

**OUR
ANNUAL
REVIEW**

2013/14



THE YEAR



“We’re indebted to more than 420 organisations which worked with us this year, and helped us to keep our customers licensed to enjoy the programmes they love.”

PIPA DOUBTFIRE

HEAD OF REVENUE MANAGEMENT, BBC TV LICENSING

Welcome to the TV Licensing Annual Review 2013/14. The review is a chance for us to look back at our performance during the year and reflect on the opportunities and challenges the year presented.

I’m pleased to say, despite a difficult economic environment, it’s been a very positive year for TV Licensing. The TV Licensing team collected £3.7bn in licence fee income, whilst also keeping evasion steady at between five and six per cent and reducing the cost of collection to an all-time low of 2.7p per £1 collected.

The last point is an important one as we know that, despite signs of recovery in the nation’s economy, people are still feeling the pressure on their household budgets.

So it’s absolutely paramount we collect the fee efficiently, seeking value for money in all aspects of our work.

At the same time as driving down our costs, we continued with our extensive work to help people to pay for a licence. We worked with partner organisations up and down the country to reach those people who might struggle to pay for a licence, for whatever reason. Partnerships are invaluable in helping us to meet the needs of our customers – an incredibly diverse 25m licence holders all around the UK. We’re indebted to more than 420 organisations which worked with us this year, and helped us to keep our customers licensed to enjoy the programmes they love. We look forward to strengthening ties in the coming year and beyond.

REVENUE

£3.7bn

EVASION

5 to 6%*

LICENCES IN FORCE

25.4m

COST OF COLLECTION

2.7p PER £1 COLLECTED

*TV Licence evasion can only be estimated within a range. This is because evasion is calculated using a number of input figures, some of which are estimates. Only changes of one percentage point or more are statistically significant.

TEAMS

'TV Licensing' is a trademark used by companies contracted by the BBC to collect the licence fee. Our organisation is made up teams of experts across a wide range of areas including website management, customer services, field services and marketing, both within our contracted companies and at the BBC, which retains overall responsibility for TV Licensing. Last year our teams collected £3.7bn of licence fee income, whilst keeping evasion low at five to six per cent and the cost of collection the lowest ever at 2.7p per £1 collected.



OUR TV LICENSING PARTNERS INCLUDE CAPITA (RESPONSIBLE FOR CUSTOMER SERVICE CENTRES, PAYMENT AND WEB SERVICES AND ENFORCEMENT), PAYPOINT (PROVIDES OVER THE COUNTER WAYS TO PAY), PROXIMITY (RESPONSIBLE FOR MARKETING AND PRINTING SERVICES) AND COMMUNISIS (PROVIDES OUR POSTAL SERVICE). THESE ORGANISATIONS ARE LED BY A SMALL TEAM AT THE BBC.

CUSTOMER SERVICES

Our customer service team deals with enquiries from our customers, ranging from simple queries to complaints. Last year our customer service centres answered **6.4m calls** from our customers, up from 6m the previous year.

The team handled **1.2m enquiries sent by post** and responded to **448,000 customer emails**.

As well as responding to enquiries, the team also deals with customer payments. Whilst the majority of our customers (almost 72 per cent) pay by Direct Debit, we offer a wide range of ways to pay. During the year the team processed **523,900 cheque payments**.

The team works to improve service and reduce complaints. Overall **complaints were down 10 per cent** on the previous year.

OUR THREE UK-BASED CUSTOMER SERVICE CENTRES ANSWER

21

CALLS PER MINUTE

PRESTON

DARWEN

BRISTOL



JACQUI KENNEDY
 Director, Regulation and Enforcement, Regulatory Services, Birmingham City Council

TV Licensing is working alongside our initiative, the Financial Inclusion Partnership in Birmingham, to make people aware of various schemes in place designed to suit a range of financial circumstances and offering ways to spread the cost of a licence.

