



Information Rights

bbc.co.uk/foi bbc.co.uk/privacy

Philip Searle

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12 April 2019

Dear Mr Searle,

Freedom of Information Request - RFI20190585

Thank you for your request to the BBC of 7 April seeking the following information under the Freedom of Information Act 2000 ('the Act'):

'BBC Tax avoidance is not new and damages the corporation

Based on news in The Times dated 5th April 2019

1. BBC Tax avoidance takes many 'imaginative' forms. Tax evasion is illegal. The BBC has a duty to pay the missing tax on it's employees who were coerced into (PSC) Privately Funded Contracts as IF they were 'freelance' staff (which they were evidentially not). To date the BBC has admitted its past mistakes - but only offered two-thirds of what is owed to the inland revenue HMRC. It was quite clear to many MP's that the BBC handling of freelance pay arrangements was illegal. The BBC response is that it was the HMRC which is incorrect. New rules were to tighten the obvious mis -use by 'other' international corporations exploiting a loophole for tax evasion. The BBC was complicit in setting up employees who were later deemed 'self-employed' even though they had only one employer, the BBC.

This is both an abuse of the word 'freelance' and the UK tax system of PAYE. It also avoids the question of who pays for NHI contributions (the stuff that takes up much of the BBC air-time of NHS funding) could be deemed as staff voluntary. Most (all) BBC staff at this level would have had private Health-Care (BBC funded or privately funded health care). The BBC often claims morally that it fights for the 'people' and claims it has a moral right to question tax evaders. And yet here we are. The BBC avoiding paying it's share of tax (again).

** No corporation tax is levied on the BBC unlike 'other' media corps.*

1. I have serious concerns that the BBC may be unable to meet its pension arrangements. This was documented by The Times last year as a 15% on the License fee and is rising. The fact that gender bias means that BBC staff on the same job get different pay rates was reported only last year. And yet this just adds to the BBC woes in pension overheads (a sizable chunk of BBC license income is lost on former generous Pensions). Some pay has almost doubled for those lucky BBC presenters, who will expect similar BBC pension provision as those male counterparts in future.

The fact that Lord Hall has asked for the removal of the over 65 TV free license is also an indicator of the future shortage of money at the BBC. But we have not forgotten that under the last BBC Charter review it became clear that Mark Byford, a former BBC director was awarded £1,000,000 - to keep him 'focused' on a project that he ultimately left under a cloud to re-emerge as the New Editor of The New York Times. A failure rewarded in passing.

And now we have James Purnell discriminating against those over 35 in a wild expectation that they can afford the future license fee when it's clear that they cannot or will not pay for anything. It's another 'punt' which is expensive to implement and maintain long term when competition is better organised than the BBC could ever manage.

On top of all that. Thousands of BBC (and former BBC staff) have been forced to pay back tax when clearly - the BBC should have admitted liability for both gender pay gaps and the PSC contracts which were found (somewhat obviously) flawed. Many stressed BBC staff have since been reclassified as BBC employees again. It was therefore for the BBC a good way of avoiding paying substantial tax on high earners and mitigating tax liability.

Senior management would ALWAYS be responsible in a private limited company (or multi national corporation) but the fact that the BBC cannot decide who was responsible is pure civil-service in the carry-on film tradition of the 1970's.

The Parliamentary public service committee (this week) said it was unacceptable that the BBC did not fully explain to individuals the impact of the policy on them (the presenters, actors and entertainers who were hired as freelance contractors).

The BBC has previously denied it had 'forced staff' to set up private companies. But the facts are it was complicit in advising staff to do just that.

Now the BBC has to cope with a massive increase in pensions, NHI contributions as well as PAYE on a diminishing income of TV License fees or as yet to materialise BBC 'subscription' on a new venture born out of desperation to recycle old content online. The BBC is just like a normal employer, a very large corporate. With an unfortunate series of master mistakes that means that a sizeable chunk of that '33p per day' quote of Lord Hall of Birkenhead is already totally misleading when costs are taken into account and actual 'usage'. Inasmuch that audiences both TV and radio are declining whilst the reverse is true in the usually well managed sector of 'other' UK commercial media of Radio and TV.

James Parnell thinks (has stated) 'radio is of no importance' - then TV is not far behind.

The fact that BBC 'subscriptions' channel is more than twenty years late is due to BBC insistence of historic TV license above all else despite it being grossly unfair to poorer parts of society (mainly unemployed women are prosecuted). Sooner or later the BBC will run out of money and be forced to surrender to more nimble commercial corporations that cost less (usually free), pay staff more and are accountable. Accountable is the key word.

The BBC is largely unaccountable, which is the problem both for MP's and the general public who wince at the latest increase to the TV license fee which cannot plug the gap of new higher BBC pensions, high salaries offered by the BBC in hope and desire to keep 'valid' to 'yoof' as the BBC understand it, does not exist.

The BBC will run out of money (or run out of listeners) or anyone who cares about the service. It is a sad end, but hardly surprising to anyone with a media interest. James Purnell is the only 'other' visionary and when he has finished there will be nothing left but memories of what was once the best in the world. The BBC will be a brand only.

My question is the same as the public accounts committee who '.... are concerned that the BBC cannot provide any sufficient assurance that its policy changes relating to its historic use of PSC's... were adequately discussed at a senior level'.!!!

1. Senior level responsibility missing (again).
2. No wonder BBC staff are leaving.

But then with such huge amounts of easy money, where would they all go?

Paying tax is seen as voluntary (for the taxpayer perhaps) and tax avoidance should be discouraged in a public corporation. It is not excusable. The BBC should admit it was a mistake and pay the HMRC what is owed for its 'employees'.

Please be advised that the Freedom of Information Act gives a general right of access to all types of recorded information held by public authorities. As this is not a request for recorded information, and we are not required to create new information to respond to a request, or give a judgement or opinion that is not already recorded, we cannot provide the information in your request.

Appeal Rights

If you are not satisfied that we have complied with the Act in responding to your request, you have the right to an internal review by a BBC senior manager or legal adviser. Please contact us at the address above, 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, Tel: 0303 123 1113 or see <https://ico.org.uk/>.

Yours sincerely

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