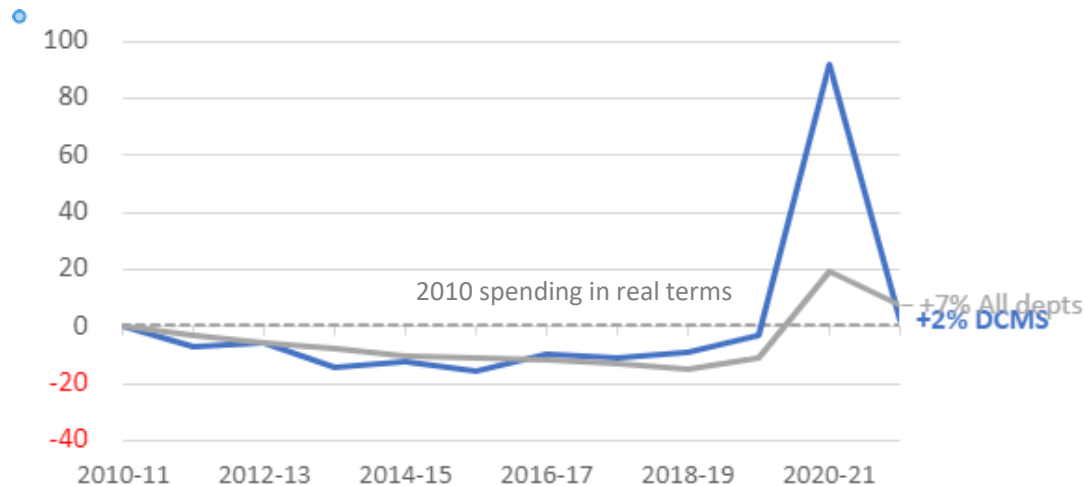


Department for Digital, Culture, Media and Sport (DCMS)

Long-term trends in DCMS's spending (in real terms)

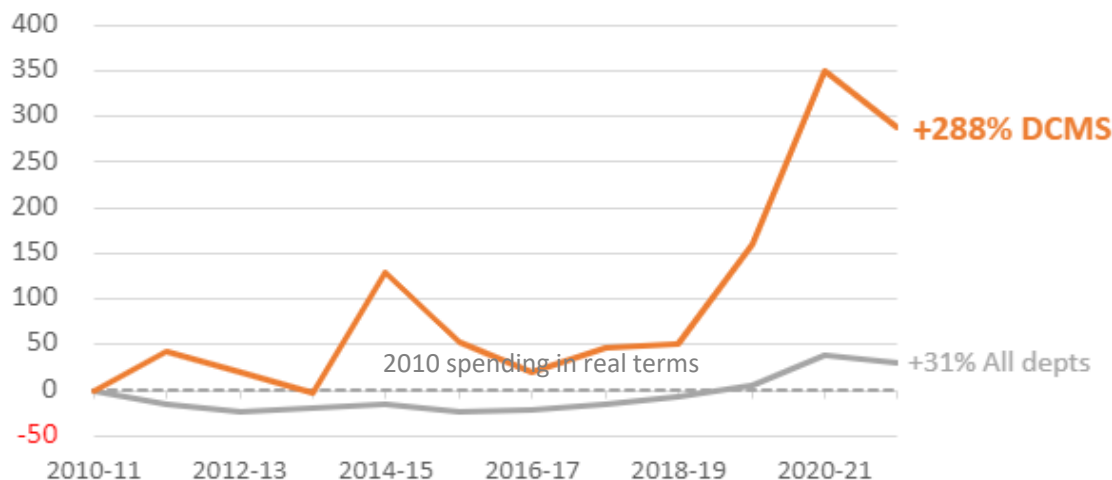
Percentage change in **day-to-day spending** compared to 2010 (Resource DEL):



Day-to-day spending trends

- Resource DEL has been on an upward trend since 2015-16.
- Since 2016-17, the department's staff costs have increased as it has grown with its additional scope.
- Prior to 2020-21, the largest increase during this period was the transfer of the Office for Civil Society, which included the National Citizen Service.
- The significant increase in Resource DEL in 2020-21 has been due to the UK's Covid recovery response.

