



Simple...

...and

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Over 97% of households have a television and there are more than 25 million TV Licences in force in the UK.

You need a TV Licence to watch or record television programmes as they are being shown on TV. This is the case whichever device you use – TV set, set-top box, video or DVD recorder, computer or mobile phone – and no matter how you receive the programmes – terrestrial, satellite, cable or via the internet. You do not need to be covered by a licence to watch catch-up television or pre-recorded material on DVD or video.

Our aim is to maximise the money received from the licence fee. We do this by collecting the fee as efficiently as possible to deliver value for money for licence fee payers and to provide income to fund the BBC's programmes and services.

Our role is to inform people when they need a licence, remind them to renew, and deal with queries, applications and payments. We also enforce the licence fee by pursuing evaders on behalf of the honest majority.

effective.

This year we have:

- made buying a TV Licence even simpler**
- collected £3.6billion in licence fees**
- kept evasion low at 5.2%**
- collected an extra £85million for BBC programmes and services**

Key facts

£3.6bn

Collected

25m

Licences in force

£126.3m

Collection costs

5.2%

Evasion

New this year...

Trust review actions

A recent review of our collection methods by the BBC Trust concluded our core actions are appropriate but we could improve in some areas. We have since revised our letters, moved our phone numbers from 0845 to 03 and changed how we deal with people who don't need a licence.

We have relaunched our website

It is now much easier to use and allows people to do more things online such as changing bank details, viewing a licence online and even applying for a free Over 75 licence.

Advertising campaign

We began the 'Push a Little Button' campaign in January 2010. The theme tune, which highlights the easy-to-use website, was made available as a download following popular demand.

Action to reduce complaints

We have made service improvements which have resulted in a 16% reduction in complaints.

Evasion

Despite a tough economic climate we have managed to keep evasion low at 5.2%.

Islands

We made improvements to our systems on Jersey, Guernsey and the Isle of Man which have opened up a wider range of payment methods and led to better customer service for people on the islands.

About us

“In the current economic environment, it is more important than ever that people have payment options suited to their individual needs. We therefore welcome TV Licensing’s efforts through the cash schemes to make it as easy as possible for people on lower incomes to buy a television licence – for example, the new online, SMS (text) and telephone services – and look forward to continuing to work with TV Licensing in the future.”

David Hawkes, National Money Advice Co-Ordinator, Advice UK

“The need to have a TV Licence is a legal requirement and language can be a barrier to understanding these legal requirements. We support TV Licensing’s campaign to raise awareness of the licensing requirements across the many ethnic communities in Wales we also represent.”

Shereen Williams, Council of Ethnic Minority Voluntary Sector Organisations (CEMVO) Wales

‘TV Licensing’ is a trade mark for a group of organisations which together administer the collection and enforcement of the licence fee. The organisations all work under contract to the BBC which, as the Licensing Authority, is a public authority and retains overall responsibility.

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 make it as simple as possible for people to buy their licences so they can watch television safe in the knowledge they are correctly licensed. However, we will also pursue evaders on behalf of the honest majority.

Our expert partners

The people who work at TV Licensing have between them a wide range of skills, all of which are necessary to run the licence fee system.

The work is led by a small group at the BBC, in the TV Licensing management team, and contracted to different companies. Capita Business Services run our main call centres and field force of enquiry officers. iQor look after our cash payment schemes and PayPoint offer over-the-counter ways to pay*. Marketing and printing services are contracted to Proximity London, as are public relations and advertising services. Our postal contractor is UK Mail.

We aim to inform people that a licence is needed whenever they watch television programmes as they are being shown on television. We endeavour to collect the licence fee in the most cost efficient way from whoever needs a licence. We have developed many different schemes to make it as easy as possible for people to pay. We would always prefer people to buy a licence but will prosecute those who watch television without a licence.