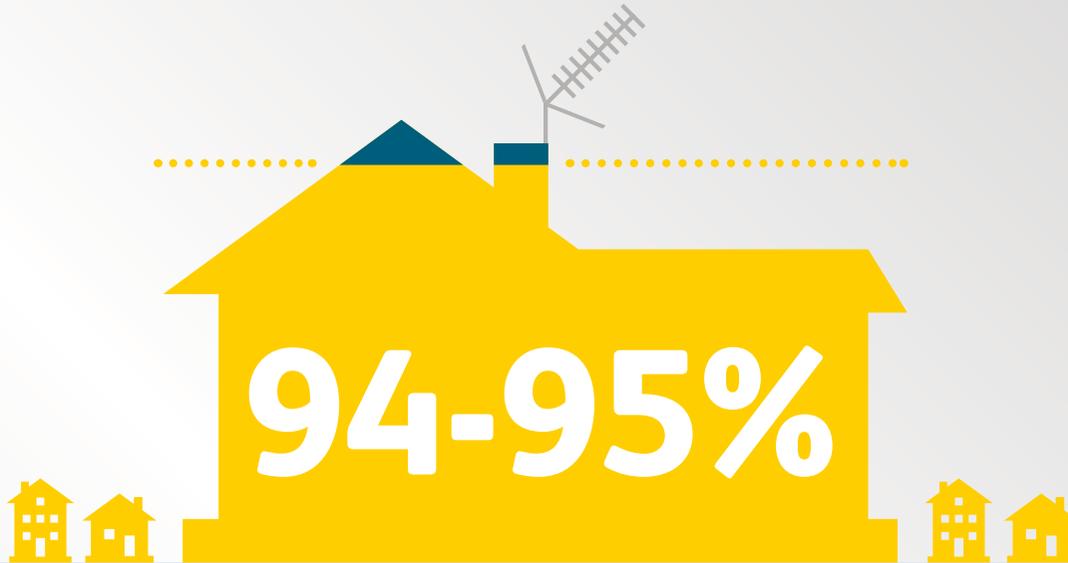
FIELD

Our enquiry officers make visits to unlicensed properties where we have had no record of response to our previous attempts to make contact. Last year the team made **3.8m visits**, with each officer conducting **36 visits a day** on average.

Officers also visit some properties where a declaration has been made saying no licence is needed and, when they make contact on these visits, a proportion is found to need a licence.

The handheld devices officers use during visits have recently been updated. The new devices allow access to more information about an address, and have GPS tracking giving officers greater security as they go about their work.

Enquiry officers can use detection as a last resort when other ways of enforcing the fee have been exhausted. The Office of Surveillance Commissioners regulates the use of detection equipment.



94-95%

**BETWEEN 94 AND 95% OF
HOMES AND BUSINESSES
ARE CORRECTLY LICENSED**



BABLIN MOLIK

Project Officer, Sight Cymru

We worked with TV Licensing for this year's annual Minority Ethnic Communities (MEC) Health Fair. The event always attracts so many people from various communities and was the perfect setting for TV Licensing to share information about concessions available and easy ways to pay. Those who attended benefited from having someone from TV Licensing to talk to on the day and, in many cases, were able to take information home in their language of choice. We look forward to working with TV Licensing on future MEC events.

MARKETING

Our marketing team makes sure our customers have their TV Licences, up-to-date payment plans, and reminders when they are due to renew or have missed a payment. The team use a wide range of channels to communicate with our existing customers, and to reach new audiences such as students.

Letters are one of the main ways we contact people, particularly if we don't have an email address we can use. However, we're always looking to reduce our use of paper wherever we can.

Almost 5m of our customers have now consented to receive information from TV Licensing by email.

The team constantly tests the most effective approaches and this year trialled emailing instead of sending letters to customers who cancelled their Direct Debit, missing payments. We have now rolled this out, resulting in cost savings and around almost a quarter of a million fewer paper letters being sent each year.