Percentage change in **investment spending** compared to 2010 (Capital DEL):



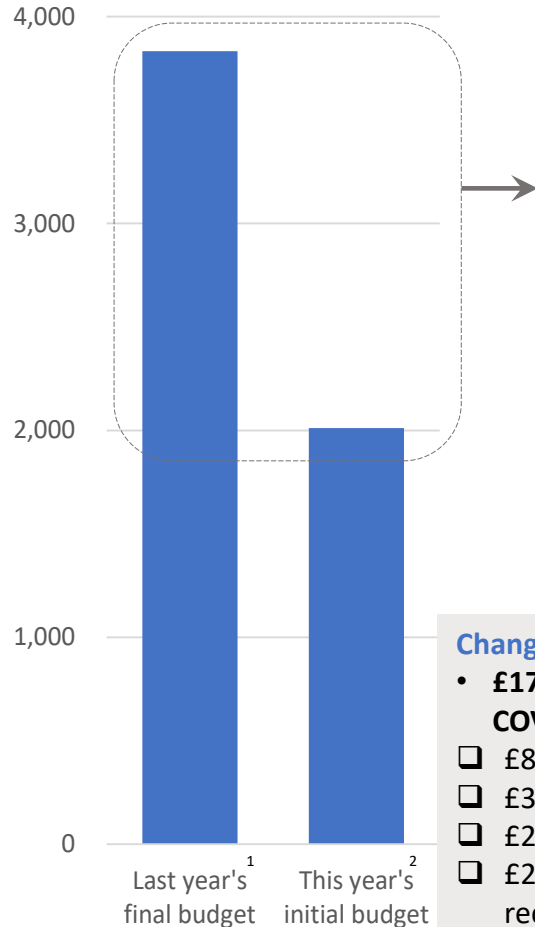
Investment spending trends

- The large increases in Capital DEL since 2017-18 reflect the additional funds allocated to the 5G and Local Full Fibre Networks as part of the National Productivity Investment Fund.
- In 2019-20 the increase was mostly driven by the capitalisation of leases following the department's early adoption of the accounting standard IFRS16.
- The significant increase in Capital DEL in 2020-21 has been due to the UK's Covid recovery response.

How is DCMS's day-to-day spending changing in 2021-22?

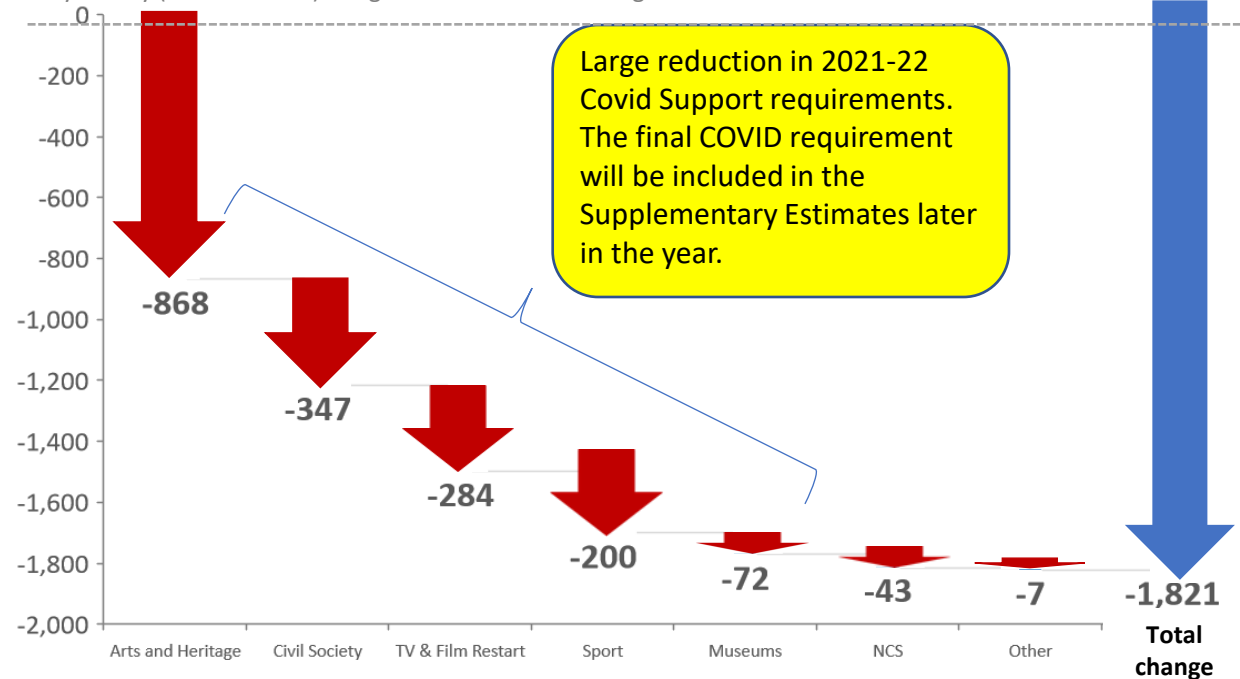
DCMS's day-to-day budget is decreasing by **£1,821.3m (-47.5%)**

