

CULTURE WARS

Reforming the Department for Culture, Media and Sport

By Tim Ambler

DISCUSSION PAPER

EXECUTIVE SUMMARY

- The Department for Digital, Culture, Media and Sport (DCMS) has oversight over dozens of agencies and public bodies, which often have overlapping remits and unclear objectives.
- Many responsibilities currently held by the DCMS would be more appropriately managed by other government departments;
 - In some cases a transfer of employees would not even be necessary; those in the departments receiving these new roles could easily assume them without extra staff;
- Several small regulatory authorities can be merged into larger regulators which already cover largely, if not exactly, the same areas;
- Many museums and libraries currently occupying a space between public and private entities should be converted into conventional charities, giving them freedom from intrusive DCMS management;
- DCMS HQ and some of its arm's length bodies exhibit a lack of transparency and clarity about their actual day to day activities;
- Arm's length bodies which are either public corporations (such as the BBC and Channel 4 if not privatised) or which should be independent of Government for other reasons (such as the Information Commissioner's Office) would be more appropriately managed by Commons Select Committees;
- This paper demonstrates opportunities to reduce the DCMS headcount by up to 89%;
 - Whilst some of this reduction would take place through redundancy, a significant portion would be accomplished through redistribution to other departments.

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ABOUT THIS SERIES

The UK Government plans to reduce the civil service headcount by nearly 20%. We believe that deeper savings—bringing lower costs and greater efficiency—are easily possible. Whitehall has grown far more than 20% in the last seven years alone; and we have found most departments to be a confused clutter of overlapping functions and agencies. This series aims to cut through that clutter to suggest nimbler, lighter structures.

Whitehall departments have two functions: to manage policy and to provide services. We believe that services (such as passport provision) should be provided by executive agencies, without being swamped by the core department staff. We also believe that the cores could work, more effectively, with a fraction of their staff.

Deep staff reductions can be managed through natural turnover, early retirement, pausing non-essential recruitment and other methods. The result would be a slimmer, more focused civil service, better services for users and substantial savings for taxpayers.

ABOUT THE DEPARTMENT FOR CULTURE, MEDIA AND SPORT

The Department for Culture, Media and Sport (DCMS) has a wide remit and a complex structure. Among other things, it oversees the provision of historic parks and palaces, of museums and libraries, of arts, entertainment and sports bodies, of the communications and broadcasting regulators and the national lottery.

According to its 2020/21 Annual Report¹, it employed 35,579 staff, of which 18,977 were employed by the BBC.

It seems evident that this complex structure could and should be streamlined. Indeed, it is worth asking whether government really needs to manage some arts and culture providers. For example, DCMS may *fund* sports, theatres and museums, aiming to boost public health and broaden our minds: but does it have to *manage* these things? The DCMS may pay for bread and circuses, but should it also provide them?

STRUCTURAL OVERVIEW

Some 45 arm's length bodies (ALBs) come under the Department's oversight. Five of these, it regards as independent, stating that: "DCMS sponsors 3 public corporations (Channel 4, Historic Royal Palaces and The Royal Parks) and 2 non-ministerial government departments (The National Archives and The Charity Commission). These bodies are not included in the DCMS group accounts." (*Annual Report 2020/21*, pg. 14)

REGULATION

The ALBs fall into three categories. Nine are regulators, namely the broadcasting, telecommunications and postal industries (Ofcom and the Phone-Paid Services Authority), freedom of information, gambling, charities, renovation of historic buildings, sports ground safety, anti-doping, cultural interest and the export of works of art.

FUNDING

The second category covers the 8 ALBs whose primary concern is the dissemination of public funds to arts and cultural units, specifically the Arts Council (England), the Horserace Betting Levy Board, Visit England, Visit Britain, Sport England, Sport UK, the National Lottery Community Fund and the National Memorial Heritage Fund.

¹ Department for Digital, Culture, Media and Sports, 'Annual Reports & Accounts 2021', Dec 2021: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1044657/DCMS_Annual_Report_and_Accounts_2020-21_-_web_accessible_version2.pdf

The final 28 ALBs are sports or cultural providers, 17 of which are museums and libraries (Appendix A).

We consider these functions in turn.

REGULATORS

The Charity Commission is one of those oxymoronic bodies: a *Non-Ministerial Department* (NMD) — meaning that it negotiates its budget directly with the Treasury, independent of its ‘sponsor’ department, and does not have its own minister.² Presumably it comes under DCMS because most charitable giving is for culture or sport (about 60% of lottery funding, for example, goes to culture, sport and heritage,³ all DCMS responsibilities). In March 2021, the Commission was employing 443 staff at a cost of £21 million per annum.⁴ It is not an obvious target for staff savings. But as an arm of government, it should be an Executive Agency (EA) of DCMS, not an NMD.