Age UK also helped the team to fine tune letters aimed at people aged over 75 who had not claimed their free TV Licence.



**WE USE A WIDE RANGE OF CHANNELS
TO CONTACT CUSTOMERS
5M OF OUR CUSTOMERS RECEIVE
INFORMATION FROM TV LICENSING
BY EMAIL**



MARIE GILMORE
Manager, Magherafelt
District Advice Service

Magherafelt District Advice Service provides free and impartial advice to all sectors of the community and we are always seeking new opportunities to help inform people about their rights and responsibilities. We have developed an effective partnership with the TV Licensing community relations team which is adding to the broad range of money advice we are able to deliver for the community.

WEB OPERATIONS

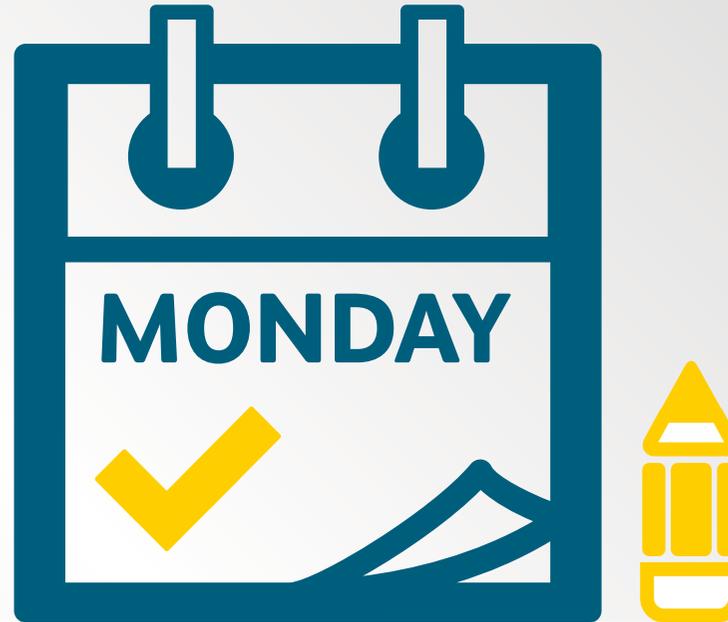
The web team makes sure the website performs well and is easy to use for our customers. Increasingly, the site is the first port of call for customers to buy a licence, to update their details or simply to find information. As well as refreshing the content on the site so people can find what they are looking for easily, the team is always looking to improve the site.

A new, faster, version of the site recently launched which for the first time enables our cash scheme customers to pay via the main site.

We aim for as many of our customers as possible to be able to carry out their transaction smoothly, without needing to contact us by phone or email. Improvements to the site, and our work to help more people transact online, have seen more visits than ever before, **up 10 per cent** (17m) on the **previous year**, and the number of licences bought online increase by **2.4 per cent** (to 2.8m)

Additionally, **20 per cent of our customers** now choose to have an e-licence, foregoing a traditional paper licence altogether.

The most visited page on the site is the “Your Licence” page, where customers can view and amend their licence. The site has information in in 16 other languages, the most popular being Polish, Spanish and Chinese.



LAST YEAR THE TV LICENSING WEBSITE HAD 17M VISITS. MONDAY IS THE MOST POPULAR DAY OF THE WEEK FOR OUR CUSTOMERS TO VISIT THE WEBSITE.



ESTHER STUART

Disability Information and Equipment Manager, The Disability Resource Centre, Bedfordshire

At the Disability Resource Centre Bedfordshire, we provide free information and advice services to disabled people and carers. We have met and worked with TV Licensing in order to inform our staff and clients about the rules behind the TV Licence and what’s needed to ensure people are correctly licensed. With many disabled clients having to deal with challenging situations on a daily basis, providing them with the right information on TV Licensing, the simple ways to pay and the concessions available, makes their lives far easier. The presentation TV Licensing gave was very informative, helping us to communicate all the necessary information

PUBLIC RELATIONS

The Public Relations (PR) team works UK-wide to raise awareness about when a licence is needed and the many ways to pay. The team leads our stakeholder engagement programme which involves liaising with money advice charities, universities, local authorities, and community groups all over the country.