Our database of 30 million residential and business addresses is vital to our business. It is one of the most comprehensive databases in the country and we update it regularly using commercially available sources as well as with information supplied by customers and our enquiry officers.

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



1.1m

e-licences

People can now opt for an electronic e-licence instead of a licence through the post. As many as 1.1 million were sold, compared to 886,000 the previous year – an uplift of 20%.

2.1m

licences sold using the web

We have recently made improvements to our website to make it easier for people to find information, buy a licence or change details. The licences sold via the web now account for 26% of sales*, a 16% increase on last year and 31% increase on two years ago.

* Excluding DD Renewals and Over 75 sales which are renewed automatically.

8.7%

Pay by credit card

This has increased from 8.3% partly due to more people buying their licences online.



69%

Pay by direct debit

This is the most popular method of payment. It has increased slightly by 1%.

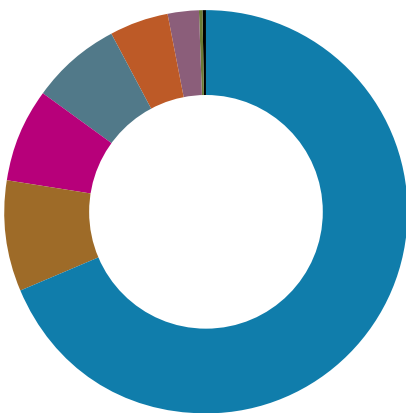
Supporting payers

10%

Income through cash schemes rose by 10% due to more licences on schemes and greater ease of payment

35,000

Payments made by text monthly



We try to make it as easy as possible for people to pay their TV Licence, and are always looking to improve our payment schemes. Just this year we have relaunched our website to make it easier for people to buy online, or change their details. We have also enhanced the payment options in Jersey, Guernsey and the Isle of Man so they now have the same access to savings and payment schemes as people in the UK.

The most popular payment choice is by direct debit (annual, quarterly or monthly) – 69% of people used this method compared to 68% the previous year.

Trends in payment choices

Our website relaunch has proved a success in boosting online sales. 2.1 million licences were sold using the web which accounts for 26% of sales,* a 16% increase on last year and 31% increase on two years ago.

The number of e-licences, when people receive their licence electronically rather than through the post, has passed the million mark. A total of 1.1 million were sold, compared to 886,000 the previous year – an uplift of 20%.

Our cash schemes go from strength to strength. Licences bought by cash instalments rose to 7.6% from 7.2%, with a big surge in payments made by text. Some 35,000 payments are made monthly by text, representing a 75% increase for the year.

Ways people pay

% of licences issued by payment channel ie excluding free over 75 licences

68.9% Direct debit (annual, quarterly, monthly)

8.7% Credit/debit cards

7.6% Payment Card

7.2% PayPoint (full fee by cash/card)

4.8% Cheque/cash via post

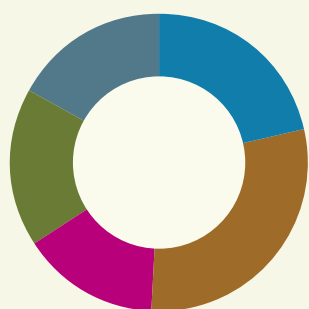
2.6% Savings Card

0.2% Pay by home banking

0.1% Cheque/cash at Post Office on Jersey, Guernsey and Isle of Man

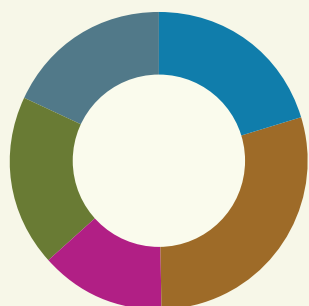
* Excluding DD Renewals and Over 75 sales which are renewed automatically.

