

## TV Licensing Costs of Collection

| Financial Year  | 08/09        |               | 07/08        |               | 06/07        |               | 05/06        |               | 04/05        |               | 03/04        |               |
|---|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|
|   | £m           | %             | £m           | %             | £m           | %             | £m           | %             | £m           | %             | £m           | %             |
| Collection costs incl call centres, field force, detection and over the counter                                     | 88.4         | 73.7%         | 87.3         | 71.8%         | 98.9         | 74.6%         | 115.6        | 75.4%         | 113.9        | 74.9%         | 117.7        | 77.9%         |
| Depreciation of new systems   | 1.1          | 0.9%          | 1.2          | 1.0%          | 0.8          | 0.6%          | 1.0          | 0.7%          | 1.3          | 0.9%          | 2.0          | 1.3%          |
| Communications including reminders and information campaigns  | 22.3         | 18.6%         | 22.6         | 18.6%         | 19.0         | 14.3%         | 22.4         | 14.6%         | 19.9         | 13.1%         | 18.3         | 12.1%         |
| Postage   | 7.1          | 5.9%          | 9.1          | 7.5%          | 10.7         | 8.1%          | 10.6         | 6.9%          | 12.2         | 8.0%          | 9.4          | 6.2%          |
| Administration and contract management  | 1.0          | 0.8%          | 1.4          | 1.2%          | 3.2          | 2.4%          | 3.8          | 2.5%          | 4.7          | 3.1%          | 3.6          | 2.4%          |
|   | <u>119.9</u> | <u>100.0%</u> | <u>121.6</u> | <u>100.0%</u> | <u>132.6</u> | <u>100.0%</u> | <u>153.4</u> | <u>100.0%</u> | <u>152.0</u> | <u>100.0%</u> | <u>151.0</u> | <u>100.0%</u> |
| Licence fee revenue   | 3,493.8      |               | 3,368.3      |               | 3,242.9      |               | 3,100.6      |               | 2,940.3      |               | 2,798.1      |               |
| Costs as % of licence fee   | 3.4%         |               | 3.6%         |               | 4.1%         |               | 4.9%         |               | 5.2%         |               | 5.4%         |               |
| Licences in Force (excl ARC)  | 24,871,994   |               | 24,740,047   |               | 24,545,516   |               | 24,418,757   |               | 24,161,532   |               | 23,898,749   |               |
| Cost per licence  | £4.82        |               | £4.92        |               | £5.40        |               | £6.28        |               | £6.29        |               | £6.32        |               |
| Cost per licence as % of licence fee  | 3.5%         |               | 3.6%         |               | 4.1%         |               | 5.0%         |               | 5.2%         |               | 5.4%         |               |
| Collection costs incl call centres, field force, detection and over the counter services (net of recharges re o75s) | £3.55        |               | £3.53        |               | £4.03        |               | £4.73        |               | £4.71        |               | £4.92        |               |
| Depreciation of new systems   | £0.04        |               | £0.05        |               | £0.03        |               | £0.04        |               | £0.05        |               | £0.08        |               |
| Communications including reminders and information campaigns  | £0.90        |               | £0.91        |               | £0.77        |               | £0.92        |               | £0.82        |               | £0.77        |               |
| Postage   | £0.29        |               | £0.37        |               | £0.44        |               | £0.43        |               | £0.50        |               | £0.39        |               |
| Administration and contract management  | <u>£0.04</u> |               | <u>£0.06</u> |               | <u>£0.13</u> |               | <u>£0.16</u> |               | <u>£0.19</u> |               | <u>£0.15</u> |               |
|   | <u>£4.82</u> |               | <u>£4.92</u> |               | <u>£5.40</u> |               | <u>£6.28</u> |               | <u>£6.29</u> |               | <u>£6.32</u> |               |

Further breakdown of the specific aspects of the collection contracts is not readily available as the fee structure for our main contractor Capita is based on licence sales and encompasses all aspects of the service provision across the call centres and the field operations.

The cost per licence reflects the average cost, most cost less, some cost more depending on the level of chasing required.

Fines collected are not given to the BBC or TV Licensing - they are a matter for the courts.