The team also works with the media and uses digital channels to reach as wide an audience as possible. Through their efforts, the team reached **82 per cent of the population** via the media with important information about when a licence is needed and how to pay.

The TV Licensing official YouTube channel launched in May 2013, and was used to great effect as part of our Excuses campaign, which featured animations bringing to life the far-fetched excuses our staff have heard from customers for not having a TV Licence. The films have collectively gained over **140,000 views** and the campaign has been shortlisted for industry awards.

Our fourth annual **TeleScope report** was published this year, looking at the nation's viewing behaviours, with a particular focus on children's viewing habits and the special nostalgia of children's TV. Bespoke videos were produced showing the voice artists behind some favourite children's TV characters finding their voice. You can watch the series on our [YouTube channel](#).



WE REACHED
82%
OF UK ADULTS THROUGH OUR PROACTIVE MEDIA WORK



ROSEMARY SLEITH
 Employment and Financial Inclusion Manager, Next Step Initiative

There is a large African community in Scotland and we offer a range of services to cater for this audience, particularly in the Glasgow area although we welcome contacts country-wide. Some of our key services are financial inclusion and money advice, employability, climate change and community engagement. Money advice is becoming increasingly important and we aspire to have a fully functioning outreach service operating as part of the Next Step Initiative. To that end it is helpful to receive information from TV Licensing which maps out the legal position and payment options.

POLICY AND FREEDOM OF INFORMATION

Our policy team develops policies to interpret the legislation covering our work for practical use, ensuring the policies are legally correct, fair to the customer, appropriate, and proportionate. Many of our policies are available on our [website](#).

During the year our Welsh Language Scheme was approved by the Welsh Language Commissioner, following consultation with the public and stakeholder organisations in Wales.

The team responded to an average of 17 requests per month for information under the Freedom of Information (FOI) Act. Responses to frequently asked FOI requests are published on our [website](#).

The policy team also works to make sure our services are accessible and reflect the different needs of our diverse audience. The TV Licensing Equality and Diversity action plan can be found on the [BBC website](#).



KATE MILNER

Development Officer,
Liverpool Citizen's Advice
Partnership

Anything that TV Licensing can do to assist vulnerable, low income social housing tenants to manage this essential outgoing is, I believe, to be welcomed. Our volunteers will now be able to advise tenants that there are realistic alternatives and payment plans they can consider.

WE ANSWERED 2,261 CALLS MADE TO
OUR WELSH LANGUAGE HELPLINE

PARTNERS

Our extensive social inclusion programme targets hard-to-reach and low income communities, helping to raise awareness of when a licence is needed, the many ways to pay and the consequences of watching TV while being unlicensed. We do this by engaging with national and local organisations which provide trusted advice and support to people in these communities. A large part of this involves partnering with advice organisations and debt management charities. This year we also strengthened ties with local authorities, housing associations, and with community organisations which represent people from migrant and ethnic minority groups.

This year we worked with:

- **66 national and 360 local organisations** across the UK, including; **185 money advice organisations, 48 housing associations** and **18 minority group organisations.**

Throughout the report, representatives of some of the organisations we partnered with this year talk about the work we've done together.