Resource DEL budget in £m



DCMS's spending reduction is driven by a reduction in Covid-19 funding.

Changes in Day-to-day (Resource DEL) budget in £m since final budget for 2020-21



Large reduction in 2021-22 Covid Support requirements. The final COVID requirement will be included in the Supplementary Estimates later in the year.

Changes in 2021-22

- **£1772.4 m (97% of the reduction in funding), is driven by a drop in COVID Support.** This is broken down as follows:
 - ❑ £868m Arts and Heritage Support;
 - ❑ £347m Civil Society (Charities Package)
 - ❑ £284m Production TV and Film Restart & Cultural Sector Support Package
 - ❑ £200m Sport Sector Support Package (£147 million Leisure Centre recovery fund, £53.4 million Winter Sports survival package
 - ❑ £72m Museums, Galleries and Libraries.

Other Notable Changes:

- £43m reduction in funding of the National Citizen Service (NCS). The next steps for this programme are awaiting a Youth Review.

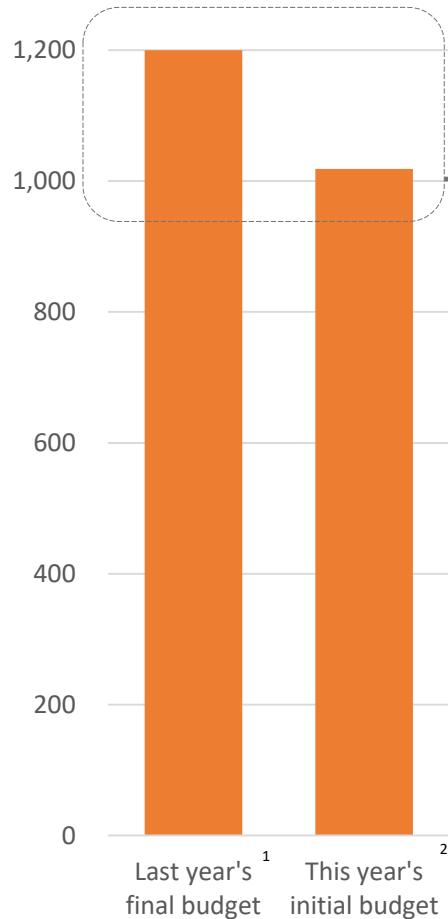
¹ Final Budget in Supplementary Estimates 2020-21 (Feb 2021)

² Initial Budget in Main Estimate 2021-22 (May 2021)

How is DCMS's investment spending changing in 2021-22?

