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HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

14 November 1989

Dear Danuta

BBC LICENCE FEE EVASION

file with DM

Thank you for your letter of 4 September setting out the Prime Minister's comments on Mr Hurd's minute of 1 September. You will also have seen the subsequent reactions from the Lord Chancellor and members of MISC 128.

The Home Secretary has reviewed his predecessor's proposals and all the arguments, and has concluded that now, when the Government is handling other controversial matters connected with the reorganisation of the commercial television system, would not be the right time to remove the criminal sanctions, and it would be far better to return to this issue in the context of the renewal of the BBC Charter in a few years' time. He also feels that, while recognising the considerable public hostility to the licence fee and the attractions of putting more pressure on the BBC to find other sources of revenue, the immediate effect of decriminalisation, and the resultant loss of revenue, would be pressure on the Government to increase the licence fee.

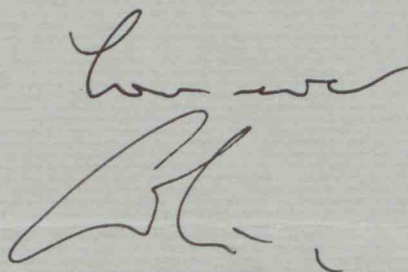
The Home Secretary does, however, strongly agree with the Prime Minister that criminal sanctions should be the last resort, not the first. Generally speaking, the current enforcement procedures follow that principle. Of 300,000 evaders detected last year, only 180,000 were prosecuted, and everyone receives at least two warning letters (in many cases it is three) before an enquiry officer calls to investigate the circumstances. Every effort is made even at that stage to secure payment voluntarily.

The Home Secretary has considered the suggestion from the Secretary of State for Scotland of possibly adopting the Customs or Inland Revenue practice of establishing a civil penalty by way of a higher payment for an evaded licence before resorting to prosecution. The Home Secretary is not convinced, however, that this would work in practice. There are sanctions available to the Customs and Inland Revenue, such as overnight detention or the threat of costly proceedings, which are not available to the television licensing system. The conclusion reached by our previous examination of fixed penalty arrangements was that the penalty would have to be set at about £200 to have an adequate deterrent effect, and a sum as high as this would not, in our view, be justified for an offence of this nature.

The Home Secretary believes, however, that there are some limited steps which might be taken to reinforce the principle that criminal sanctions should be a last resort. He proposes that in future the decision to prosecute should be taken at a higher level and vested in the regional rather than the local management of the Television Licensing Organisation. This would improve the quality of decision-making and ensure a greater uniformity in prosecution policy. He also intends to explore the possibility of issuing television dealers with standard leaflets, or manufacturers with standard stickers, so that a customer is made clearly aware at the point where he buys a new television set that he needs to obtain a licence.

The Home Secretary has asked officials to follow up these proposed improvements to the arrangements immediately so that they can be introduced at the earliest possible opportunity. On the assumption that the Prime Minister and colleagues are content with what is now proposed, the Home Secretary will write shortly to the Chairman of the Home Affairs Committee, Mr John Wheeler, to confirm the Government's decision that licence evasion should continue to remain a criminal offence for the time being. We shall also prepare for the Broadcasting Bill a provision to close the legal loophole associated with the "availability for use" of television receivers, but there need be no public reference to this.

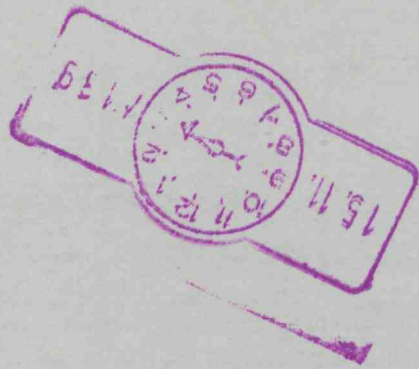
I am copying this letter to the Private Secretaries to members of misc 128, to Paul Stockton (Lord Chancellor's Office) and to Trevor Woolley (Cabinet Office).



C J WALTERS

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From the Private Secretary

14 November 1989

Dear Sara,

BROADCASTING BILL: CONTIGUITY

The Prime Minister was grateful for the Home Secretary's minute of 9 November. She is content with the proposed approach.

I am copying this letter to the Private Secretaries to members of MISC 128 and to Trevor Woolley (Cabinet Office).

*Yours,
Paul*

PAUL GRAY

Ms. Sara Dent,
Home Office

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