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So many ways to enjoy So many ways to pay



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UTV LICENSING

2010/11 Annual Review | www.tvlicensing.co.uk



Enjoy...

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So many ways to enjoy...

...watching with friends



There's nothing better than watching a live rugby match with a bunch of friends, so you can all shout at the telly together!

Louise Shaw



...recording

I work on Saturday and Sunday evenings so like to catch up on X Factor after work on a weekday by recording it on Sky+.

• • •

Victoria Just

...live streaming



I tend to watch everything online – catch-up or live. It's so much easier, and I can watch it wherever I want – in my flat or even down the local cafe.

John Hamilton





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So many ways to enjoy...



....catching up



I find that catch-up allows me to watch less TV, but more of the things that I want to watch.

Nicholas Singer



...on a laptop

When I'm at university I only really watch TV on my laptop. I don't have a TV in my room in halls. It's really flexible – I can watch lots of shows live or on demand with things like iPlayer and TV catch-up.

Kate Russell





GG

There are all of those fancy catch-up services nowadays. But I've only got a basic TV and laptop, so I only watch TV as it's scheduled on my set. I prefer it like that anyway.

Emma White





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So many ways to pay...





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...by text



The text messages are great and help me keep on top of things more easily.

Mark Jolly

...with a Savings Card

() TV LICENSING



FG It's much better than paying in full.

It makes it so much easier for me.

Catherine Sharp

...by cheque



GG Lliko to r

I like to pay by cheque because it's easiest for me. I've always paid that way.

Margaret McCloskey









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About us

'<u>TV Licensing</u>' is a trademark for the group of organisations which administer the collection and enforcement of the licence fee. All the organisations work under contract to the BBC, the Licensing Authority.

Our aim

Our aim is to collect the licence fee as efficiently as possible to provide the maximum amount of money for BBC programmes and services.

We want to provide a choice of simple ways to pay so people can buy their licence in a manner which best suits them. We always prefer people to pay but we will pursue those who refuse to buy on behalf of the honest majority.

69.6%
Direct Debit is still the most popular way of paying



Our partner organisations

TV Licensing comprises a range of specialist organisations, led by a small group at the BBC.

- Capita Business Services main call centres, team of enquiry officers
- iQor cash payment schemes
- PayPoint over the counter ways to pay*
- Proximity London marketing and printing services, public relations and advertising
- UK mail postal services

*In Jersey, Guernsey and the Isle of Man over-the-counter services are available at the Post Office.



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2010/11 at a glance

Collection



TV Licensing collected **£3.7billion**, up **£99million** from the previous year.

TV watching is as popular as ever, with the percentage of households who have a television set at 96.7% but more people are now watching using PCs. There are more than 25 million licences in force.

* Including cost rebate from government for Over 75 licences.
 ** This includes offsetting of interest received against costs.

• £92.7m (74.52%)

Depreciation of new systems

• £16.6m (13.34%) Communications including reminders

Administration, contract management

£124.4m (100%)

£2.5m (2.01%)

£8.7m (6.99%)

£3.9m (3.14%)

Postage

Total

and projects**

Costs including call centres, field force,

detection and over-the-counter services*

The cost of collecting the licence fee is lower than last year at 3.4p per £1 collected (down from 3.5p last year).

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2010/11 at a glance continued

Spend



Last year, each household's colour TV Licence cost about £12.13 a month. On average this is how the BBC spent the money:

| Average spend per month |
|--|
| • £8.01 |
| £2.16 Radio |
| • £0.66 Online |
| • £0.61 _{Other} |
| • £0.42 Collection |
| • £0.27 Digital – marketing and help scheme |
| £12.13 Total |
| |

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2010/11 at a glance continued

Evasion

| 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | We low ren yea or hav cov rep BB |
|---------|---------|---------|---------|---------|--|
| 4.1% | 3.6% | 3.4% | 3.5% | 3.4% | t His |
| 4.6% | 4.8% | 5.1% | 5.3% | 5.2% | |

We have been successful at keeping evasion low despite tough economic conditions. It has remained steady at about 5% for the last five years. This means the vast majority of people, or 19 out of 20 households and businesses, have the peace of mind of being correctly covered by a TV Licence. This year evasion represented £202million in lost income to the BBC, an increase of £3.6million on last year.

Total income collected

Collection cost

storical evasion is restated ing latest assumptions.

Evasion rate[†]



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Supporting payers

We provide a wide range of payment methods to make it as easy as possible for people to pay and so that they can find a payment method which best suits them.

The current £145.50 fee can be paid in many ways including weekly, monthly or fortnightly cash payments or monthly, quarterly or annual Direct Debit payments.



Our website is proving an increasingly popular way for people to pay. In the last year 2.3million licences were sold online, an increase from 2.1million last year and representing more than a quarter (27.7%) of sales excluding Direct Debit renewals and Over 75 licences (which are renewed automatically).

Linked to this, considerably more people are choosing to receive their licences by email. There were 1.4 million sold this year, up 34%.