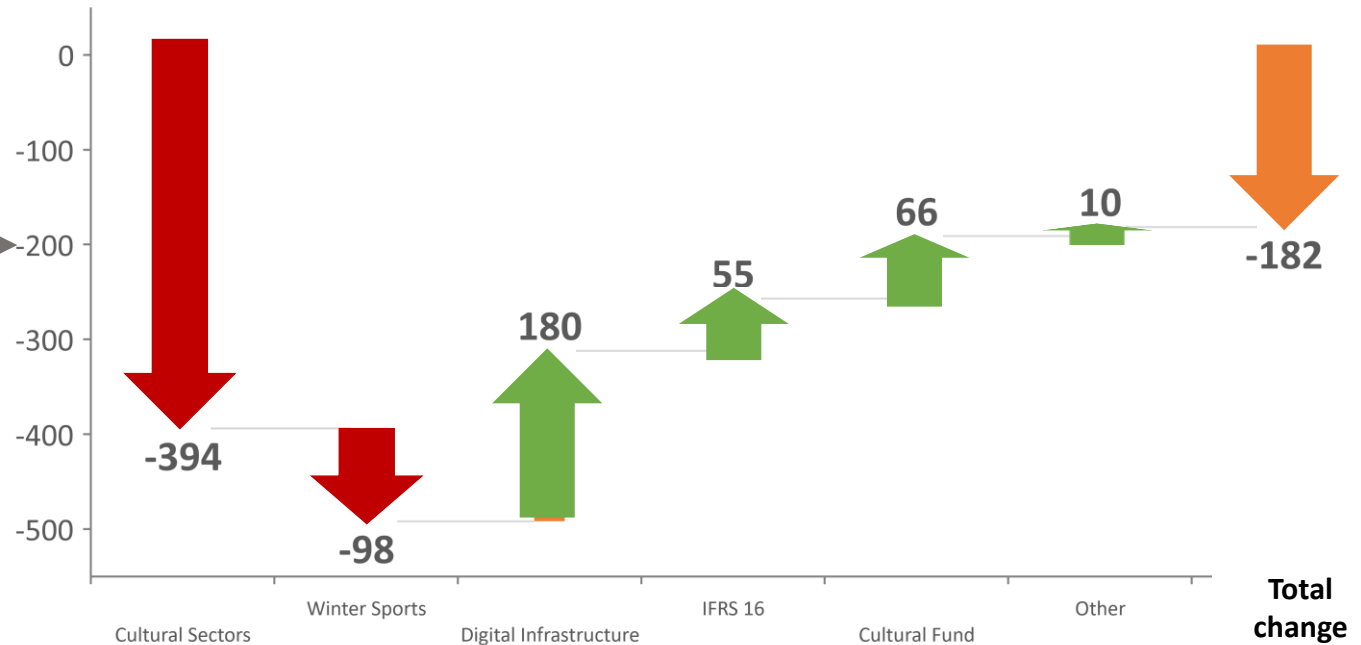
DCMS's investment budget is decreasing by **£182.5m (-15%)**

Capital DEL budget in £m



DCMS's investment reduction in Covid support offset by continued Digital Infrastructure Programmes

