



## BRIEFING PAPER

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# TV licence fee statistics

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## Summary

This briefing provides statistics on the TV licence fee and general television viewing trends. Licence fee concessions and payment amounts are set by Parliament under *the Communications (Television Licensing) Regulations 2004* (as amended). As described in a September 2017 NAO report: “People must be covered by a licence to watch or record live TV on any device, including computers and smartphones”<sup>1</sup>

Currently the annual **TV licence fee is £150.5 for colour** and £50.5 for black and white.<sup>2</sup>

## Key points

### **Licence fee revenues reached over £3.8 billion in 2018**

TV licence fee revenues grew from £3.51 billion in 2010/11 to £3.83 billion in 2017/18 (in cash terms).

### **Licence fee accounts for three-quarters of BBC funding in 2017/18**

Total BBC income in 2017/18 was £5.06 billion, 76% of which came from the licence fee revenues. The remaining 24% or £1.23 billion came from commercial and other activities (such as grants, royalties and rental income).

### **95% of households own a TV in 2018**

In January 2018, around 27.0 million or 95% of all households in the UK owned a TV set. The number of households owning a TV increased by 4.7 times over the last 60 years, compared to 1956 when only 5.7 million or 36% of all households had a TV.

### **TV licence evasion rose from 5.2% in 2010/11 to 7.0% in 2017/18**

The BBC’s Licence Fee Unit estimates for evasion showed the highest level in Scotland (10%) and Northern Ireland (9%). The evasion rate in England and Wales was around 6% in March 2016.

### **The number of free over-75s licences increased, but share of income was similar**

In 2017/18 there were 4.5 million licences for over-75s, an increase of around 14% compared to 2004/05. During the period between 2010/11 and 2017/18 the cost of TV licences for over 75s accounted for around 16-17% of the total licence fee income.

### **Audience share of the top 3 broadcasters decreased between 2007 and 2017**

The BBC’s share fell from 34% in 2007 to 32% in 2017, the ITV’s from 23% to 22% and Channel 4’s from 12% to 10%.

### **TV Licence fee in the UK was the 7<sup>th</sup> highest compared to other countries**

The TV licence fee in the UK was ranked 7<sup>th</sup> highest compared to other European countries in 2018. It was lower than in other countries with similar national broadcaster funding systems, such as Denmark (2<sup>nd</sup> highest), Norway (3<sup>rd</sup>) and Sweden (5<sup>th</sup>).<sup>3</sup>

### **Additional information**

More information about the Parliamentary debate on the TV licence fee is available in the [Debate Pack for the Westminster Hall debate on E-Petition 170931](#) (17.11.2017). Detailed information about TV licence fee collection, concessions and complaints is available on the [TV licencing website](#).

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<sup>1</sup> NAO, *TV licence fee collection*, 23 January 2017, p. 12

