million. In the 2004 Spending Review period DCMS will expand this programme to all sectors. Cashable efficiency gains from administrative spending and smarter procurement will be redirected towards improving and increasing culture and sports opportunities for all.

Box 18.2: Efficiency

Agreed target

DCMS will realise total annual efficiency gains of at least £260 million by 2007-08, of which at least half will be cashable, releasing resources for front-line activities.

Implementation plan

As part of this programme of efficiencies, the DCMS plans, by 2007-08, to:

- achieve a total reduction of just under 30 civil service posts and be on course to relocate 600 posts in sponsored bodies out of London and the South East by 2010 at the latest, both from new bodies to be set up following legislation, and from existing bodies that may benefit from relocation;
- secure annual efficiency gains of around £115 million through an efficiency programme which will include cutting the core department’s administration costs, rationalising the back office functions and accommodation of sponsored bodies, and sharing specialist services such as ticket booking, art storage and transport, while protecting and enhancing front-line services;
- facilitate the delivery of annual efficiency gains of £146 million within local government expenditure on culture and leisure services, for example by promoting best practice and by streamlining performance regimes, particularly for library services; and
- work with its sponsored bodies, local authorities, the Office of the Deputy Prime Minister, and the Improvement and Development Agency to facilitate the delivery of these and other efficiency gains.

Table 18.1: Key figures

	£ million			
	2004-05	2005-06	2006-07	2007-08
Department for Culture, Media and Sport				
Resource Budget	1,455	1,542	1,595	1,644
<i>Of which Administration Budget</i>	46	49	48	47
Capital Budget	82	97	117	132
Total Departmental Expenditure Limit¹	1,444	1,543	1,614	1,674

¹ Full resource budgeting basis, net of depreciation.