JANET MORRISON

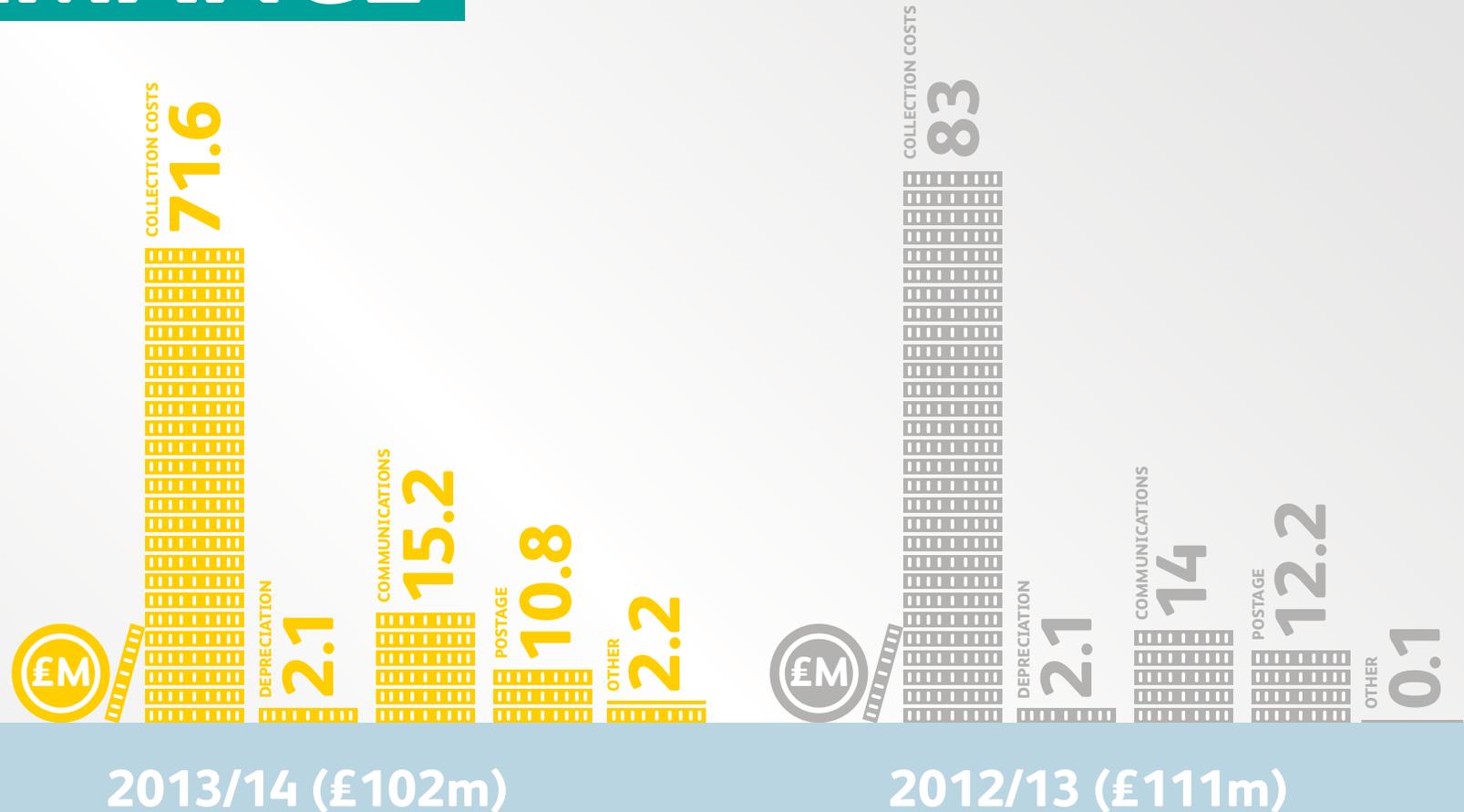
Chief Executive,
Independent Age

The fact that nearly half of older people consider the TV to be their main form of company shows just how important television can be for them. Many older people may find it difficult to get out and about due to ill health or mobility problems so the entertainment, not to mention the information provided by the TV, can be a real lifeline. We would encourage anyone aged 75 or over to apply for their free TV Licence if they haven't already done so. With many older people living on low incomes, the free TV Licence is a valuable concession and the saving made could make a real difference to an older person.

