



Information Policy & Compliance  
[bbc.co.uk/foi](http://bbc.co.uk/foi)

Nath  
[request-45536-68afac00@whatdotheyknow.com](mailto:request-45536-68afac00@whatdotheyknow.com)

24 August 2010

Dear Nath,

**Request for Information – RFI20101130**

Thank you for your email of 20 August 2010 requesting information under the terms of the Freedom of Information Act 2000 (“the Act”).

Before I respond to your question, it may be helpful if I first explain the nature of the relationship between TV Licensing and the BBC. “TV Licensing” is a trade mark 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 iQor UK Limited. PayPoint Network Ltd and PayPoint Collections Ltd are contracted to provide over-the-counter services. Marketing and printing services are contracted to Proximity London Ltd as are public relations and advertising services. The latter are subcontracted by Proximity to Fishburn Hedges Boys Williams Ltd, Abbott Mead Vickers BBDO Ltd and PHD Media Ltd. The BBC is a public authority in respect of its television licensing functions and retains overall responsibility.

You have requested the following information:

*"Please can I have a copy of the most recent monthly performance pack provided by Capita to the BBC"*

I can confirm in terms of section 1(1) of the Act that the BBC does hold the information you have requested. However, I am withholding this information under s43(2) of the Act as its release would be likely to prejudice the commercial interests of the above company and, in turn, the BBC.



INVESTOR IN PEOPLE

In this case, it is the BBC's view that disclosure of the information requested would reveal valuable information on Capita's operations to its competitors. It is therefore likely to place them at a disadvantage when competing for work.

The release of the information you request would therefore allow Capita's competitors to ascertain with some certainty Capita's contractual obligations and therefore the amount they would be likely to bid for the TV Licensing contract when it is retendered. Capita would not be in possession of the same information regarding their competitors. The release of the requested information would therefore be likely to assist such competitors in outbidding Capita in order to re-secure this contract.

Were this to occur, Capita would not be able to offer the BBC the same, good value price for its services that they currently do, which would compromise the BBC's ability to achieve value for money for licence fee payers.

Disclosure of the requested information could also lead to a ratchet effect among potential future suppliers of administrative services to the BBC. This is because when BBC contracts are re-tendered the existing suppliers are not guaranteed the contracts again and will compete alongside other bidders who are likely to be the other major competitors already referred to above. Disclosure would therefore prejudice the BBC's ability to secure the best possible terms with potential suppliers of these services in the future.

The result is likely to be to the prejudice of the BBC, leading to the BBC either being unable to attract bids from the widest possible range of suppliers and suffering an attendant drop in the quality of its administration services for the TV Licence fee or increasing its payments to suppliers and suffering an attendant drop in value for money to the licence payer.

As section 43 is a qualified exemption, I am required by section 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:

- a) That the BBC is using public money effectively.
- b) That the BBC is getting value for money in respect of its use of the licence fee when purchasing goods and services.

However, it is the BBC's contention that these objectives will be threatened if the information requested is disclosed. In any event, the general public interest in the transparency and accountability of the BBC in respect of its use of the licence fee is served by a broad range of oversight mechanisms, both internal and external. These include the oversight of the BBC Trust (responsible for commissioning value for money investigations into specific areas of BBC activity (Article 24(2) (i) of the Charter) and the Executive Board (responsible for conducting the BBC's operational affairs in a manner best designed to ensure value for money (Article 38(1) (h) of the Charter). These mechanisms also include Ofcom, the fair trading regime and competition law in general. Indeed, in the interests of transparency and accountability, certain limited information on expenditure is already provided in the BBC's Annual Report and Accounts and the TV Licensing Annual Review. It is the BBC's contention that the release of detail beyond this threatens to pose

considerable harm to the BBC's commercial interests, without offering a proportionate benefit to the public.

In addition, the following factors are in favour of withholding the information:

- a) That the BBC maintains a strong bargaining position vis-à-vis suppliers during contractual negotiation in order to ensure that the licence fee is spent effectively.
- b) That the competitive position of companies in their particular market is not disadvantaged by doing business with the BBC. It would not be in the public interest to disclose sensitive information about a particular company if that information would be likely to be used by competitors to gain a competitive advantage.

In this instance, the public interest is served by ensuring that the commercial obligations of the BBC's TV Licensing partners are protected.

There is hence a greater public interest in ensuring cost-effective public relations services for the TV Licence fee than in disclosing the information you have sought. I am therefore satisfied, in terms of section 2(2) of the Act, that in all the circumstances of the case, the public interest in withholding the information outweighs the public interest (outlined above) in disclosing the information.

### **Your appeal rights**

This enquiry has been dealt with under the terms of the Freedom of Information Act, as indicated above. 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 the reference number given at the start of this letter. If you are not satisfied with the internal review, you may appeal to the Information Commissioner, whose contact details are as follows: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF; telephone: 01625 545700; [www.ico.gov.uk](http://www.ico.gov.uk).

Yours sincerely,

Dan McGregor

**Senior Policy Adviser, TV Licensing Management Team**