



Information Policy & Compliance
bbc.co.uk/foi

06 May 2008

Dear

Freedom of information request – RF120080397

Thank you for your request received on 09 April 2008 seeking further information about TV Licensing. Your request is being dealt with under the Freedom of Information Act 2000 (“the Act”).

Please note that “TV Licensing” is a trading name used by companies contracted by the BBC to administer the collection of television licence fees and enforcement of the television licensing system. The majority of the administration of TV Licensing is contracted to Capita Business Services Ltd (which undertakes the majority of the administration of the TV Licensing system), with the administration of our cash related payment schemes contracted to Revenues Management Services Ltd (RMS). PayPoint Network Ltd and PayPoint Collections Ltd are contracted to provide over-the-counter services. The marketing and public relations activities are contracted to the AMV Consortium. The consortium is made up of the following four companies: Abbott Mead Vickers BBDO Ltd, Fishburn Hedges Boys Williams Limited, PHD Media Limited and Proximity London Ltd. The BBC is a public authority in respect of its television licensing functions and retains overall responsibility.

In your request you asked the following:

Can you provide a figure on the %age of households without a television licence? Preferably for London, even better for London Borough of Camden.

Non-licence holders are made up of two categories:

- those who do not have or use TV receiving equipment and therefore do not require a licence; and
- those who are evading the licence fee.



INVESTOR IN PEOPLE

In relation to the first category, figures from the Broadcasters' Audience Research Board (BARB) estimate that the percentage of households in the UK without a television set is 2%. More information on BARB can be found on their website at <http://www.barb.co.uk/>.

In relation to the second category, the official UK estimated evasion rate is 5.1% at March 2006. This is calculated for the Department of Culture, Media and Sport (DCMS) using an official model which is reported in the BBC's *Annual Report and Accounts* (available at http://www.bbc.co.uk/annualreport/pdfs/bbcexec_eng.pdf). The model compares the number of licences in force to external statistics on the number of households and other licensable places.

The official rate cannot be broken down to a lower level (ie to any level smaller than UK country level) due to the non-availability of external statistics required (eg the number of households in smaller areas etc). To further break down the evasion rates, a different model is used which we call 'crude evasion' to reflect its imprecise nature. This takes into account the number of licences in force against the number of households, which is useful for putting the number of licences in force into context.

The crude evasion rate is calculated using the estimated number of unlicensed sites as a percentage of the 'licensable universe', where the licensable universe is the total number of sites, adjusted by an estimate of those that are unoccupied on the TV licensing database. Please note this is an unreliable measure of evasion for the following reasons:

- (i) the licensable universe (ie the number of potentially licensable addresses) is based on assumptions from our own database, as opposed to external statistics;
- (ii) the level of unoccupied sites can change seasonally and therefore affect the evasion rate without any fundamental shift in TV Licensing's operation; and
- (iii) it is not possible to build in differing television penetration rates for different types of sites (eg businesses compared to domestic households).

The crude evasion rates at March 2006 are thus:

England	4.3%
Scotland	5.4%
N Ireland	11.1%
Wales	4.3%

Although it is possible to provide information concerning crude evasion rates (as above), please note that I am withholding such statistics specific to London in general and the London Borough of Camden in particular under section 31 (1)(a) of the Freedom of Information Act. I have explained the reasons for this in the section on '*Why information has been withheld*' below.

Why information has been withheld

In relation to your question, we do not reveal more localised figures regarding the crude evasion rate as if we were to disclose a more detailed breakdown it could disclose trends, the knowledge of which would prejudice our ability to prevent evasion of the TV licence payment (for example, where

there is a higher rate of evasion in a local area, someone may be less likely to purchase a licence on the basis of their assumptions on the risk of being caught). Thus I am withholding the precise figure for the areas you have asked about under section 31 (1)(a) of the Act.

It is a criminal offence to install and use television-receiving equipment to watch or record television programme services without a valid licence. TV Licensing investigates and prosecutes such unlicensed use of television receiving equipment.

I am required under s 2(2) of the Act to assess whether the public interest in maintaining the exemption outlined in the sections above outweighs the public interest in disclosing the information.

The following factors are in favour of disclosure:

1. ensuring that public funds are being appropriately applied, that is:
 - a. ensuring that the TV Licensing system is being efficiently run; and
 - b. ensuring that value for money is being obtained.

I consider that the above public interest factors in favour of disclosure are served by the following:

1. The BBC has a duty to enforce the television licensing system and it is essential that effective deterrents against evasion are maintained for this purpose. Without an effective deterrent, evasion would invariably increase. This would be to the detriment of the honest majority of people who are properly licensed and to the overall amount of revenue available to the BBC.
2. The BBC is required to satisfy the National Audit Office ('NAO') as to the value for money of the collection and enforcement arrangements and is accountable for the economy, efficiency and effectiveness of such arrangements. NAO's most recent audit is published at http://www.nao.org.uk/publications/nao_reports/06-07/0607183.pdf.
3. The BBC has reduced the cost of collection from 6.2% of the total licence fee collected in 1991/2, when it took over from the Home Office, to 4.1% for the financial year 06/07. This demonstrates that the TV Licensing system is being efficiently run. This and further related information is available in the BBC's *Annual Report and Accounts* (see www.bbc.co.uk), the *TV Licensing Annual Review* and the *About Us* section of the TV Licensing website (available at <http://www.tvlicensing.co.uk/aboutus/index.jsp>). A key part of this success has been the use of detection as a significant deterrent element.

In this instance, the public interest is served by maintaining an effective deterrent to licence fee evasion and thus in turn protecting the BBC's revenue stream.

There is hence a greater public interest in ensuring the effective collection of the licence fee than in disclosing the information you have sought. I am therefore satisfied, in terms of section 2 of the Act, that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest (outlined above) in disclosing the information.

Appeal rights

If you are not satisfied with this response you have the right to an internal review by a BBC senior manager or legal adviser. Please contact us at the address provided, explaining what you would like us to review and including your reference number. If you are not satisfied with the internal review, you can appeal to the Information Commissioner. The contact details are: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF, telephone 01625 545 700 or see <http://www.ico.gov.uk/>

I hope this response is helpful.

Yours sincerely,

Natalie Saunderson
Policy Adviser
BBC TV Licensing Management Team