PERFORMANCE

COST OF COLLECTION

The cost of collecting the fee was £102m, down from £111m. This equates to **2.7p in each £1 collected**, down from 3p last year, and 6.2p in 1991, when the BBC took over responsibility for collecting the fee.

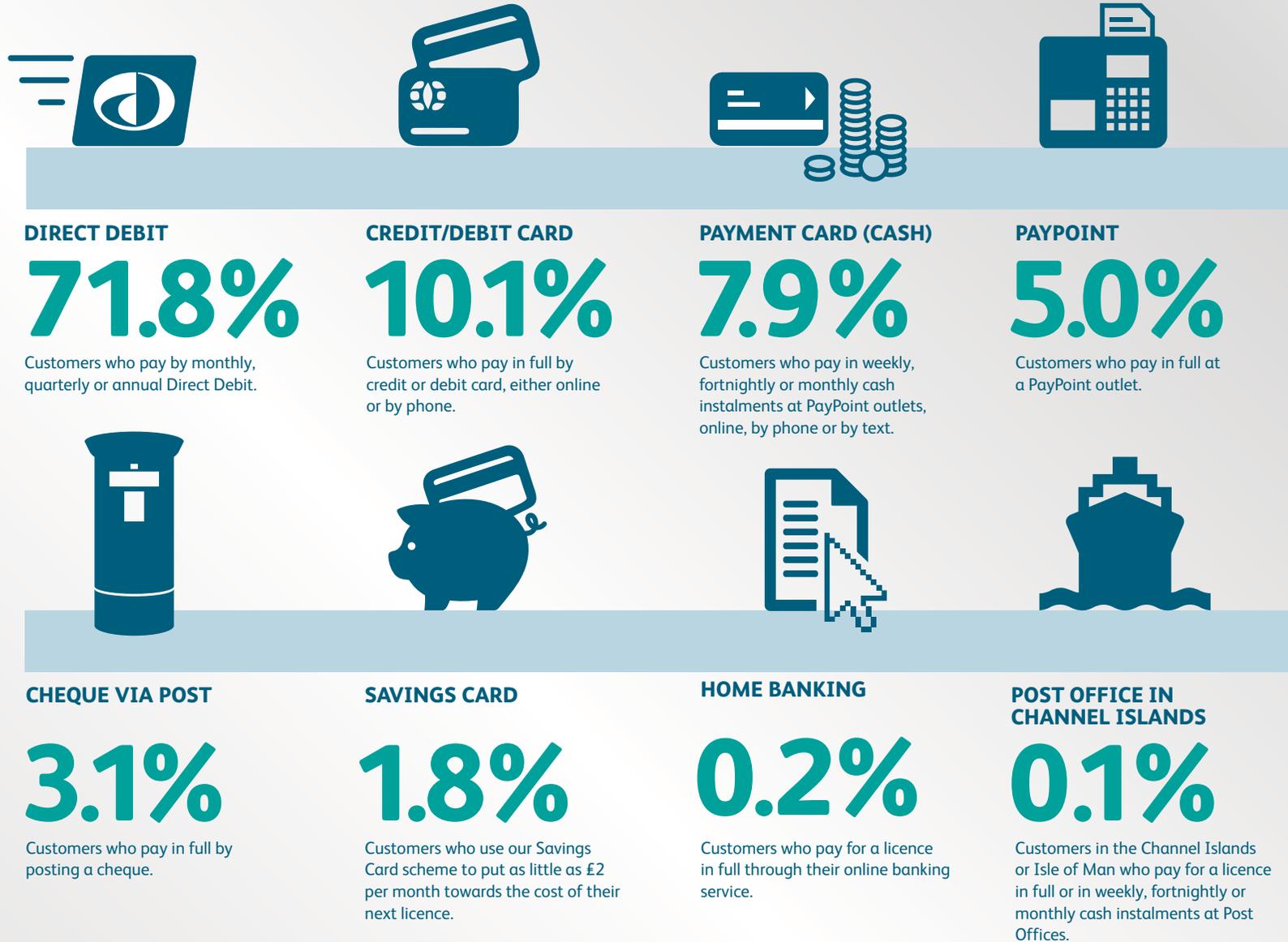


THE COST OF COLLECTION EQUATES TO 2.7P FOR EACH £1 COLLECTED.

