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*From the Private Secretary*

1 August 1990

*Dear Colin*

BBC LICENCE FEE EVASION

The Prime Minister has seen the Home Secretary's minute of 31 July. The Prime Minister remains strongly opposed to criminal sanctions and unpersuaded by the arguments advanced in favour of retaining the sanctions. She will want to return to the subject with the Home Secretary when both are back from the August break.

I am sending copies of this letter to the Private Secretaries to members of MISC 128, to Tim Sutton (Lord President's Office), Gillian Kirton (Lord Privy Seal's Office), Paul Stockton (Lord Chancellor's Office), Jeremy Heywood (Chief Secretary's Office, HM Treasury) and to Sonia Phippard (Cabinet Office).

*Yours ever*

*Dominic*

Dominic Morris

Colin Walters, Esq.,  
Home Office.

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He will return to report your work



Prime Minister

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PRIME MINISTER

① Almost identical arguments to those made last year (though the measures on p 3 are an improvement). Whether the Home Office now

DECriminalISATION OF TELEVISION LICENCE FEE EVASION say these arguments will continue to be deployed until or unless the licence fee is abolished / there is a technical solution (eg. decoders) to its enforcement.

② Consider to accept the Home Secretary's judgement? or Do you want a meeting with him before drafting on the Criminal Justice Bill is finished?

You will recall that last year we considered a recommendation of the Home Affairs Select Committee that the offence of television licence fee evasion should be decriminalised and treated as a civil debt, in the same way as water and other public utility charges. We concluded that although there were no objections in principle, the practical difficulties in adopting such a procedure were substantial. In the absence of any means for the BBC to disconnect supply to non-payers, evasion and late payment could be expected to increase, putting pressure on us to allow a compensatory increase in the licence fee. At our bilateral on 17 November we therefore agreed to leave things as they were for the time being, but to keep the matter under review in the context of next session's Criminal Justice Bill.

(Minute attached)

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31/7

2. Since then we have carried out more work on the issue, which has included further discussions with the public utilities and further discussion with the Lord Chancellor's Department on the possible impact on the civil courts. We have also been conscious that the Public Accounts Committee are likely to report shortly that levels of evasion and revenue loss are already too high and that greater efforts must be made to reduce them.

3. The utilities' view remains firmly that the threat of disconnection is an essential sanction - far more effective than court proceedings, which they regard as expensive, time-consuming and frequently unproductive. Research into the TV licensing arrangements suggests that it is largely the threat of criminal prosecution and public perception of the likely size of the fine - compared to the cost of a licence - which persuades the potential evader to obtain a licence. There is another problem. A criminal fine relates to a single act, whereas a civil debt relates to the period of evasion which can be proven; and it might be difficult to prove use over a long time. The sum

awarded by the court would frequently, therefore, be no more - or even less - than the cost of one annual licence. A fine, on the other hand, can be over five times as much as the licence fee. Many more licence payers would take the risk of evading or deferring payment. Furthermore, in many cases it would be uneconomic for the TV Licensing Organisation to pursue court action. They would have to write cases off, further reducing the deterrent effect.

4. There would also be greater problems for the civil courts than we previously identified. LCD have looked carefully at the practicalities of applying a civil debt regime to licence evaders. As a result of various recent initiatives and Parliamentary measures, a great deal of extra work is already expected to fall on the county courts. TV licence evaders are not quick to pay fines imposed by the criminal courts, and they would not provide an easy enforcement task for the civil courts. In the circumstances, LCD could not support decriminalisation.

5. For all these various reasons, therefore, I do not believe that for so long as the BBC depend so heavily on the licence fee income, and while they do not have the ability to withhold the service from particular viewers, we can take the risk of removing the key sanction against non-payers and late payers.

6. I should add that even if the policy presented no problems, use of the Criminal Justice Bill would. The pressures on the Parliamentary timetable for 1990/91 are already severe, and I am conscious of Geoffrey Howe's strictures about the need to limit the scope of that Bill. Decriminalisation provisions would open up the Bill to amendments on a range of other civil law matters; and they would also be contentious in their own right - provoking wide ranging debate about the future of the BBC well before the Charter review is due. I can accordingly foresee severe business management problems if we were to try to include measures on decriminalisation in the Bill.

7. I accept, of course, that we should not rule out removal of the criminal sanction in the longer term; and the issue must be properly aired in the run-up to the renewal of the BBC's Charter in 1996. In the meantime, we are making every effort to



limit the resentment some people feel about criminal liability for non-payment of sums of this kind. In particular, we are doing our best to make payment easier for the less well off. In addition to existing saving stamps and credit card payment arrangements, we are now promoting our new budget payment scheme hard. This enables viewers to obtain a licence on payment of the first of four quarterly instalments; it is no longer necessary to pay for a full year's licence in advance. The scheme is proving very popular. Half a million people have already joined, and over one million are expected to have signed up by the end of the year. We are also in practice using prosecution as a measure of last resort. Most evaders now first receive three written warnings; action against first time offenders is withdrawn provided they buy a (short dated) licence; and the decision to prosecute has now been vested in more senior management in the Television Licensing Organisation to ensure better and more consistent decision-taking. In addition, we are working on schemes to encourage dealers and manufacturers to remind people buying TV sets of the need for a licence.

Copies of this minute go to members of MISC 128 and to Geoffrey Howe, John Belstead, James Mackay, Norman Lamont and Sir Robin Butler.



31 July 1990