Changes in Investment (Capital DEL) budget in £m since final budget for 2020-21



Changes in 2021-22

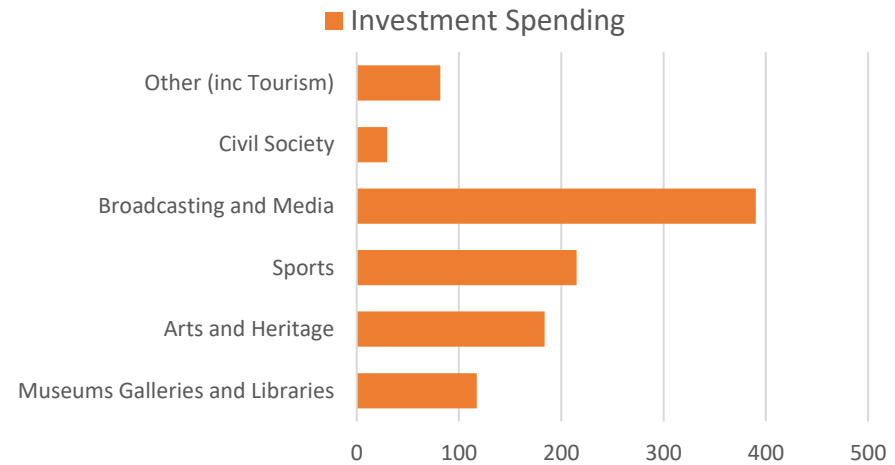
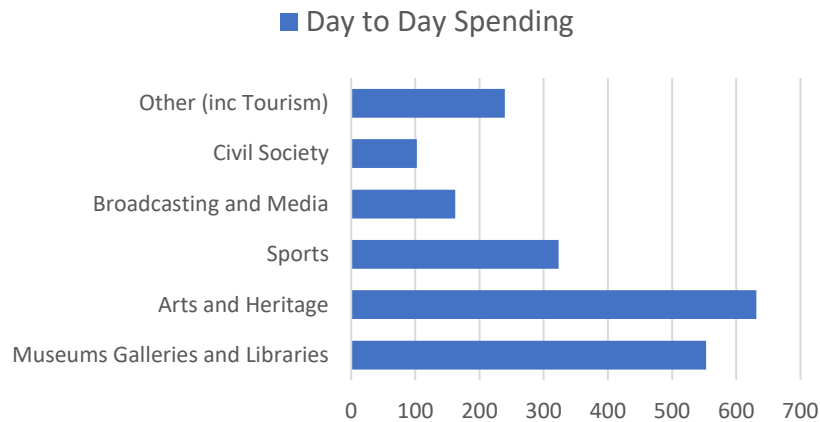
- £394m reduction in funding provided in 2020-21 for the Covid-19 Cultural Sectors Support Package;
- £98m reduction in funding provided in 2020-21 for the Covid-19 Sports Winter Survival Programme;
- £180m increase across broadcasting and media for a range of programmes but most materially the UK Gigabit and Shared Rural Network Programmes;
- £55m increase provided for capitalisation of leases under the adoption of IFRS 16 accounting standard;
- £66m provided for Cultural Investment Fund and Heritage High Streets Programmes;

¹ Final Budget in Supplementary Estimates 2020-21 (Feb 2021))

² Initial Budget in Main Estimate 2021-22 (May 2021))

Digital infrastructure Investment dominates expenditure profile

Breakdown of DCMS's initial budget for 2021-22 (£ million)*



Day-to-day spending (Resource DEL)

- **Arts & Heritage (A&H)** make up 31% of the Department's day to day budget. 10% of the Covid Support received last year has been included in the Mains Estimate within A&H. This will be reviewed and adjusted if applicable in the Supplementary Estimate.
- **Sports:** £86m Covid Support package has been included in 2021/22. Additional Sports funding has also been provided for the Commonwealth Games (£41.7m), Football World Cup & Men's Euros (£12.8m)

Investment spending (Capital DEL)

- Investment spending under these subheads is £181.2m higher than last year's 2020-21 Supplementary Estimate.
- This is mostly driven by a £180.3m increase in digital infrastructure funding (totalling £376.8m), the main elements of which include: the UK Gigabit Programme (£120m), Telecoms Diversification (£50m), 5G (£50m), Shared Rural Network (£85.5m), Local Full Fibre Networks (£56.5m) and BDUK Superfast (£11m).
- In 2020, the Infrastructure & Projects Authority (IPA)¹, ranked the 'Local Full Fibre Networks Project' and the 'Rural Gigabit Connectivity Programme', red; this means: Successful delivery of the project appears to be unachievable.
- Sports Investment spend is driven by £152m of Sports Winter Survival Package funding for Covid. Consolidation of this is expected in the Supplementary Estimates.

¹IPA_AR_MajorProjects2019-20.pdf (publishing.service.gov.uk)

*Day-to-day spending includes depreciation; totals above will overstate cash spending as a result

BBC expenditure sits within AME. It has risen by 8% from last year due to delayed broadcasting caused by COVID

£m	2021-22	2020-21	Var
BBC	4,189.7	3,878.7	311

DCMS's spending beyond 2021-22

The most recent spending plans were published in **Spending Review 2020**, with some further announcements in **Budget 2021**. Due to uncertainty caused by Covid-19 plans were only given for 2021-22 and some specific multi-year capital programmes.

