



Information Rights

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

Mr G. Whittles

Via email: request-426236-f5ec9615@whatdotheyknow.com

19 September 2017

Dear Mr Whittles

Request for Information – RFI20171253

Thank you for your request of 20th August 2017 under the Freedom of Information Act 2000 ('the Act') seeking the following information:

TV Licences requested and sent by post arrive accompanied by a leaflet "Turn your TV Licence into a swan", which promotes obtaining TV Licences by email and proposes that by doing so TV Licence holders can allow the BBC more money for programmes.

Please provide recorded information about the cost of designing, publishing, printing and distributing these leaflets.

Please note that "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 ('Capita'). Over-the-counter services are provided by PayPoint plc ('PayPoint') in the UK, and by the Post Office in the Isle of Man and Channel Islands. Marketing and printing services are contracted to Proximity London Ltd. Media services are contracted to Media Planning Limited trading as Havas Media UK. The BBC is a public authority in respect of its television licensing functions and retains overall responsibility.

By way of background, in January 2017 TV Licensing resumed mailings to Direct Debit customers for the first time in five years ahead of the rise in the cost of the Licence Fee. These customers had not received a new TV Licence and payment plan in the post since 2011 when the Licence Fee was frozen by the Government. As the resumption of mailings generated significant ongoing costs to TV Licensing, thereby impacting on revenue available for BBC programmes and services, consideration was given to options for reducing this cost, including encouraging eligible customers to receive their licence by email, which has a lower cost.

As this group of customers have not received a mailing from us in the past five years, letters are the most effective way to reach them, particularly as these customers have not given us their email address or signed up to receive their licence by email, so we cannot use email to contact them. TV Licensing always uses email channels where appropriate. There are now 6.6 million customers who receive their licence by email – more than a quarter of all licences in force. These mailings aim to encourage customers who don't already receive their licence by email, to sign up.

TV Licensing uses test mailings to assess the impact of proposed wording, format changes and contents on the intended audience; and the leaflet to which you refer - designed to encourage customers to go online and choose to receive their licence by email - was included as a test in letters that were being sent because only postal contact details are held for those addresses. Please note that the leaflets were inserted into planned mailing packs containing new TV Licence and payment plan details and therefore no additional postage costs were incurred.

Please be advised that the leaflet was designed by Proximity and the cost of sending out TV Licensing mailings comprises print and fulfilment, which is also carried out by Proximity (who sub-contract to Communisis Group (Communisis)); and postal services, which are contracted to Communisis. I can confirm that we do hold information that we consider relevant to your request, namely cost information in respect of the constituent elements of design, printing and fulfilment and postage. However, I am withholding this information under section 43(2) of the Act because the release of such pricing information would be likely to prejudice the commercial interests of Proximity, Communisis and the BBC.

The release of the information would reveal valuable information about our contractors' and sub-contractors' pricing to their competitors, while they 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 future negotiations.

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 exemptions outweighs the public interest in disclosing the information. I have provided further explanation of my consideration of the public interest test in the section 'Why information has been withheld' below.

Why information has been withheld

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:

- I. that the BBC is using public money effectively; and

2. 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 given its commercial sensitivity, these objectives will be threatened if the information requested is disclosed.

I consider that the above public interest factors in favour of disclosure are served by the following:

1. The fact that the BBC is subject to a broad range of internal mechanisms, including oversight by the BBC Board which is responsible for ensuring the effective and efficient management of BBC finances and operations in accordance with the principles of regularity, propriety, value for money and feasibility (Articles 16 and 29(7)(a) of the Charter).
2. The BBC is required to comply with Ofcom regulations, the fair trading regime and competition law in general.
3. 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.

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

1. That the BBC maintains a strong bargaining position vis-à-vis suppliers during contractual negotiations in order to ensure that the licence fee is spent effectively.
2. 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 the commercial arrangements between particular companies if that information would be likely to be used by competitors to gain a competitive advantage.
3. Releasing the cost of commercial transactions would be likely to adversely affect the BBC's negotiating position in future contractual negotiations with suppliers of this type of service. This would compromise the BBC's ability to achieve value for money for licence fee payers.

In this instance, I consider that the public interest is served by ensuring that the pricing details of the BBC's commercial arrangements are protected. 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.

Appeal Rights

If you are not satisfied with this response, you have the right to an internal review by a BBC senior manager or lawyer. Please contact us at the address above, explaining what you would like us to review under the Act and include your reference number.

If you are not content with the internal review, you have the right to appeal to the Information Commissioner's Office. Their address is: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow SK9 5AF. Tel: 0303 123 1113 (local rate) or 01625 545 745 (national rate) or visit their website at <https://ico.org.uk/>

Yours sincerely

Rupinder Panesar

Freedom of Information Advisor, TV Licensing Management Team

