



Department
for Culture
Media & Sport

Response of the Secretary of State for Culture, Media and Sport to the TV Licence Fee Enforcement Review

Presented to the Houses of Parliament pursuant to Section
77(3) of the Deregulation Act 2015

October 2015

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Background

The question of how the failure to hold a television licence is enforced is an issue of public and Parliamentary importance. A television licence is required in order to watch all live or nearly-live television content on any device in the UK. Failure to hold a TV licence when required is a criminal offence under section 363 of the Communications Act 2003, punishable by a fine of up to £1000.

Section 77 of the Deregulation Act 2015 places a duty of the Secretary of State to carry out a review of the sanctions that are appropriate for failure to hold a TV licence.

The Act also requires the Secretary of State to lay before both Houses of Parliament a report setting out the response to the review within three months of its completion. This report is required to include a statement as to whether the Secretary of State proposes to exercise powers under section 78 (1)(a) or (b) of the Act to make regulations for alternative sanctions and, if so, an outline of the steps to be taken and when.

The Review

On the 9th September 2014, the then Secretary of State announced an independent review into TV Licence Fee Enforcement to consider whether the sanctions currently in place for failure to hold a TV licence are appropriate and fair, and whether the current regime represents value for money for licence fee payers and taxpayers. The review was led by David Perry QC and assessed options for amending the current enforcement regime, including those for decriminalisation of TV licence evasion offences. The review considered whether these options would represent an improvement, based on the following key considerations:

- a. Value for money for licence fee payers and taxpayers in enforcement of the failure to have a TV licence, including operational, revenue and investment costs of the enforcement regime to the BBC and to the court system.
- b. Fairness for all licence fee payers, and effectiveness in deterring evasion.
- c. Proportionality and ease of enforcement.
- d. Degree to which the regime is easy to understand by all.
- e. Where appropriate, practical considerations for effective transition from the current regime to a different one.

Recommendations of the TV Licence Fee Enforcement Review

The outcome of this independent review was a report laid before Parliament on the 16th July. The review made the following nine recommendations:

1. While the current licence fee collection system is in operation, the current system of criminal deterrence and prosecution should be maintained.
2. TV Licensing should explore ways to target unlicensed household visits more effectively, to increase the likelihood of an enquiry officer making contact with occupiers.
3. The BBC and the Department for Culture, Media and Sport should explore ways to investigate and consider the gender disparity in TV licence prosecutions.
4. The Department for Culture, Media and Sport, in conjunction with the BBC, should explore ways of amending the current regulations to allow simple and flexible payment plans for those facing difficulty in paying the licence fee.
5. Consideration should be given to the introduction of a requirement for cable and satellite TV companies to share their subscription information with TV Licensing in order to improve the investigation and enforcement process.
6. TV Licensing should consider increasing the transparency of its prosecution and enforcement policy, and provide clearer guidance to those at risk of prosecution. This guidance could take the form of a code detailing the steps that will be taken before prosecution, including the public interest considerations that will be applied when deciding whether to prosecute. Any such code should be published and made available to suspected evaders at the earliest possible opportunity in the enforcement process.
7. TV Licensing should consider changing the tone and content of its written communications with households so as to ensure that they are expressed in reasonable terms and can be easily understood.
8. When considering the structure of licence fee collection as part of the forthcoming Charter Review, a move towards a simpler system would assist in improving public understanding of what the licence fee covers.
9. The Charter Review should look at non-linear viewing as a matter of urgency. Consideration should be given to the inclusion of non-linear viewing within the licence fee framework.

Response to the Review

This report is an in-depth and insightful look at the issues relating to TV licence fee enforcement. Its conclusion that "while the current licence fee collection system is in operation, the current system of criminal deterrence and prosecution should be maintained" must and will be carefully considered.

I announced in July the start of the Charter Review process. This wide-ranging review of the BBC's Royal Charter looks at all aspects of the BBC, including reviewing the BBC's funding model to ensure that the BBC is funded appropriately, and examining any necessary methods of enforcement. It is therefore right that the issue of potential decriminalisation is carefully considered as part of the Charter Review, where the full range of options for the future of the BBC will be considered. The review carried out by David Perry QC has provided a fundamental contribution to this debate, and I can confirm that the issues highlighted, and the recommendations made, will continue to be considered in further detail during the Charter Review.

As this report will play a central role in the debate, I do not propose to make regulations under section 78 (1) (a) or (b) of the Deregulation Act 2015 at this time. This will be kept under review throughout the Charter Review and I will make a statement to the House taking a firm decision in due course as part of that process.