Tackling evasion



Social grade distribution of properties needing a licence - licensable base

AB	21.59%
C1	29.48%
C2	14.78%
D	17.25%
E	16.90%



Social grade distribution of unlicensed properties

AB	20.34%
C1	29.39%
C2	13.68%
D	18.56%
E	18.03%

Despite tough economic conditions we have been successful in keeping evasion low at 5.2%, the same as last year. Evasion represents £196 million of lost income to the BBC.

We have achieved this by working hard at targeting evaders, whom we pursue on behalf of the honest majority of payers.

Our field force of enquiry officers all carry a hand held device which links them to our database and has helped them to be more efficient in the visits they carry out.

Operating costs

Our operating costs have increased very slightly this year. This is due to some one-off projects, such as changing to 03 telephone numbers, and the very low level of interest rates has had an impact on revenue received on savings card income.

Costs of collection

	2007/08		2008/09		2009/10	
	£m	% of costs	£m	% of costs	£m	% of costs
Costs including call centres, field force, detection and over-the-counter services*	87.3	71.8	88.4	73.7	93.8	74.3
Depreciation of new systems	1.2	1.0	1.1	0.9	2.2	1.7
Communications including reminders and information	22.6	18.6	22.3	18.6	18.0	14.3
Postage	9.1	7.5	7.1	5.9	8.4	6.7
Administration, contract management and projects**	1.4	1.2	1.0	0.8	3.8	3.0
Total	121.6		119.9		126.2	

Historical evasion†

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Evasion Rate	5.6%	4.9%	4.7%	4.8%	5.2%	5.2%	5.2%	5.2%
Collection Costs	5.5%	5.4%	5.2%	4.9%	4.1%	3.6%	3.4%	3.5%
Total	11.1%	10.3%	9.9%	9.7%	9.3%	8.8%	8.6%	8.7%

* Including cost rebate from government for Over 75 licences.

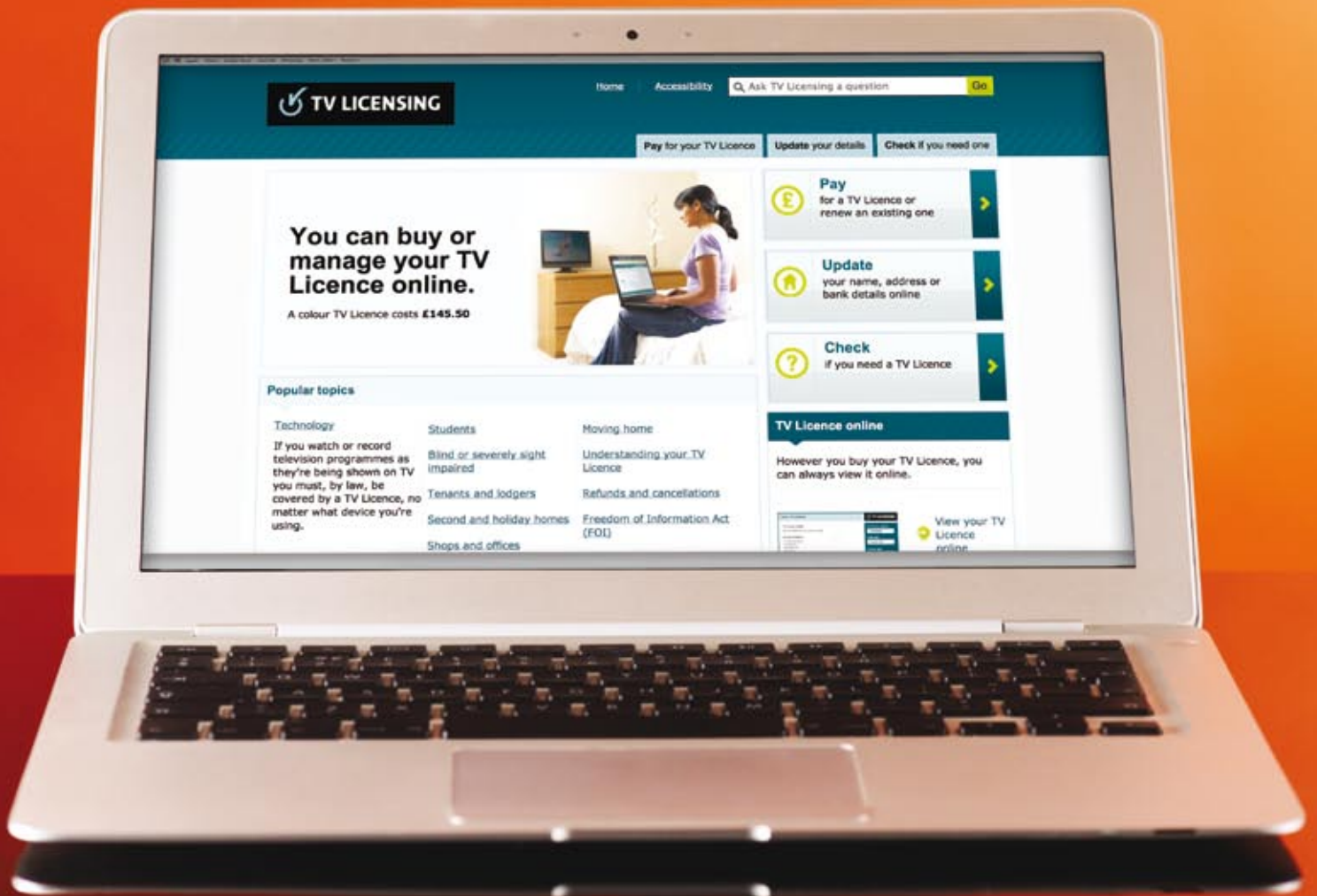
**This includes offsetting of interest received against costs.

