



NUJ response to the DCMS consultation on decriminalising TV licence evasion

February 2020

1. Decriminalisation of the licence fee will inevitably affect the income of the corporation; the BBC estimates it would lead to a loss of £200m, media consultant Enders Analysis has suggested the shortfall could top £500m. The BBC is already having to shed more jobs – 500 in the last tranche announced. This must be put in the context of the BBC's role in the wider creative industry. The BBC generates £2 in economic value for every £1 of the licence fee it receives. Its revenue will be put under further strain when it takes on payment of licences for the over-75s licences.
2. The NUJ is extremely concerned about Downing Street sourced briefings resulting in a quote in a Sunday Times splash which said: "We are not bluffing on the licence fee. We are having a consultation and we will whack it. It has got to be a subscription model. They've got hundreds of radio stations; they've got all these TV stations and a massive website. The whole thing needs massive pruning back."
3. The NUJ's initial response to the announcement of the inquiry into decriminalisation was a statement by Michelle Stanistreet, NUJ general secretary: "This quick and dirty consultation over decriminalisation of the BBC licence fee is a deliberate and ideologically motivated act of sabotage on the part of the Tory government. It will undermine the core ethos of public service broadcasting and the principle of universality at a stroke. Likening the BBC to Netflix and raising Blockbuster video from the dead are meaningless red herrings that bear no comparison. Nor is this anything to do with care for the tiny proportion of individuals who end up with fines for non-payment for a service that reaches 91 per cent of the British public every week. It's about dismantling the BBC and its values as we know it, with no care for the catastrophic impact it will have on jobs and the breadth and quality of programming and journalism that emanates from the BBC. If there is to be a debate on whether the licence fee is the best model of funding, let's have that, and explore credible alternatives that enable public service broadcasting to flourish. This consultation and the implementation of decriminalisation – which the next two months of going through the motions is designed to facilitate – will not achieve that, and nor is it intended to."
4. The BBC's remit is to educate, inform and entertain. It is a universal service with nine out of ten people using the service. It is expected to cover all regions and all sections

of society, regardless of the commercial imperative. Most people use the BBC and therefore should pay for it.

5. The BBC will soon be celebrating its 100th birthday. To compare it with the loss-making, American media-services provider and production company Netflix is specious. Will Netflix still be here in even five years' time? Netflix does not produce news, investigative journalism, run one of the world's premier music festivals, local radio or a world-envied global news station. The BBC is free from shareholder pressure, advertiser influence and the chase for ratings. It is Europe's biggest provider of media and creative skills training and an essential driver of the creative industries, which bring in £100-plus billion to the UK.
6. If people do not pay their licence fee, the service cannot be cut off in the way electricity or other utilities can be. The Perry review on the same issue reported just five years ago. While the media landscape has changed, the legal system has not. David Perry QC made a forensic study of a range of different options – including a fixed penalty scheme, a civil monetary penalty or to decriminalise and enforce as a civil debt – and concluded that the current regime represented a “broadly fair and proportionate response” to the problem of evasion and provided good value for money for licence fee payers and taxpayers. He said the present system was an effective deterrent and moving to a civil system would increase evasion and would be more expensive to recoup. He recommended a move towards a simpler system to assist in improving public understanding of what the licence fee covers and ways to make it easier to pay it.
7. The reality is that imprisonment is available in certain limited circumstances where a fine is unpaid and where the offender either wilfully refuses to pay or is guilty of culpable neglect. One in three fines are less than £100.
8. The government passed on the payment and policy of free licences for the over-75s to the BBC as part of the last secretly-agreed licence deal; the corporation subsequently decided to restrict the concession to those only in receipt of pension credit. The government now poses the scenario of over-75s being sent to prison. While this seems highly unlikely, there is an easy solution. This concession should be returned to where it belongs, as a benefit administered and paid by the Department for Work and Pensions.
9. Figures released in response to parliamentary questions show that in 2018, no-one was imprisoned for the non-payment of a magistrates' court fine arising from a conviction for not paying for a TV licence; this number was five in 2017, 21 in 2016, and 23 in 2015. According to a June 2019 response, since 2014 no one over the age of 75 has been imprisoned for non-payment. People sent to prison are often those who have not paid a number of fines, including non-payment of the licence.
10. In December 2019, more of the public picked the licence fee as the best way to fund the BBC than either advertising or subscription. Funding the BBC through advertising would draw money away from commercial broadcasters, such as ITV, already under threat from the dominance of Facebook and Google in securing the advertising market.

11. The other major difference to when the Perry review was carried out is the so-called i-player loophole has been closed, but this should not have a material effect on the fairness or otherwise of the enforcement regime.
12. The issue of loss of revenue if decriminalisation goes ahead has also been raised by Plaid Cymru's DCMS spokesperson Jonathan Edwards who said: "S4C is largely funded these days via the license fee and the BBC itself is the main provider of broadcast news in both of the national languages of Wales." He was concerned that adequate resources would still be available to maintain this service.
13. When the announcement of this consultation was made, ministers, including the Prime Minister and then Secretary of State for Digital, Culture, Media and Sport had already signalled their intention to look at changing the funding model of the BBC. The subsequent "briefings" make this consultation a mockery. The NUJ calls on the DCMS to halt this inquiry now.
14. By carrying out this inquiry now, the government lays itself open to the claim that this is merely a backdoor route to dismantle the BBC. By going down the decriminalisation route, the government is sending a signal that licence fee payment is voluntary. The NUJ asks why does this government seems hellbent on destroying one of the UK's most-loved organisations?

Inquiry questions

1. **Should TV licence evasion (the use or installation of a television receiver without a TV licence) no longer be a criminal offence? Why do you consider that TV licence evasion should no longer be a criminal offence?**

No

2. **If, alternatively, you consider that TV licence evasion should remain a criminal offence, why is this the case?**

The NUJ does not support a change to the present situation. As the Perry review discovered, making it a criminal offence [not to pay the fines imposed by a magistrates' court in the case of a TV licence] has been a good deterrent against evasion. The NUJ believes decriminalisation would make it more likely that people will not pay their TV licence. Unlike utility bills, the BBC cannot cut off its service if people do not pay for it. Estimates of the cost to the BBC of a change to the system range from £200m-£500m. This will have a knock on effect on the services the BBC provides and could lead to more job losses.

3. **If you have a view, what alternative enforcement scheme models do you consider to be most appropriate? Why?**

The Perry review looked at a range of alternative enforcement models and concluded that the current regime represented a "broadly fair and proportionate response" to the problem of evasion and provided good value for money for licence fee payers and taxpayers. He said moving to a civil system would increase evasion

and would be more expensive to recoup. Nothing has changed, just five years later, to change that situation.

4. What steps could the Government take to mitigate any impacts that may result from decriminalisation of TV licence evasion?

Making up the BBC's income shortfall caused by decriminalisation.

5. Please provide any evidence you consider appropriate in answering these questions and any other information that you believe the Government should consider, especially where there is an impact on those with protected characteristics or the most vulnerable.

Please see above.

The government's review of TV licence fee enforcement found no evidence of its enforcement having an unfair impact on those on low incomes; this view was backed by the Ministry of Justice. Magistrates can link the fine and its payment to the offender's financial circumstances. While the maximum fine is £1,000, the average is £176.