<sup>2</sup> TV licencing, *TV Licence types and costs*, accessed 7 January 2019

<sup>3</sup> IHS Technology, *TV licence fee collection in Europe*, 31 May 2013

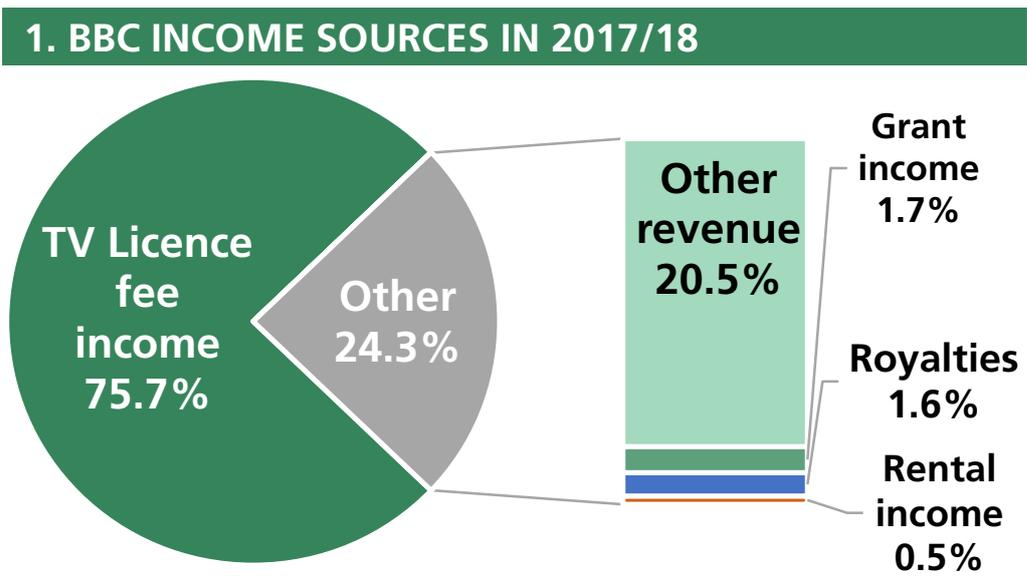
# 1. BBC Funding and TV licence fee

The TV licence fee is used to fund the BBC and other services including: Welsh broadcaster S4C and infrastructure projects such as delivery of superfast broadband.<sup>4</sup>

Data on BBC funding and TV licence fee revenues is available in [BBC annual reports](#).

Total BBC income in 2017/18 was £5.06 billion, 76% of which came from the licence fee revenues. Around 17% of TV licence fee income was reimbursed by the Department for Work and Pensions to cover the cost for residents aged 75 and over (See section 4 for more details).

Chart 1 shows that the BBC received around £3.83 billion or 76% of the total funding from the TV licence fee in 2017/18 a slight increase from £3.79 in 2016/17. The remaining 24% or £1.23 billion came from commercial and other activities (such as grants, royalties and rental income).<sup>5</sup>



Source: BBC, [BBC Annual Report and Accounts 2017/18](#), p. 190

<sup>4</sup> BBC, [BBC Annual Report and Accounts 2016/17](#)

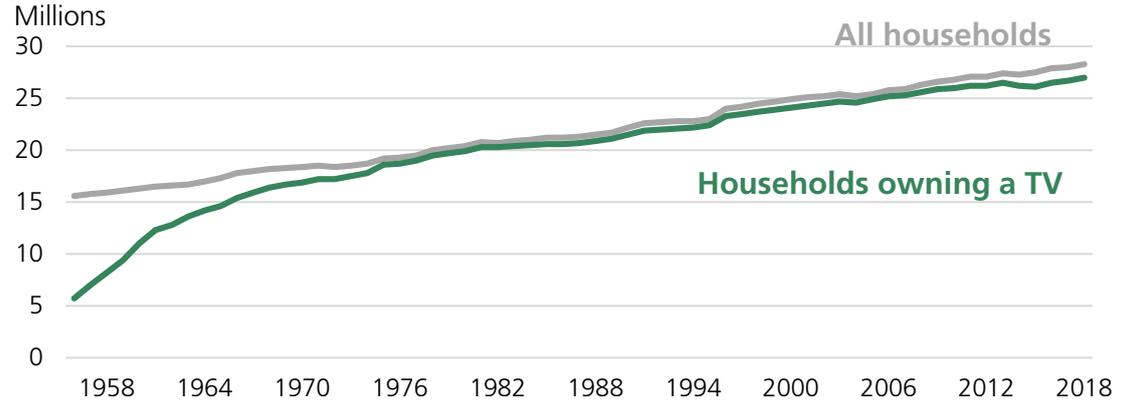
<sup>5</sup> BBC, [BBC Annual Report and Accounts 2017/18](#)

## 2. TV ownership and TV licence

### 2.1 Long-term rise and a recent fall in TV ownership

The Broadcasters' Audience Research Board (BARB) publishes data on TV ownership since 1956. This information can be accessed online in BARB website – [TV ownership section](#).

#### 2a. TELEVISION OWNERSHIP IN PRIVATE DOMESTIC HOUSEHOLDS



Source: TAM, JICTAR, BARB

In January 2018, around 27.0 million or 95% of all households in the UK owned a TV set. The number of households owning a TV increased by 4.7 times over the last 60 years, compared to 1956 when only 5.7 million or 36% of all households had a TV.

In recent years this proportion has fallen by just under four percentage points compared to 2005 when 98% of all households owned a TV receiver.