Direct Debit is still the most popular way of paying – 69.6% of licences in force (excluding Over 75 licences) are sold this way, up from 68.9% last year.



Payment by text

More than half a million payments were made by text. This represents an increase of 40% on the previous year and accounts for more than £5million worth of payments.

Payment trends

People are increasingly using automated services, such as phone lines and the website. This trend to moving online can also be seen in the decline in other methods e.g. postal applications are down to 4.5% from 4.8% last year.





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Ways people pay

Payment types



% of licences issued by payment channel • 69.6% **Direct Debit 9.1%** Credit/debit card **7.7% Payment Card** • 6.5% PayPoint (full fee by cash/card) **4.5%** Cheque/cash via post **2.3% Savings Card** 0.2% Home banking • 0.1% Cheque/cash at Post Office on Jersey, Guernsey and Isle of Man



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Ways we reach payers

Because almost every household has a television, as well as very many businesses, we want to make sure people know when they need a TV Licence and how easy it is to buy one. To do this we try to reach people in a variety of ways.

We use letters, email, our website, telephone calls, texts, advertisements, public relations and our field force.

Letters

As the vast majority of licence holders pay by Direct Debit, we send very few letters to most people. Of those who need to be reminded to pay, most will respond after one letter. If customers fail to renew, letters become stronger in tone to warn people of the consequences of non-payment. Email is playing an increasing part in our communications.

Website

Over the year our website received 10.5 million visits from 8.7 million customers and the number of visits increased by more than 8% during that time. You can find out if you need a licence, buy one, or even tell us you don't need one on our website. We have made many improvements to the website including to the search function, making the licence renewal process clearer and adding a Welsh language page. The website has been shortlisted for numerous awards including those of the British Interactive Media Association.

10.5 million

website visits over the year

...reliving the moment



The other Saturday. Wayne Rooney scored a fantastic goal. I was desperate to see it. I was able to go to the programme, jerk it along and pick the very moment where he did it, and watch it all again. It was fabulous.

Rob Davidson



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Ways we reach payers continued

Email

If people have given us permission to contact them by email, we often use this method to get in touch. The number of people receiving reminder emails has increased to more than half a million since last year, an increase of 111%.

Call centre

Our main call centre received 12% fewer calls (7 million), continuing the trend from the previous year. This was driven by people being more willing to use other channels such as the website as well as improving the number of times we resolve a query on first contact resulting in fewer queries and complaints. We also actively ring people.

Advertising

Our highly successful advertising campaign, Push a Little Button, was due for a change as it was over a year old. It had a great impact, with the tune made available to download due to popular demand. Our new trails, first transmitted in May 2011, feature a similar message about easy ways to pay and use two humorous scenarios to convey this. You can see the trails here:







...watching at home



GC

We use the iPlayer to catch up on programmes like Doctor Who. It means we can sit down as a family – on or behind the sofa – and watch when it suits us.

Medi Houghton



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Public relations

We seek the help of stakeholder organisations to get our messages to hard-to-reach and low-income communities. We are grateful to the 66 national umbrella organisations with whom we have worked to help inform people. These organisations have included Citizens Advice, National Housing Federation, Northern Ireland Council for Voluntary Action, the Scottish Refugee Council and Age Cymru. In addition we have worked with 300 local organisations. We have included some endorsements and photographs from our partner organisations in this document.

Our experience of collecting the TV Licence in itself also creates a lot of newsworthy stories.

Complaints

We aim to do everything right first time but acknowledge that this does not always happen. If we do make a mistake, we apologise, put things right and also find out why the error occurred so we can learn from it to improve our processes. We are making real progress in this. Complaints last year were down almost 20%, the largest reduction in any single year. Over the last two years the reduction is almost a third.

20%

Complaints last year were down almost 20%



Sheena McCallion Director of Housing and Care Services, Apex Housing

66

At Apex we aim to keep our tenants updated with any information important to their daily lives - the legal requirements around TV Licensing is part of that. We have worked with TV Licensing to ensure that our tenants are provided with the most up-to-date information, which includes the various payment options available to them. We also signpost tenants to TV Licensing for further advice, where appropriate.





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Texts

We increasingly communicate by text, sending an average of 650,000 per month to 1.4 million customers on Cash Card schemes. This is an increase of 4% compared to last year.



Field force

Our team of enquiry officers visit addresses where our database shows no licence is held. The team also operate our fleet of detector vans. If somebody is found to be watching TV without a licence, enquiry officers take a statement and forward the case to be considered for prosecution.



...watching at work





I've been known to sneak a peek at a Test Match on my computer at work.

Dave Jones



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Understanding when you need a licence

Everyone in the UK who watches or records TV programmes as they are shown on TV needs to be covered by a TV Licence. This includes TV on computers, mobile phones, DVD/video recorders and other devices including PVRs.

The Government sets the level of the licence fee. In January 2007 the licence fee was agreed for a six-year period with the amount being approved each year by Parliament. More recently the Government decided to freeze the licence fee at its 2010 level of £145.50 until the end of the current BBC Charter period in 2016.