The Information Commissioner’s Office (ICO) is (illogically) an *Executive Non-Departmental Public Body* (ENDPB) of DCMS. Its role is to protect the public’s rights to information and to police government’s handling of personal and public information. The laws and regulations around this function include the Freedom of Information Act 2000, the Environmental Information Regulations 2004, the Infrastructure for Spatial Information in the European Community Regulations 2009, the Enterprise Act 2002, the Re-use of Public Sector Information Regulations 2015, the Investigatory Powers Act 2016, the Privacy and Electronic Communications Regulations 2003, the Network and Information Systems Regulations 2018, the UK General Data Protection Regulation 2018 and the Electronic Identification and Trust Services for Electronic Regulations 2016.⁵

An ENDPB is simultaneously independent of, and part of, government, which makes no sense. If it is an executive branch of a government department, it should be an Executive Agency; if not, it should not be part of government at all. The primary role of the ICO is to police *government*, not the public. Like DCMS, the Cabinet Office would therefore not provide a suitable home: it is too devoted to frustrating Freedom of Information requests, as a 2022 Public Administration and

² Institute for Government, ‘The Strange Case of Non-Ministerial Departments’, 2013: <https://www.instituteforgovernment.org.uk/sites/default/files/publications/NMDs%20-%20final.pdf>

³ House of Lords, ‘National Lottery Contribution to Sport, Culture, Charities and National Heritage’, 2015: <https://researchbriefings.files.parliament.uk/documents/LLN-2015-0049/LLN-2015-0049.pdf>

⁴ Charity Commission, ‘Charity Commission Annual Report and Accounts 2020-21’, Jul 2021: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1025877/Charity_Commission_Annual_Report_and_Accounts_2020_to_2021.pdf

⁵ Information Commissioner’s Office, ‘Annual Report and Financial Statements 2020-21’, Jul 2021: <https://ico.org.uk/media/about-the-ico/documents/2620166/hc-354-information-commissioners-ara-2020-21.pdf>

Constitutional Affairs Committee (PACAC) report suggested.⁶ Instead, the ICO should be responsible to Parliament and report to PACAC.

The ICO employed 787 staff at a cost of £43 million,⁷ which seems quite a large headcount. And yet many FoI answers are provided late: PACAC should find out why.

English Heritage (EH) was set up in 1882 as part of the Office of Works to preserve ancient monuments. On 1st April 2015, it was divided: EH became a charity licenced to look after the collections, and **Historic England (HE)** was created to be the regulator maintaining the listing system, dealing with planning and grant-giving.⁸ Yet HE is the sole trustee of EH (making the latter a subsidiary, which seems questionable in charity law) and the state retained ownership of all the properties. EH has a (subsidised) licence to market the properties until 2023.

In 2020/21, HE's net expenditure was £179 million. Some £46 million of that was the cost of employing its 885 staff.⁹ In addition, EH cost £63 million net and employed 1,264 staff. HE reported that in 2016, they "...provided £14.26 million in grants to reduce the amount of heritage at risk."¹⁰ This figure has not been updated on their website for six years. It is not obvious why HE *and* the National Lottery are both funding similar causes, particularly when HE actually receives money from the Lottery.

This structure is a mess, perhaps caused by government reluctance to give up ownership of the assets, though properly regulated charities would give them adequate protection. HE should become simply the regulator, using its expertise to advise other bodies on funding and planning applications. Grants should be given by a single DCMS heritage fund (see below). And EH should become an independent charity owning the assets, like the National Trust and possibly merging with it.

The Sports Grounds Safety Authority's 19 staff¹¹ regulate and advise on the safety of sports grounds. This should not be in the remit of DCMS but of the Health and Safety Executive, whose 2,593 staff (cost £157 million)¹² would hardly notice the extra work.