I welcome the BBC's commitment to implement all of the review's recommendations on how the BBC can improve its current enforcement policies within this Charter period, and to work with the Department on those recommendations requiring Government action.

I am pleased that the BBC is working to implement the recommendations to explore ways to target household visits more effectively, to consider increasing the transparency of TV Licensing's prosecution and enforcement policy, and to consider changing the tone and content of its written communications with households.

The review highlighted a gender disparity in TV licence prosecutions. 70% of those prosecuted for TV licence evasion are women, though the review found no basis to conclude that TV Licensing's practices were directly or indirectly discriminatory. The Government will work with TV Licensing to explore this disparity, and this is something that will be taken into consideration through Charter Review. The Government will also work with the BBC to explore whether it would be appropriate for regulations to be amended to allow TV Licensing to adopt simpler and more flexible payment plans to help those on low incomes who have difficulty paying for their TV licence.

It was also recommended that cable and satellite TV companies share their subscription information with TV Licensing in order to make investigations more accurately targeted at licence fee evaders, and less intrusive for licence fee-paying households. The Government will consider the feasibility of this recommendation through the Charter Review process. Similarly, as the Perry Review has suggested, a simpler regulatory framework would help the public to understand when a licence is or is not needed, and this must also be a subject for consideration during Charter Review.

On the subject of non-linear viewing, the Government is already committed to reform. I have already announced my intention to modernise the licence fee to include public service broadcast catch-up TV.

Conclusion

I am most grateful for the experience and expertise that Mr Perry brought to the review, which ensured that it was carried out in an appropriate, fair, and professional manner. The TV Licence Fee Enforcement Review has made a thorough, insightful and informative contribution to the BBC Charter Review debate and to consideration of the future of the TV licence fee enforcement regime. I intend to give its conclusions further consideration through the Charter Review and I will bring any further matters in this area to the attention of Parliament through the Charter Review process.

ANNEX A: SUMMARY OF RESPONSE TO RECOMMENDATIONS

Perry Review Recommendation	Response
1. While the current licence fee collection system is in operation, the current system of criminal deterrence and prosecution should be maintained.	<ul style="list-style-type: none"> The Government will consider this recommendation as part of the Charter Review, where the full range of options for the future of the BBC will be considered.
2. TV Licensing should explore ways to target unlicensed household visits more effectively, to increase the likelihood of an enquiry officer making contact with occupiers.	<ul style="list-style-type: none"> The Government welcomes the BBC's commitment to implement this recommendation.
3. The BBC and the Department for Culture, Media and Sport should explore ways to investigate and consider the gender disparity in TV licence prosecutions.	<ul style="list-style-type: none"> The Government will work with the BBC to explore this disparity, and this will be taken into consideration through Charter Review.
4. The Department for Culture, Media and Sport, in conjunction with the BBC, should explore ways of amending the current regulations to allow simple and flexible payment plans for those facing difficulty in paying the licence fee.	<ul style="list-style-type: none"> The Government will work with the BBC to explore whether it would be appropriate for regulations to be amended to allow TV Licensing to adopt simpler and more flexible payment plans to help those on low incomes who have difficulty paying for their TV licence.
5. Consideration should be given to the introduction of a requirement for cable and satellite TV companies to share their subscription information with TV Licensing in order to improve the investigation and enforcement process.	<ul style="list-style-type: none"> The Government will consider the feasibility of this recommendation through the Charter Review process.
6. TV Licensing should consider increasing the transparency of its prosecution and enforcement policy, and provide clearer guidance to those at risk of prosecution. This guidance could take the form of a code detailing the steps that will be taken before prosecution, including the public interest considerations that will be applied when deciding whether to prosecute. Any such code should be published and made available to suspected evaders at the earliest possible opportunity in the enforcement process.	<ul style="list-style-type: none"> The Government welcomes the BBC's commitment to implement this recommendation.

<p>7. TV Licensing should consider changing the tone and content of its written communications with households so as to ensure that they are expressed in reasonable terms and can be easily understood.</p>	<ul style="list-style-type: none"> • The Government welcomes the BBC's commitment to implement this recommendation.
<p>8. When considering the structure of licence fee collection as part of the forthcoming Charter Review, a move towards a simpler system would assist in improving public understanding of what the licence fee covers.</p>	<ul style="list-style-type: none"> • This must also be a subject for consideration during Charter Review.
<p>9. The Charter Review should look at non-linear viewing as a matter of urgency. Consideration should be given to the inclusion of non-linear viewing within the licence fee framework.</p>	<ul style="list-style-type: none"> • The Government is already committed to reform on the subject of non-linear viewing, and the licence fee will be modernised to include public service broadcast catch-up TV.

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