The annual cost of a colour TV Licence is £145.50 (as from 1 April 2010). A black and white TV Licence is £49.





| Enjoy | | ••• | •• | • | •• | • | • | • | • | • | • | • | • |
|-------|-----|-----|-----|---|-----|---|---|---|---|---|---|---|---|
| Pay | ••• | ••• | ••• | • | ••• | • | • | • | • | • | • | • | • |

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Between 1 April 2010 and 31 March 2011 the cost was £145.50 – the equivalent of £12.13 per month or just under 40p per day.

The BBC used its income from the licence fee to pay for its TV, radio and online services, plus other costs, as shown below:



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Enjoy...

How the licence fee was spent in 2010/11 continued

Other costs Radio BBC Radio BBC Radio BBC Radio Investment **D** tra digital Running in new costs technology The BBC also receives income Collecting BBC Radio BBC RADIO BBC Radio extra 3 from BBC Worldwide and last the licence fee year rebated the Government for underspend in the Digital BBC Radio BBC RADIO BBC Radio live sports extra Switchover Help Scheme. Omusic live BBC RADIO RADIO BBC LOCAL RADIO Scotland radio **wales** radio **cymru** BBC BBC BBC RADIO NAN GÀIDHEAL

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Governance and compliance

'TV Licensing' is a trademark of the BBC.

The BBC Trust oversees the BBC and ensures that arrangements for licence fee collection are 'efficient, appropriate and proportionate'.

We received a total of 139 FOI requests during the year, compared to 145 last year, or an average of 12 per month. This is approximately 10% of all FOI requests received by the BBC. Our FOIs can be viewed here.

Exemptions were used in about half of replies, the same level as last year. Exemptions most commonly used are when releasing the information would prejudice the prevention or detection of crime, or the commercial interests of the BBC or our partners, or when information requested is covered by the Data Protection Act.

Diversity

TV Licensing has a Diversity Action Plan which was published on 24 May 2011 and is available at: www.bbc.co.uk/diversity/documents.shtml.

Data security

We view with the utmost importance the security of the information we hold. We have robust policies and controls to ensure information is safe.

Legislation

There are a number of laws which cover the work of TV Licensing. They include:

| Name | Effect |
|---|--|
| Communications (Television Licensing) Regulations 2004 (as amended annually) | Sets out the licence fee and describes what a TV Licence covers you for. |
| Communications Act 2003 | Allows the BBC to issue, cancel or modify TV Licences. Makes it a criminal offence not to have a TV Licence when one is required. |
| Freedom of Information Act 2000 | Means the BBC has a legal obligation to provide information about TV Licensing in response to requests, except where an exemption in the Act applies. |
| Regulation of Investigatory Powers Act 2000 | Covers the lawful use of surveillance equipment to detect unlicensed use of television receivers. |
| Data Protection Act 1998 | Places obligations on the BBC to ensure personal information is managed in a proper way. |

How we apply these laws

We have policies in place to interpret this legislation for practical use. Our policy adviser develops the policies with specialist lawyers using the criteria of whether they are legally correct, fair to the customer, appropriate and proportionate.



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Joanna Elson OBE Chief Executive, Money Advice Trust

Your TV Licence should be treated as a priority debt, alongside expenses such as your mortgage or rent, council tax and gas and electric bills. Those struggling with their finances should seek free, independent advice from a charitable organisation such as National Debtline or Citizens Advice. It is also worth noting that it is possible to pay your TV Licence in weekly instalments at a PayPoint outlet, over the phone, online or via SMS by joining the cash payment plan.



Desmond Middleton Lead Officer Money Advice, Argyll & Bute Council

We received a very useful presentation from the TV Licensing team in Scotland. I'd recommend anybody involved in similar work to request the presentation for themselves.



Victoria Lloyd

Director of influencing and programme development, Age Cymru

Age Cymru works with thousands of disadvantaged older people every year. many of whom are struggling to make ends meet on relatively low fixed incomes. Against this background the free TV Licence for people aged 75 and over is a welcome initiative. Age Cymru fully supports TV Licensing's efforts to raise awareness of the scheme in Wales and make applying for the free licence as simple as possible.



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We like to receive feedback. Please contact us with your views on this Annual Review or to comment on TV Licensing more generally.

Members of the public can ask a question using the website, call 0300 790 6131 or write to TV Licensing, Bristol BS98 1TL.

For those contacting TV Licensing on behalf of an organisation or in a professional capacity, please go through the Campaign Office on 020 7544 3116 or email campaignoffice@tvlicensing.info

Please note, the Campaign Office is unable to deal with individual customer enquiries.

Copies of this report are available in Braille on request by calling **0300 790 6131**.

Our textphone facility for the deaf or hard of hearing is on 0300 790 6050.

This report is available on the 'about us' section of the TV Licensing website: www.tvlicensing.co.uk

Quotations from members of the public throughout the document are genuine. Where we have been given permission to use their names we have done so, otherwise fictitious names have been used. The photographs use models and are not the people quoted. None of this applies to our endorsements, on pages 14 and 20, which quote and show the person named.



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