⁶ House of Commons, 'The Cabinet Office Freedom of Information Clearing House', Apr 2022: <https://committees.parliament.uk/publications/22055/documents/163743/default/>

⁷ Information Commissioner's Office, 'Annual Report and Financial Statements 2020-21', Jul 2021: <https://ico.org.uk/media/about-the-ico/documents/2620166/hc-354-information-commissioners-ara-2020-21.pdf>

⁸ English Heritage, 'Our History': <https://www.english-heritage.org.uk/about-us/our-history/>

⁹ Historic England, 'Annual Report & Accounts 2020-2021', Nov 2021: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1037729/20-21_Historic_England_Annual_Report_Accounts.pdf

¹⁰ Historic England, 'Historic England's Role': <https://historicengland.org.uk/about/what-we-do/historic-englands-role/>

¹¹ Sports Grounds Safety Authority, 'Annual Report and Accounts 2020-21', Jul 2021: <https://sgsa.org.uk/wp-content/uploads/2021/08/SGSA-Annual-Report-and-Accounts-2020-21.pdf>

¹² HSE, 'Health and Safety Executive Annual Report and Accounts 2020/21', Sep 2021: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1018394/hse-annual-report-and-accounts-2020-2021.pdf

The Phone-paid Services Authority, similarly, is too small to justify being a separate regulator as its annual report admits, stating: “We are no longer viable in the regulatory landscape.”¹³ The same annual report shows that it employed 66 staff at a cost of £2.8 million in 2021. It should be merged into Ofcom.

UK Anti-Doping is the third small regulator that should go. It has 79 staff at a cost of £4.7 million¹⁴ and its annual report claims that all objectives are “fully met” though there are no metrics to back that up. Sport England should inherit the inspectors and the sanctions.¹⁵

Ofcom (992 staff, £83.5 million staff costs¹⁶) and the **Gambling Commission** also require reform whilst the **Reviewing Committee on the Exports of Works of Art and Objects of Cultural Interest** need not change from its present status.

To summarise, three of the regulators should be merged into larger regulators. The Information Commissioner’s Office should report to PACAC, not DCMS, and the Reviewing Committee on the Exports of Works of Art and Objects of Cultural Interest should retain the status of a public body. The remaining four regulators, namely the Charity Commission, the Gambling Commission, Ofcom and Historic England should become Executive Agencies of the DCMS. The commensurate reduction in civil service headcount would be 1,428.

FUNDING

In addition to Historic England and the National Lottery Fund, eight ALBs are prime funding distributors (staffing in brackets from *DCMS Annual Report*, 2020/21): the **Arts Council England** (617), the **Churches Conservation Trust** (67), the **Horse Race Betting Levy Board** (HBLB, 12), the **National Heritage Memorial Trust** (NHMT, 291), the **National Lottery Community Fund** (NLCF, 815), **Sport England** (321), **UK Sport** (543), and **VisitBritain/England** (282). The total staffing involved in distributing grants was therefore 2,948 at 31st March 2021. At present, some causes (e.g. the Royal Palaces) get funding from more than one of these bodies.

Some 60% of the National Lottery good causes funding goes to DCMS-related charities, divided equally between arts, sport and heritage.¹⁷ Rather than retain-

¹³ Phone-Paid Services Authority Limited, ‘Annual Report and Accounts 2020-21’, Dec 2021: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1038144/E02670564_PPS_Authority_ARA_2020-21_accessible1.pdf

¹⁴ UKAD, ‘Annual Report and Accounts 2020/21’, Dec 2021: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1054800/STU9576_Annual_Report_2020-21_V5__UK__v01AA_FA.pdf

¹⁵ Shepherd Wedderburn, ‘Sports law: the history and development of anti-doping rules’: <https://shepward.com/knowledge/sports-law-history-and-development-anti-doping-rules#:~:text=The%20UK%20is%20now%20one%20of%20the%20world,in%20the%20lead-up%20to%20the%202012%20-London%20Olympics>.

¹⁶ Ofcom, ‘Annual Report and Accounts 2020/21’, Jul 2021: https://www.ofcom.org.uk/__data/assets/pdf_file/0025/221686/annual-report-2020-21.pdf

¹⁷ PPS, ‘How Much Lottery Money Goes to Charity?’: <https://prizeprovision.com/how-much-lottery->

ing this complex array of funding bodies, it would be more logical to have only the matching three, i.e. one each for the arts (Arts Council), sport (Sport UK) and heritage (NHMT). Moreover, Arts Council England and Sport England should have about 200 staff each, not 600.

These three ALBs would not cover all of the UK's culture and media but the workload is small and, rather than having another ALB, it could be done by DCMS central staff.

Given the specialist nature of its role, the HBLB should continue as it is, even though it only employs 12 staff. Similarly, the **Theatres Trust** is small and entirely privately funded: no change is proposed.

The role of grant-giving ALBs should simply be to prioritise the applications according to the value they bring. When John Maynard Keynes set up the Arts Council in the 1940s, he insisted it be answerable only to the Treasury, not the Arts Minister; likewise, DCMS should restrict itself solely to equitable grant giving and not otherwise interfere.

The total headcount saving if these recommendations were accepted would be 2,338.