### 2.2 TV licence and TV ownership

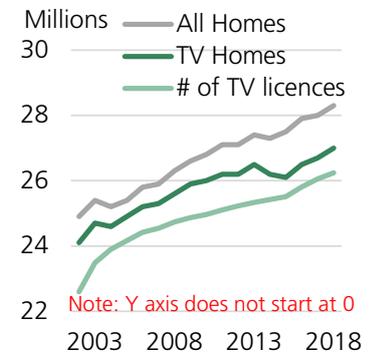
In 2017/18, there were around 26.2 million of TV licences in force. The number of TV licences was around 2% lower than number of homes owning a TV in 2018. This was 4% point decrease in difference compared to 2000/01 (caution should be taken when comparing these figures see chart 2b notes).

A person does not have to own a TV set to be required to pay an annual TV licence fee. The NAO states that:

“People must be covered by a licence to watch or record live TV on any device, including computers and smartphones. A new law in force from September 2016 also requires those watching or downloading BBC content on iPlayer to be covered by a valid TV licence.”<sup>6</sup>

For more information about the factors determining whether a licence is required please refer to NAO publication – [TV licence fee collection publication](#), figure 1 on page 13.

#### 2b. HOUSEHOLDS OWNING A TV & NUMBER OF TV LICENCES



Sources: BARB; BBC accounts

#### Graph 2b notes:

1. TV licence data shows total number of licences in force, rather than number of households with a licence. Some households may require more than one licence (like student accommodation)
2. TV licence figures are estimates of the number of licences in force and do not include concessionary licences.
3. Reporting month for TV ownership and TV licence data is different

<sup>6</sup> NAO, [TV licence fee collection](#), 23 January 2017, p. 12

## 3. TV licence fee collection

### 3.1 TV licence fee revenues

The TV licence fee concessions and payment amounts are prescribed by Parliament under the *Communications (Television Licensing) Regulations 2004* (as amended). As described in the NAO publication: “People must be covered by a licence to watch or record live TV on any device, including computers and smartphones”<sup>7</sup>

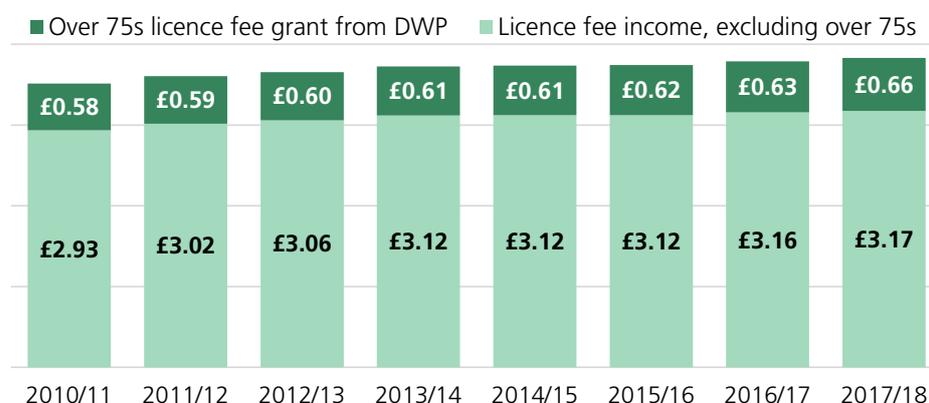
The majority of TV viewers under the age of 75 are required to pay the annual TV licence fee (See section 4 for information on TV licence concessions). The Department of Work and Pensions is responsible for covering the TV licence cost for those aged 75 and over. The BBC receives this income as a grant. The total value of DWP annual contribution is calculated based on: “the full cost of the relevant licence (colour or black and white).”<sup>8</sup>

From 2018/19 the BBC began to take on part of the responsibility for funding TV licence fees of those over 75, which had previously been met fully by the government.<sup>9</sup> The broadcaster will have to cover the full cost of these licences from 2020-21.<sup>10</sup> (See section 4.2 for more information).<sup>11</sup>

Data on TV licence fee revenues is available in [BBC annual reports](#) and the NAO publication – [TV licence fee collection](#).

Chart 3 shows TV licence fee collection revenues and over 75s licence cost reimbursement value from the DWP. TV licence fee revenues have grown from £3.51 billion in 2010/11 to £3.83 billion in 2017/18 (in cash terms). The share of DWP grant as proportion of total licence income rose from 16% to 17% since 2010/11. In 2017/18, TV licence cost for over 75s was around £0.66 billion, an increase from £0.63 last year.