PAYMENT TYPES

We know not everyone can pay the full fee up front. We offer a range of ways to pay to help customers to spread the cost of a licence. Our most popular payment method is Direct Debit, **almost 72 per cent**¹ of our customers pay this way. We continue to provide a range of other payment methods - including paying with a debit or credit card online or by phone, paying in full or by small cash instalments at a PayPoint outlet or by putting a cheque in the post.

¹ This does not include those customers with free over 75 licences.



EVASION

We work hard to make sure people know when they need a TV Licence and how to pay. If people are struggling to keep up with their payments, we will do all we can to help them to get back on track and to stay licensed. We will however, take action against people who deliberately evade the fee. The rate of evasion has remained low for the past five years, at around the same level of **five to six per cent**. This is one of the lowest evasion rates in Europe, and is **three times lower than the level of 18 per cent estimated by licence fee payers**.

Every unpaid licence is income that could have been used for BBC programmes and services, and this year evasion represented between £196m and £235m in lost income to the BBC.

THE RATE OF TV LICENCE EVASION HAS REMAINED LOW AT AROUND 5 TO 6 PER CENT. THIS IS 3 TIMES LOWER THAN THE LEVEL OF 18 PER CENT ESTIMATED BY LICENCE FEE PAYERS.

5 to 6%
EVASION RATE*

INCOME COLLECTED
94 to 95%

*TV Licence evasion can only be estimated within a range. This is because evasion is calculated using a number of input figures, some of which are estimates. Only changes of one percentage or more are statistically significant.

CONTACT US

Members of the public can contact us via our website www.tvlicensing.co.uk/contactus by calling **0300 790 6131** or by writing to TV Licensing, Darlington DL98 1TL.

You can follow us on Twitter [@TVLicensingNews](https://twitter.com/TVLicensingNews) or find us on YouTube at www.youtube.com/tvlicensing

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

You can read our latest news releases at www.tvlicensing.co.uk/mediacentre

Those contacting TV Licensing on behalf of a charity or community group can call our Campaign Office on **020 8752 6537** or email campaignoffice@tvlicensing.co.uk 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**

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ABOUT THE LICENCE FEE

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 applies no matter what device is being used, whether a computer, tablet, smartphone or anything else. The government sets the level of the licence fee and it is frozen at its current level of £145.50 until 31 March 2017. A black and white TV Licence is £49.

There are concessions, set by government, available for people who are aged 75 or over, blind or severely sight impaired and those living in qualifying residential care and who are disabled or over 60. More detailed information about when a licence is needed can be found on our [website](#).

The licence fee is the BBC's main source of funding. You can find more information about how the fee is spent on the [BBC website](#).

ABOUT TV LICENSING

'TV Licensing' is a trade mark of the BBC and is used under licence by companies contracted by the BBC to administer the collection of licence fees and enforcement of the television licensing system. The companies all work under contract to the BBC, which has overall responsibility. The BBC Trust oversees the BBC and ensures arrangements for licence fee collection are 'efficient, appropriate and proportionate'.

OUR PARTNER ORGANISATIONS IN 2013/14

The following specialist organisations use the 'TV Licensing' trade mark, led by a small team at the BBC.

- Capita Business Services – customer service centres, payment processing, web services, and enforcement.
- PayPoint – over the counter ways to pay (or Post Office in the Channel Islands and Isle of Man)
- Proximity London – marketing and printing services
- UK Mail – postal service (until December 2013)
- Communis – postal service (from January 2014)