



Information Rights

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Fern Ritter

Via email: [request-538159-5164ef15@whatdotheyknow.com](mailto:request-538159-5164ef15@whatdotheyknow.com)

08 January 2019

Dear Fern,

**Request for Information – RF120182290**

Thank you for your request of 9<sup>th</sup> December 2018 under the Freedom of Information Act 2000 ('the Act') seeking the following information:

*"I would like information for each of the past 5 year-long accounting periods for which data is available on:*

- the amount of money raised from TV licensing overall*
- the amount of money paid to your contractors (including Capita) in relation to running/administering the TV licensing system*
- the total cost of running/administering the TV licensing system in that year (including any internal costs for the BBC Licensing Unit and your contractor costs)."*

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. Target Group ('Target') is the supplier for the Simple Payment Plan trial. 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.

Firstly, I should explain the Act gives a general right of access to all types of recorded information held by public authorities; 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.

I shall address your requests in turn overleaf.

### Requests 1 and 3

Information on how much licence fee revenue was collected in the last full five financial years – together with the associated costs of collecting the fee - is readily available on the TV Licensing website at the following web-links:

- TV Licensing costs of collection and revenue collected  
<https://www.tvlicensing.co.uk/about/foi-financial-information-AB19>
- TV Licensing Annual Reviews  
<https://www.tvlicensing.co.uk/about/our-performance-AB6>

As outlined above, TV Licensing is a trademark used by companies contracted by the BBC to manage the collection of TV Licence fees and the enforcement of the licensing system. The BBC's contracts with these companies are managed by the BBC's TV Licensing Management Team. This team's budget for the period you have specified can be found at the first web-link signposted above, under the heading "*What was TV Licensing's budget for 2017/18? How does it compare to expenditure over the previous ten years?*".

### Request 2

I can confirm that under section 1(1) of the Act that we hold information pertaining to BBC contractors' remuneration in respect of TV Licensing. However, we consider that this information is exempt from disclosure under section 43(2) of the Act, which states that information will be exempt under the Act if its disclosure would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it). The BBC is of the view that the release of the information would be prejudicial to either its own commercial interests, or those of its contractors, or both; because to do so would reveal details of commercial reimbursement arrangements which were the subject of significant negotiation.

The release of the information would reveal valuable information about our contractors' pricing to their competitors, while they would not be in possession of the same information regarding their competitors. Disclosing this would reveal market sensitive information that would therefore be likely to assist such competitors in future negotiations in the area of business process outsourcing.

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 this exemption 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.

However, in line with our duty to advise and assist you under section 16 of the Act, I can provide you with some information relating to the 2015/16 financial year because it was published in the National Audit Office's report on TV Licensing in January 2017<sup>1</sup> and is therefore already in the public domain. In the 2015/16 financial year, the BBC paid Capita £58.6 million and Proximity's contract costs formed the majority of the £15.8 million that the BBC spent on TV licence communications and letter campaigns in that financial year.

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<sup>1</sup> [http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/review\\_report\\_research/tvl/2017/licence\\_fee\\_collection.pdf](http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/review_report_research/tvl/2017/licence_fee_collection.pdf)

## 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:

1. that the BBC is using public money effectively; and
2. that public funds are being appropriately applied, and specifically that:
  - a. the TV Licensing system is being efficiently run; and
  - b. value for money is being obtained.

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 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).
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 BBC contractors' pricing structures constitute commercially sensitive information which is not generally known and is the source of a trading advantage.
2. 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.
3. 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.

4. That releasing reimbursement arrangements for 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 such commercially sensitive information is 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 that the BBC has 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 under the Act 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 SK9 5AF. Tel: 0303 123 1113 (local rate) or 01625 545 745 (national rate) or see <https://ico.org.uk/>.

Kind regards

Rupinder Panesar

**Freedom of Information Advisor, TV Licensing Management Team**