PROVISION

Appendix A lists the 17 museums and libraries that add to the country's culture but cannot be regarded as government (first sector) nor private (second) sector. Their total staff numbered 7,159 at 31st March 2021 (*DCMS Annual Report, 2020/21*). It should be a simple matter to convert them from ALBs and into conventional charities under Charity Commission supervision. Both they and DCMS would benefit: the Department's 35-page "management agreements" seem excessively intrusive. At most, DCMS might appoint trustees to reflect the public interest, but the advantage of it retaining majority control is hard to see.

The third sector has nine ALBs (though DCMS sometimes treats Visit Britain/England as one body, and sometimes two) that are plainly not charities. The **BBC**, **Channel 4** and **S4C**, for example, are media companies. The BBC (18,977 staff¹⁸) is already a public corporation and should report to PACAC rather than DCMS, which would help address complaints about political interference. The same should apply to Channel 4 (922 staff¹⁹) although expectations are that it will be privatised. S4C (101 staff²⁰) is a Welsh language station and it should be for the Welsh government to decide how it should be treated.

money-goes-to-charity/

18 BBC, 'BBC Group Annual Report and Accounts 2020/21', 2021: <https://downloads.bbc.co.uk/aboutthebbc/reports/annualreport/2020-21.pdf>

19 Channel 4, 'Financial Report and Statement 2020', 2020: https://annualreport.channel4.com/assets/pdf/Financial_report_and_statements_Channel4_AR20_ACC.pdf

20 S4C, 'Annual Report and Statement of Accounts 2020', Sep 2020: <https://dlo6cycw1kmb.s>

Royal Palaces and **Royal Parks** belong to the Crown Estate, which should have responsibility for them, rather than DCMS. **Treasure valuation** should become part of the British Museum. Responsibility for the **Birmingham Games** should never have left Birmingham but that will presumably self-immolate shortly in any case.

Building Digital UK (BDUK) is remarkably opaque. As an Executive Agency it should produce annual reports, but none seem to be available. There is a very poor-quality 2022/23 plan with no performance metrics and no mention of the number of staff or staff costs. Nor does any adequate explanation of the agency appear in the DCMS annual report. Just about the only thing reported is the annual expenditure—a net £131 million (*DCMS Annual Report*, 2020/21, p.27), which is a large enough sum to deserve proper explanation. The annual report suggests it is a cheerleader for fast broadband—a superfluous role given that OpenReach proceeds at its own dilatory pace and does not respond to exhortation. If the unit had authority, teeth and inducements to offer, Executive Agency status might be justified but, judging by the annual report, it has none of those. The website provides no telephone number to establish the key facts and in their absence, one should assess that the body be terminated and the staff redeployed.

The National Citizen Service is a curate's egg: on the one hand, it has failed but on the other, it is too successful to close. Its purpose is to take the place of National Service in bridging the gap between school and career, given that many children benefit from developing their social skills and employability. The NCS programme has to date provided places to over 600,000 teenagers, but has also been consistently over-budget. It employed 229 permanent staff in 2019/20.²¹ A 2017 National Audit Office report stated that it must reduce costs to £1,314 per participant to meet the target number of 300,000 participants in 2019²², yet actual expenditure was £1,672 for that year. Only 91,500 actually participated. The National Citizen Service has nothing to do with the core role of DCMS. It should be transferred to the Department for Education to see what they can make of it.

The overall potential savings to DCMS (though not of course to the civil service as some functions would be transferred to other bodies) would be 20,500.

DCMS HQ

The DCMS annual report gives little idea of what the people in HQ actually do, for two reasons. Firstly, it does not separate the work done, or the costs incurred, by the centre from that done by the group as a whole (including the ALBs). For example, p.27 of the 2020/2021 Annual Report shows the DCMS expending £3.9 billion on media and creative industries. But £3.75 billion of that included DCMS

cloudfront.net/media/media_assets/s4c-adroddiad-blyn-2019-20.pdf

²¹ National Citizen Service Trust, 'Annual Report 2019/2020' Mar 2021: https://wearencs.com/sites/default/files/2021-03/Annual%20Report%202019-2020_0.pdf

²² Children & Young People Now, 'National Citizen Service Initiative 'Costs Too Much' Spending Watchdog Warns', Jan 2017: <https://www.cypnow.co.uk/news/article/national-citizen-service-initiative-costs-too-much-spending-watchdog-warns>

sending Licence Fee²³ payments to the BBC, something that most of us assume is collected by the BBC directly. Secondly (and this occupies most of the digital section), it takes the credit for the work done by others, e.g. the development of 5G and broadband services. The 14 Directorates, which cannot be management units at all, spent £6.3 billion in 2015/16 rising to £9.1 billion in 2020/21 (*DCMS Annual Report*, p.92).

