



Information Policy & Compliance
bbc.co.uk/foi

14 November 2007

Dear Mr [redacted]

Freedom of information request – RFI2007000919

Thank you for your request on behalf of your constituent seeking further information about TV Licensing which was received on 18 September 2007. Your request is being dealt with under the Freedom of Information Act 2000 ("the Act"). In your request you asked the following (I have numbered your questions for ease of reference):

One of my constituents has expressed concern about the cost of collecting the television licence fee. I would be grateful if you could furnish me with some information about this.

1) *In particular, I would like to know the total amount collected in licence fees, the cost of collecting them and the % figure of fees collected/cost.*

Information on the costs of collection is contained in the attached document *TV Licensing Costs of Collection* which you will see contains general information on total licence fee revenue, costs of collection and costs as a percentage of the licence fee.

2) *Advice on how the system of collection of fees is organised would also be of assistance ie a description of the tendering process.*

I am unclear as to what information you are seeking on this point. If you are seeking general details on whether external companies are contracted to assist in the system of collection of licence fees, it may be helpful if I explain 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.



INVESTOR IN PEOPLE

If you are referring to our tendering procedures for employing these companies, the BBC is subject to the Public Contracts Regulations 2006. These regulations set out detailed rules and procedures which apply to the awarding of contracts by public sector organisations such as the BBC. Each of the contracts mentioned in the above paragraph were awarded following a competitive tendering process, as required by the 2006 Regulations.

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

TV Licensing Costs of Collection	2007 £m	2006 £m	2005 £m	2004 £m	2003 £m
Collection costs incl call centres, field force, detection and over the counter services (net of recharges re 075s)	98.9	115.6	113.9	117.7	120.9
Depreciation of new systems	0.8	1.0	1.3	2.0	0.4
Communications including reminders and information campaigns	19.0	22.4	19.9	18.3	11.5
Postage	10.7	10.6	12.2	9.4	10.4
Administration and contract management	3.2	3.8	4.7	3.6	3.2
	132.6	153.4	152.0	151.0	146.4
	100%	100%	100%	100%	100%
Licence fee revenue	3,242.9	3,100.5	2,940.3	2,798.1	2,658.6
Costs as % of revenue	4.1%	4.9%	5.2%	5.4%	5.5%
Licences in force (excl ARC)	24,545,516	24,418,757	24,161,532	23,898,749	23,485,613
Cost per licence	£5.40	£6.28	£6.29	£6.32	£6.23
Cost per licence as % of licence fee	4.1%	5.0%	5.2%	5.4%	5.6%
Collection costs incl call centres, field force, detection and over the counter services (net of recharges re 075s)	£4.03	£4.73	£4.71	£4.92	£5.15
Depreciation of new systems	£0.03	£0.04	£0.05	£0.08	£0.02
Communications including reminders and information campaigns	£0.77	£0.92	£0.82	£0.77	£0.49
Postage	£0.44	£0.43	£0.50	£0.39	£0.44
Administration and contract management	£0.13	£0.16	£0.19	£0.15	£0.14
	£5.40	£6.28	£6.29	£6.32	£6.23