

TV Licensing Costs of Collection

Financial Year	12/13		11/12		10/11		09/10		08/09		07/08		06/07		05/06		04/05		03/04	
	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%
Collection costs incl call centres, field force, detection and over the counter	83.0	74.5%	95.0	75.3%	92.7	74.5%	93.8	74.3%	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	2.1	1.9%	2.5	2.0%	2.5	2.0%	2.2	1.7%	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	14.0	12.6%	13.9	11.0%	16.6	13.3%	18.0	14.3%	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	12.2	11.0%	9.5	7.5%	8.7	7.0%	8.4	6.7%	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	0.1	0.1%	5.2	4.1%	3.9	3.1%	3.8	3.0%	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>111.4</u>	<u>100.0%</u>	<u>126.1</u>	<u>100.0%</u>	<u>124.4</u>	<u>100.0%</u>	<u>126.2</u>	<u>100.0%</u>	<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	3,705.7		3,697.8		3,679.1		3,578.8		3,493.8		3,368.3		3,242.9		3,100.6		2,940.3		2,798.1	
Costs as % of licence fee	3.0%		3.4%		3.4%		3.5%		3.4%		3.6%		4.1%		4.9%		5.2%		5.4%	
Licences in Force (excl ARC)	25,338,304		25,226,072		25,103,079		24,963,799		24,871,994		24,740,047		24,545,516		24,418,757		24,161,532		23,898,749	
Cost per licence	£4.40		£5.00		£4.96		£5.06		£4.82		£4.92		£5.40		£6.28		£6.29		£6.32	
Cost per licence as % of licence fee	3.0%		3.4%		3.4%		3.5%		3.6%		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 075s)	£3.28		£3.77		£3.69		£3.76		£3.55		£3.53		£4.03		£4.73		£4.71		£4.92	
Depreciation of new systems	£0.08		£0.10		£0.10		£0.09		£0.04		£0.05		£0.03		£0.04		£0.05		£0.08	
Communications including reminders and information campaigns	£0.55		£0.55		£0.66		£0.72		£0.90		£0.91		£0.77		£0.92		£0.82		£0.77	
Postage	£0.48		£0.38		£0.35		£0.34		£0.29		£0.37		£0.44		£0.43		£0.50		£0.39	
Administration and contract management	<u>£0.00</u>		<u>£0.21</u>		<u>£0.16</u>		<u>£0.15</u>		<u>£0.04</u>		<u>£0.06</u>		<u>£0.13</u>		<u>£0.16</u>		<u>£0.19</u>		<u>£0.15</u>	
	£4.40		£5.00		£4.96		£5.06		£4.82		£4.92		£5.40		£6.28		£6.29		£6.32	

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 enforcement required.

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