We know from Annex C (p.208) of the 2020/21 Annual Report that the HQ employed 1,555 staff in total and its net expenditure (after financing) was £6.9 billion. The average cost of each staff member was £74,598. Without the numbers of staff broken down by DCMS priorities or Directorates, and without performance targets or achievement metrics, it is impossible to assess potential headcount savings. Yet a rather relaxed approach to productivity is apparent. For example, the seven digital Directorates probably only justify one Directorate between them, and it is hard to see why a second HQ is needed when the size of the HQ headcount has barely changed and many staff are working from home. It is likely that a 30% cut in HQ headcount (i.e. 465) would be beneficial.

SUMMARY OF DCMS HEADCOUNT REDUCTIONS

DCMS COMPONENT	PROPOSED STAFF SAVING
Regulators	1,428
Distributors	2,338
Museums and Libraries	7,159
Other ALBs	20,500
DCMS HQ	465
Total saving	31,890
Current headcount	35,579
Possible headcount	3,689

²³ BBC, 'BBC Group Annual Report and Accounts 2020/21', 2021: <https://downloads.bbc.co.uk/aboutthebbc/reports/annualreport/2020-21.pdf>

- **The Charity Commission** should become an Executive Agency of DCMS.
- **The Information Commissioner's Office** should become an Executive Agency reporting to the Commons' Public Administration and Constitutional Affairs Committee. The reasons for some findings being late should be explored with a view to slimming the headcount.
- **Historic England** should become a regulator and provide advice where its expertise is necessary. **English Heritage** should become a charity taking over its original role and possibly merging with the National Trust.
- **The Sports Grounds Safety Authority** should be merged into the Health and Safety Executive.
- **The Phone-paid Services Authority** should be merged with Ofcom.
- **UK Anti-Doping's** role should be taken over by UK Sport which should also take over Sport England (the other nations likewise). Penalties can be financial as well as non-accreditation.
- **BBC** and **Channel 4** (if not privatised) should, as public corporations, not be DCMS ALBs, but fully independent of government, and therefore reporting to a Commons' Select Committee. The Welsh language channel **S4C** should become the responsibility of the Welsh Assembly.
- **Royal Parks** and **Royal Palaces** should be returned to the Crown Estate.
- **The Treasure Valuation Committee** should come under the auspices of the British Museum.
- Either the corporate publications of **Building Digital UK** are inadequate or it is a vain and expensive (£131 million) folly, or both. Pending investigation, it should be dissolved.
- **The National Citizen Service** has proved neither successful nor unsuccessful. Transfer to the Department for Education to develop or terminate.
- All these recommendations in total would reduce the DCMS headcount by 31,890 (89%). The reduction of civil servants would be closer to 5,000 as the great majority of the DCMS reductions are transfers.

MUSEUMS AND LIBRARIES

ORGANISATION	NUMBER OF STAFF
British Film Institute	506
British Museum	781
Geffrye Museum	37
Horniman Public Museum and Public Park Trust	126
Imperial War Museum	371
National Archives	507
National Gallery	286
National Museums Liverpool	412
National Portrait Gallery	155
Natural History Museum	889
Royal Armouries Museum	138
Royal Museums Greenwich ²⁴	258
Science Museum Group	881
Sir John Soane's Museum	46
Tate	839
Victoria and Albert Museum	824
Wallace Collection	103
Total	7,159

²⁴ RocketReach, 'Royal Museums Greenwich Information': https://rocketreach.co/royal-museums-greenwich-profile_b58b14f5f696dbae

DCMS DIRECTORATE EXPENDITURE

DIRECTORATE	2020/21 EXPENDITURE PER DCMS ANNUAL REPORT (P.27)
Building Digital UK	£131,231,000
Digital Infrastructure	£53,607,000
Centre for Data Ethics and Innovation	£4,003,000
Security & Online Harms	£6,222,000
Cyber Security & Digital Identity	£22,387,000
Data Policy	£13,396,000
Media and Creative Industries	£3,855,406,000
Digital and Tech Policy	£16,423,000
International	£9,063,000
Civil Society and Youth	£1,341,713,000
Arts, Heritage and Tourism	£2,630,424,000
Sport, Gambling & Ceremonials	£870,664,000
Commonwealth Games	£43,206,000
Corporate (including Finance, HR and other support functions)	£80,667,000
Total	£9,078,413,000