† Restated using latest assumptions.



100%

Our enquiry officers are now all equipped with handheld devices. These give them instant access to our vast database, which is the cornerstone of efforts to keep evasion low.



40%

Total visits to the website were 10.18 million, a 40% increase on last year. Sales through the website were 2.2 million, 1.44 million people asked for information and 578,000 changed their details via the site.

Ways we reach payers

3,213

Calls to TV Licensing requesting translation

183

Translated languages offered

Awards

Sabre award – win

IPRA golden awards – shortlisted

CorpComms Digi Award – shortlisted

We aim to reach every adult with our messages. We inform people when they need a TV Licence and how simple it is to buy one, we remind people when they need to renew, we let people know how our database identifies unlicensed addresses and we tell them about how to use our website.

The main ways we communicate are by letter, via the call centre, using our website, using advertisements and with award-winning public relations.

Technology

We have been harnessing technology to improve efficiency whenever possible. Our enhanced website is a fine example of this as people can now change details, have their queries answered, buy a licence or view their licence online.

The work of our enquiry officers, who were all equipped with handheld devices by the start of the financial year, is now much more efficient. They are able to carry out many more visits than previously, in part thanks to live access to the database provided through the devices.

Technology is also changing the way people watch television. Viewers can watch programmes on their TV set, on their computer, laptop, or even their mobile phone. We have been working to raise awareness that watching programmes as they are shown on TV on any device – at home or at work – needs a licence.

Letters

Most of our communications with customers is done by letter, although we are increasingly using email. The majority of customers renew when they receive a reminder in the post. For those who fail to renew, we write again using a stronger tone.

Our website

We relaunched our website in October 2009 with greatly enhanced functionality. The number of visitors during the year was 10 million, up 40% on the previous year.

Advertising

We launched a new advertising campaign in January 2010, called Push a Little Button. The campaign emphasised how easy it is to use the website for all your TV Licensing needs. The theme tune was released for download due to popular demand.

Call centre

Our main call centre handled 7.9 million calls, a decrease of 11.2%. This shift reflects more customers using the website and a drive to improve the quality of our service, meaning fewer people call with queries. Of these calls 33% were dealt with by automated services, while the remainder were handled by call centre agents.