Major future commitments have included*:

- £1.2 billion for the rollout of gigabit-capable broadband across the UK.
- £50 million for 5G in 2021-22 as part of a £250 million commitment to building secure and resilient network
- £200 million for flagship digital infrastructure programmes (Share Rural Network for 4G, Local Full Fibre Networks, 5G Testbed and Trials programmes)
- £320 million for internationally renowned galleries/museums
- £150 million in 2021-22 for events including Commonwealth Games and Festival UK
- £100 million for the National Citizen Service to invest in youth

Day-to-day spending:

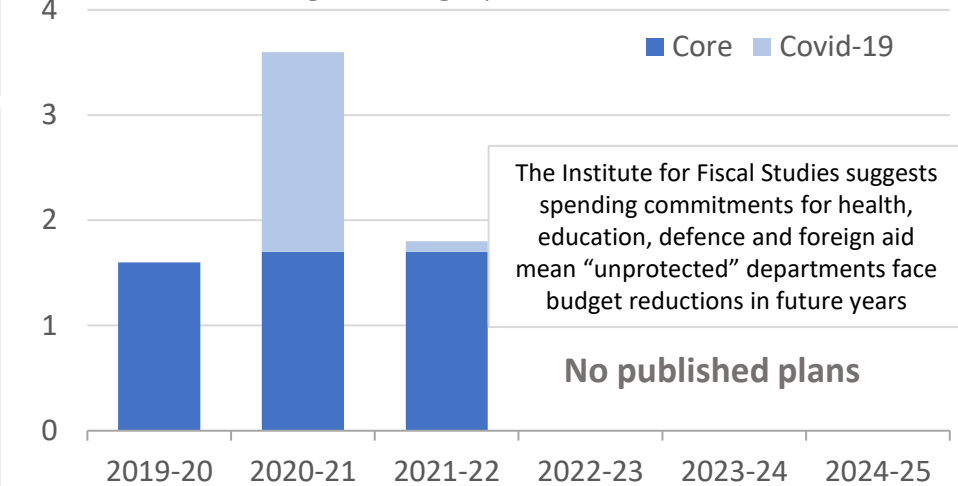
- Core expenditure remains flat. A fully consolidated Covid position will be known later in the year. Full provision has not been included in the Main Estimates as requirements are still largely unknown.
- There are no published plans for future day to day spending.

Investment spending:

£135 million increase in core budget committed in SR20
Gigabit broadband is the only long-term capital project, with a budget of £1.2 billion over 4 years, increasing by £0.1 billion per year

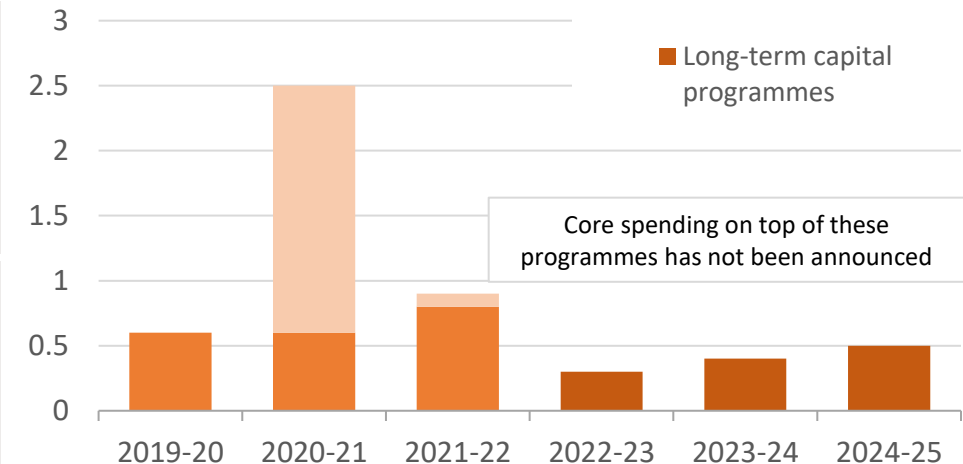
DCMS's future day-to-day spending is largely unknown

£ billion, Resource DEL budget excluding depreciation



DCM&S's future investment spending is on Gigabit broadband

£ billion, Capital DEL budget



*May involve day-to-day and investment spending over several years