



Information Policy & Compliance
bbc.co.uk/foi

26 June 2007

Dear Mr

Freedom of information request – RFI2007000520

Thank you for your request to Joanna Scull under the Freedom of Information Act 2000 ("the Act") dated 25 May 2007. Your message has been passed to me for response. In your request you asked the following:

' . . . the total administrative cost per year of issuing these enquiry letters. This cost is for the whole of your organisation and not just for the letters sent to ourselves.'

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.

Calculating the total sum you have asked for would include consideration of four factors:

- annual management costs
- annual materials costs
- annual postage costs
- the total number of enquiry letters sent annually.



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Unfortunately, it is not possible to provide a figure for management costs since they are not quantifiable. These costs would be included in the salaries of the staff involved and these are not worked out by time – this is especially so as a number of staff would have provided varying degrees of input into each letter. Further, the staff costs of our contractors are not known to us and thus we do not hold this information. Even if our contractors could quantify the amount spent on producing this letter, this information would not be held on our behalf. Under section 3(2) of the Act, therefore, the information is not held by the BBC and is not covered by the Act.

In relation to materials costs, I can confirm that the BBC does hold the information you requested. However, I am withholding this information under s43(2) of the Act. Section 43(2) states that information will be exempt under the Act if its disclosure under the Act would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it).

The disclosure of this information would be likely to prejudice the commercial interests of the BBC since the BBC has entered into a contract with AMV Consortium which sub-contracts the print and production of our mailings to a company called Orchestra Group Ltd. Revealing these costs would reveal Orchestra's costs and as this relationship is in itself commercial, releasing the figures we hold would prejudice AMV Consortium's & Orchestra's commercial interests, and thus in turn, the BBC's commercial interests.

I am satisfied in terms of section 2(2) of the Act that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. I have considered the public interest test in the section on why information has been withheld below.

I can, however, provide some information concerning the postage costs for these letters. These are determined by the number of letters being sent out in that particular batch. The postage tariffs are pre-determined by Royal Mail and range from 14.9p to 21p. We minimise the costs of mailing by sending stock letters third class wherever possible (as opposed to first or second class) and by sending these letters out in monthly batches (rather than daily or weekly and so on). The basis for this is that the price is lower for a larger batch. Thus, the exact price is dependant on when the letter was sent rather than the type of letter.

Finally, I am unfortunately unable to provide you with the total number of enquiry letters sent within the period specified, since our database records for this type of enquiry only go back to 2002.

However, I can inform you that TV Licensing sent 24,791,166 enquiry letters between April 2006 and March 2007 to addresses recorded as not having a licence.

Why information has been withheld

I am required under s 2(2) of the Act to assess whether the public interest in maintaining the exemption 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 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.
2. 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 5% for the financial year 05/06. This demonstrates that the TV Licensing system is being efficiently run. This and further related information is available in the BBC's annual report (see www.bbc.co.uk), the TV Licensing Annual Review and the *About TV Licensing* document (see <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.

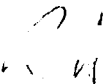
There is hence a greater public interest in ensuring the effective collection of the licence fee than in disclosing the information you have sought. I am therefore satisfied, in terms of section 2 of the Act, that in all the circumstances of the case, the public interest in maintaining the exemption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