Ways we reach payers continued

“Everything we do at Mencap is about valuing and supporting people with a learning disability – and a big part of this means working with organisations such as TV Licensing to make sure that information is presented in a useful and accessible way for them. We were very happy to work with TV Licensing to help update their information resources. The new easy read materials are a great resource for people with a learning disability and we are happy they will now more easily be able to get important information on how to buy a licence.”

Estelle Bloom, Accessibility Officer, Mencap

“It is important that our front line advisers have access to the latest payment options and I welcome TV Licensing’s efforts to both offer a broad range of flexible payments methods but also to communicate them openly with the money advice community.”

Seonagh Perrie, Money Adviser, Clackmannanshire Council

Stakeholders

As part of encouraging people to be correctly licensed, we work closely with a range of stakeholders, including organisations which advise and speak for those on limited incomes. We are thankful to these stakeholder organisations for the help they give us in spreading our information. This year we had contact with 51 national organisations and 600 local organisations. The national organisations include: Age Concern/Help the Aged, MENCAP, Advice UK, CAB, RNIB, RNID, National Debtline, Shelter, Institute of Money Advisers, directgov and Debt Advice Network.

Our translation service – which enables people to find out about the TV Licence in their own language – proved popular again. The service, which offers 183 languages, received 3,213 calls, compared to 3,973, a decrease of 19% from the previous year but up by 25% from the year before. More than half the calls – 54% – were for requests to speak in Polish.

Complaints

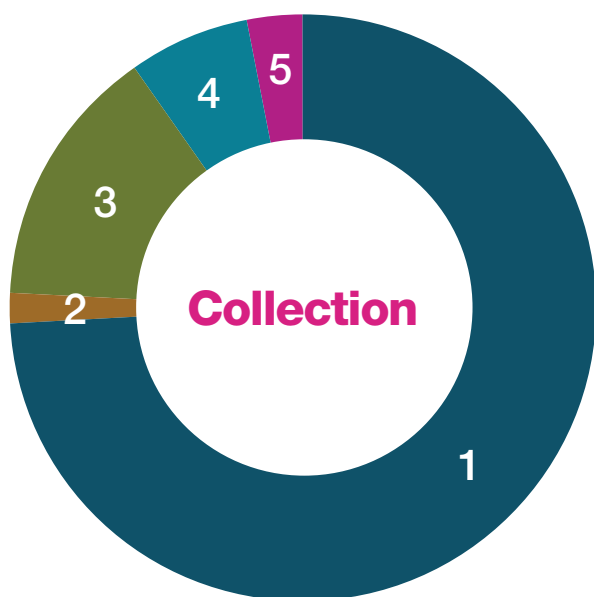
Our increased emphasis on quality of service is also borne out by the reduction in the number of complaints. There were 29,900 complaints, a decrease of 16% compared to the previous year. An example of the changes we have made is our policy for those who let us know they do not need a licence. After we have been notified we will not write again for almost two years and will just contact them then to check if circumstances have changed. People often ask us why we visit homes after we have been told this. We do so because when we make contact on such visits one fifth of people are found to need a licence. This proportion is declining which is why, under the new policy, we only visit a sample of homes rather than aiming to visit all.

Translation service

Calls to TV Licensing requesting translation

Language	Total	Language	Total
Polish	1,761	Bulgarian	10
Portuguese	213	German	9
Punjabi	115	Japanese	8
Russian	106	Thai	8
Urdu	98	Albanian	5
Arabic	95	Greek	5
Spanish	82	Korean	5
Slovak	81	Nepali	4
Hindi	68	Vietnamese	4
Turkish	63	Amharic	3
Czech	52	Dari	3
Bengali	51	Dutch	2
Lithuanian	47	Haitian Creole	2
French	42	Indonesian	2
Mandarin	40	Pashto	2
Somali	39	Swahili	2
Cantonese	27	Armenian	1
Romanian	25	Burmese	1
Farsi	21	Croatian	1
Hungarian	20	Gaelic	1
Gujarati	19	Malay	1
Italian	19	Mongolian	1
Kurdish	17	Sinhalese	1
Latvian	17	Sorani	1
Tamil	12	Tagalog	1

