**BBC Response to Public Account Committee’s Fifty-ninth Report of Session 2016-17**

This document notes the Public Accounts Committee’s (PAC) findings in the BBC Licence Fee report (Fifty-ninth Report of Session 2016-17) and welcomes the National Audit Office (NAO) finding in their report on TV Licence Fee Collection that the BBC has reduced collection costs by 25 per cent in real terms since 2010-11 and increased revenue for programmes and services to £3.74 billion in 2015-16.

**Recommendation 1:** The BBC should re-assess what is an appropriate evasion target, reporting back to us about this by October 2017, and about how it intends to reduce licence fee evasion.

The BBC aims to re-evaluate the evasion target taking into context; the certainty of funding from the licence fee for the next Charter period, the change in law so that a licence is needed for BBC programmes on iPlayer, and that the Government has agreed with the conclusions of the TV Licence Enforcement Review, conducted by David Perry QC, not to decriminalise licence fee evasion.

The BBC Board will consider a current, realistic and achievable evasion target and report this to the Public Accounts Committee as suggested in October 2017.

**Recommendation 2:** Having recently extended its contract with Capita, the BBC urgently needs to ensure that the company improves its performance on enforcement visits, sorting out its recruitment and retention problems, and examining more routinely the appropriateness of officers’ conduct.

As stated in the BBC Executive response to the NAO’s Licence Fee Collection recommendations, the BBC will review, in conjunction with Capita, our strategy to improve the effectiveness of its field activity in generating licence fee sales and catching evaders. This will include how performance of enforcement visits can be improved, as well as recruitment and retention and review of compliance. The Field Strategy will be presented to the BBC Board in March 2018.

Published correspondence between Tony Hall, Director-General, BBC and Andy Parker, Chief Executive, Capita confirms Capita has conducted an internal review into the Field Operations for TV Licensing and gives assurances from Capita on officer conduct. The correspondence identified two further areas for Capita where TVL Field Operations can enhance their approach through more proactive monitoring of the field and further use of technology to demonstrate adherence to policies.

**Recommendation 3:** The BBC should act on the review it is carrying out jointly with DCMS into gender disparity in TV licence enforcement, and update the Committee within three months of that review concluding with full details, including a timetable for the changes it plans to make.

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1. Published 24 April 2017
2. Published 23 January 2017
3. Published July 2015
The Licence Fee Unit has reported on its findings into gender disparity to the Director-General and Deputy Director-General and has also briefed the Department for Digital, Culture, Media and Sport. We will update the committee in October 2017.

Our work suggests that the factors governing this are largely societal. Household composition is an important factor in the disparity as there are more female only households than male only households, women are more likely to be home when an officer visits even when visits are made across evenings and weekends, and women are more likely to answer the door and engage with an officer.

**Recommendation 4:** The Department for Culture, Media & Sport should review additional charges for quarterly direct debit payments. In the meantime, the BBC should more actively communicate the range of payment options to customers, particularly when trials of more flexible payment plans are complete.

The Government is responsible for regulating the payment schemes by which the licence fee can be paid.

The BBC is transparent about the payment options available to licence fee payers and is active in communicating payment methods via its letters, emails and online. Those not wanting to pay the premium for quarterly Direct Debit can choose monthly or annual Direct Debit. Vehicle tax payments also attract an additional premium as the DVLA levies an additional 5% charge for monthly and quarterly payments. At every point of contact with licence fee payers, the range of payment scheme options are made available to them and TV Licensing has worked with more than 450 stakeholder organisations in the past year to provide information on payment.

The BBC is also transparent about the additional income received from the premium and the amount, £16m, is published annually in the BBC Report and Accounts and the [Licence Fee Trust Statement](#).

Nevertheless, the BBC will continue to look for further opportunities to describe payment options when communicating with licence fee payers.

**Recommendation 5:** If the BBC decides to press ahead with its plans to accept voluntary payments from those aged 75 and over, it should develop a careful communications approach, and pilot it thoroughly before full implementation.

The BBC has previously announced it will provide an opportunity for individuals to make voluntary donations and so make a contribution to the cost of the BBC’s services. In such circumstances we would develop a careful communications approach ahead of implementation.

**Recommendation 6:** The BBC should urgently establish fresh plans to update its ICT systems and, as soon as possible, provide the Committee with a clear timetable, accompanied by estimates of the costs and benefits it expects from these improvements.

A paper on the Licence Fee Unit’s IT strategy was approved by the BBC Board in July 2017. A detailed plan will be sent to the BBC Board in December 2017 which the Board will consider before reporting to the PAC in 2018.