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SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

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NBPA to this stage.

The Rt Hon Douglas Hurd CBE MP
Secretary of State for Home Affairs
Home Office
50 Queen Anne's Gate
LONDON
SW1L 9AT

*RACC
m/s*

11 September 1989

Dear Douglas,

BBC LICENCE FEE EVASION

at final

Thank you for copying to me your minute of 1 September to the Prime Minister about the possibility of decriminalising the offence of evading payment of the BBC licence fee.

We have to strike a balance between the general thrust of our criminal justice policies towards decriminalising what ought to be civil debt issues, and the realities of the BBC's dependence on licence revenues, until we renew the Charter in 1996.

I have no doubt that our strategic objective should be to decriminalise such debts - as indeed we have done for evasion of the community charge, as well as the public utilities to which you refer - and we should certainly aim to reduce the BBC's dependence on criminal sanctions to raise revenue. But we have to recognise that to do this now would probably lead to an increase in the level of licence fee evasion and the financial pressures on the BBC. As you say, the BBC cannot employ the sanction open to other public utilities of cutting off supply, and the level of the licence fee is so low that the costs of civil proceedings are likely to far outweigh any proceeds - much more so than in the case of the community charge and public utilities where the level of debt may frequently run into hundreds of pounds. Moreover, given the enormous volume of small debt cases and the lack of media interest in them, one has to question whether the deterrent effect of being listed in a civil debt case will be nearly as effective as the threat of a fine. In Scotland, there are about 5,000 prosecutions a year for BBC licence offences, as compared with some 100,000 debt actions in the Sheriff Court. So I would agree that so long as we have to have the licence fee, we should ensure that it is effective, and we can review the matter as we run up to the Charter renewal in 1996.

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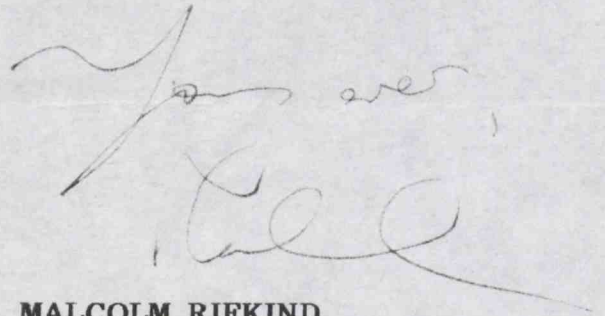
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However, as the Prime Minister says, the criminal sanction should be the last resort and not the first. Can we explore with the BBC or the Post Office ways in which the Enquiry Officers might encourage payment, before the ultimate sanction of criminal procedure is invoked? Perhaps we might also consider again whether some kind of civil penalty by way of a higher payment for an evaded licence (as in the Customs and Excise and Inland Revenue contexts) might be offered, before resort to prosecution?

I am content with your proposed amendment to make it an offence to maintain, as well as to instal or use, equipment without a licence.

I am copying this letter to the Prime Minister, the Lord Chancellor, other Members of MISC.128 and to Sir Robin Butler.

A handwritten signature in dark ink, appearing to read 'Malcolm Rifkind', written over a faint, larger signature that is partially obscured.

MALCOLM RIFKIND

BROADCASTING: Poling
R9