2009/10 at a glance

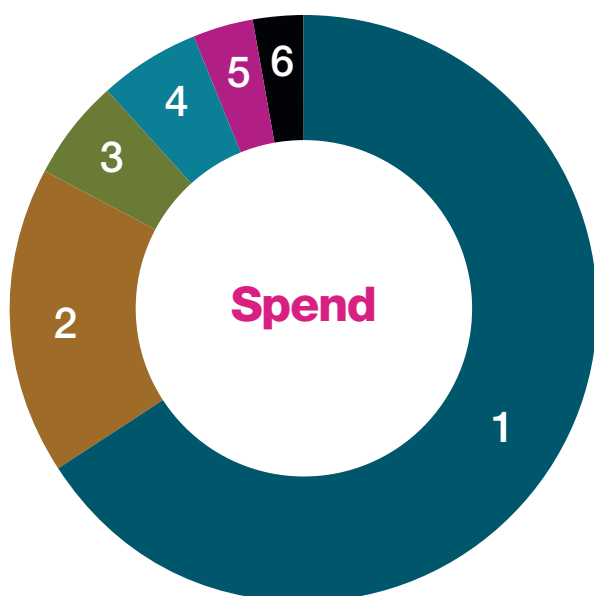


Collection

TV Licensing collected £3.6billion in revenue last year, an increase of £85million on the previous year.

A record number of more than 25 million licences are in force.

1. Costs including call centres, field force, detection and over-the-counter services*	£93.8m	74.3%
2. Depreciation of new systems	£2.2m	1.7%
3. Communications including reminders and information	£18.0m	14.3%
4. Postage	£8.4m	6.7%
5. Administration, contract management and projects**	£3.8m	3.0%
Total	£126.2m	



Spend

Last year, each household's colour TV Licence cost about £11.88 a month. On average this was how the money was spent:

Source	£/mth
1. TV	7.85
2. Radio	2.01
3. Online	0.67
4. Other	0.65
5. Collection	0.42
6. Digital – marketing and Help Scheme	0.28
Total	11.88

* Including cost rebate from government for Over 75 licences.

**This includes offsetting of interest received against costs.

How your licence fee is used

% licence fee spend by platform

66%

Television

17%

Radio

6%

Future Media

11%

Other

With a licence you are able to have peace of mind that you are legally watching programmes as they are shown on television, no matter which channel you view. The TV Licence pays for the BBC's wide range of domestic broadcasting and online services which are free from advertisements, shareholders or political interests.

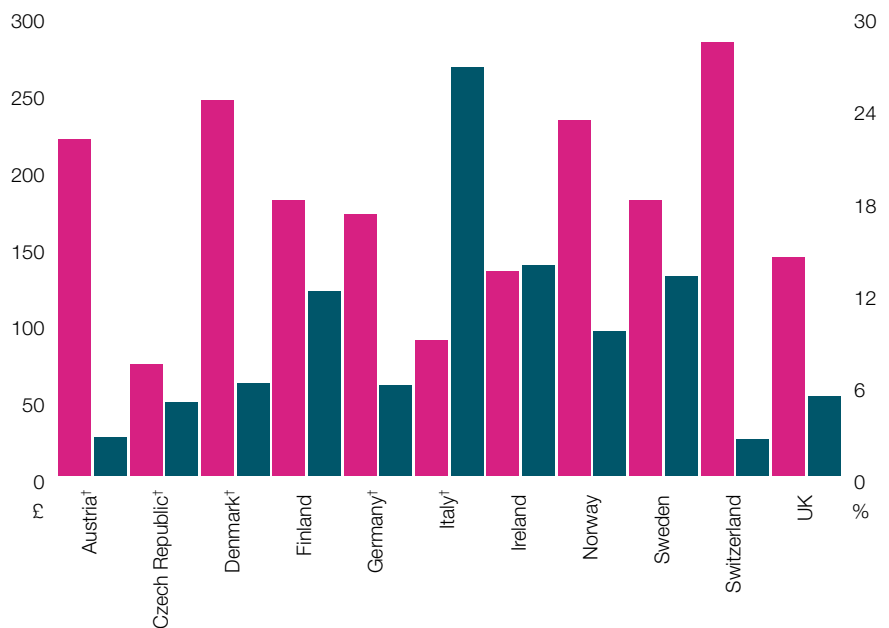
What does the licence fee provide?

The BBC creates, commissions and broadcasts more hours of original television and radio programming than any other broadcasting organisation in the world. All of this content – and the television channels, radio stations and online spaces where audiences can find it – are paid for by the TV Licence, meaning that the BBC's UK services can remain free of adverts, and independent of shareholder and political interest. By 2013, the BBC has committed to ensure that 90p in every licence fee pound goes into great content and getting it to the public.

Fee and evasion rates across Europe

■ Licence fee (£)

■ Estimated evasion rates (%)



† Indicates combined TV and radio licence. Broadcasting Fee Association, latest available figures.

Governance and compliance

'TV Licensing' is a trademark of the BBC, which is the Licensing Authority. The BBC Trust oversees the BBC and ensures that arrangements for licence fee collection are 'efficient, appropriate and proportionate'.

The Trust completed a review of licence fee collection which was published in March 2009. We implemented changes following their recommendations.

These included:

- reviewing our policy for those who inform us they do not need a licence and making it easier for them to let us know
- improving awareness of the law surrounding watching television on the internet
- revising early reminders to make sure they are easy to read, polite and non-accusatory
- introducing 03 in place of 0845 phone numbers

Freedom of Information (FOI) requests

We received a total of 145 FOI requests during the year, or an average of 12 per month.

This amounted to 8% of all those received by the BBC, but was a reduction of 23% from last year. We applied exemptions in around half of replies, the same level as last year. Exemptions most frequently used are those where 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.

Equality

BBC TV Licensing has three equality schemes: race, disability and gender.

Legislation

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

- Communications Act 2003. This allows the BBC to issue, cancel or modify TV Licences
- Communications (Television Licensing) Regulations 2004 (as amended annually). These set out the licence fee and describe what a TV Licence covers you for
- Data Protection Act (1998)
- Freedom of Information Act (2000)
- Regulation of Investigatory Powers Act (2000). This covers the lawful use of surveillance equipment to detect unlicensed use of television receivers

We have policies in place to interpret these regulations 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. We review policies as and when appropriate.

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.

“We are pleased to be supporting this important campaign again this year. With escalating living costs, a free TV licence can really help many of the older people on a low, fixed income who struggle to make ends meet. Everyone over 75, or approaching their 75th birthday, should make sure they apply for their free TV licence.”

Robert Taylor, Chief Executive, Age Cymru

“Ardoyne Association was delighted to work with TV Licensing on what is a very helpful and useful information campaign. It is extremely important that members of the public are fully aware of their legal obligations regarding TV Licensing and we are pleased to be able to help provide members of our community with the information they need to obtain a TV Licence.”

Elaine Burns, Manager, Ardoyne Association

“The presentation given to us was really useful for our staff as it gave them an unparalleled opportunity to clarify procedures and processes which may otherwise have been unclear. It was also interesting to hear about the community work that TV Licensing undertakes and the help that they give those who struggle to pay for their licence. Overall, a very informative and useful session.”

Cheryl Chesters, Wrexham Magistrates' Court

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Contact us

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 should either 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 enquiries.

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

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

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