#### 3. GROSS TV LICENCE FEE REVENUES, 2010/11 TO 2017/18 (£ billions)



Sources: [BBC Annual Report and Accounts 2010/11 - 2016/17](#) and [BBC Annual report and Accounts 2017/18](#)

<sup>7</sup> NAO, [TV licence fee collection](#), 23 January 2017, p. 12

<sup>8</sup> TV Licensing, [Licences facts and figures](#), accessed 7 January 2019

<sup>9</sup> Frontier Economics, [Review of Over-75s Funding – A report prepared for the BBC](#), November 2018, p. 6.

<sup>10</sup> BBC news, [BBC to fund over-75s' TV licences](#), July 2015

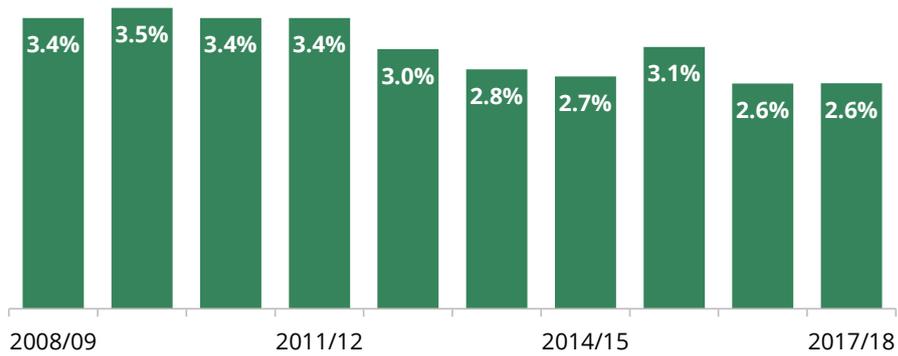
<sup>11</sup> BBC news, [BBC to fund over-75s' TV licences](#), July 2015

### 3.2 TV licence fee collection cost

Information about TV licence fee collection costs is available in the [BBC Annual Report and Accounts](#) publications.

Chart 4 shows the licence fee collection cost as proportion of total licence fee revenues.<sup>12</sup> The licence fee collection costs accounted for 2.6% of total income from TV licensing in 2017/18. This was almost one percentage point lower than the 3.5% for 2009/10.

**4. TV LICENCE FEE COLLECTION COST AS % OF LICENCE FEE INCOME**



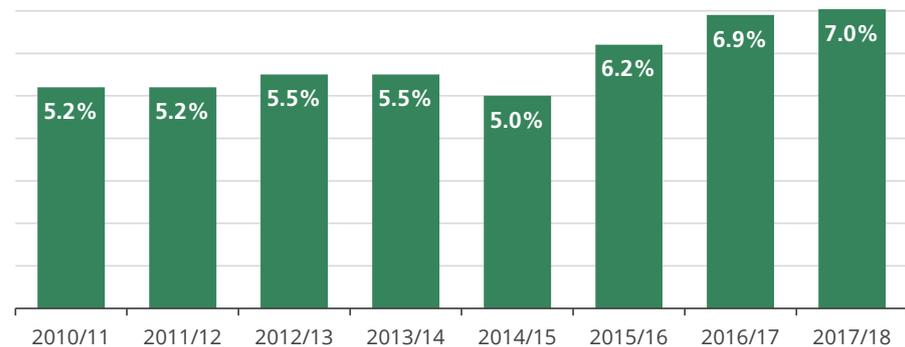
Sources: data for 2008/09-2014/15 TV licensing FOI response - [How is TV Licensing funded and what is the cost of collecting the TV Licence fee?](#); for 2015/16-2016/17 [BBC Annual Report and Accounts 2015/16 - 2016/17](#) and [BBC Annual report and Accounts 2017/18](#)

### 3.3 Licence fee evasion

The BBC’s Licence Fee Unit has estimated TV licence fee evasion rate using Broadcasters’ Audience Research Board (BARB) data.

Chart 5a shows that estimated licence fee evasion rate rose from 5.2% in 2010/11 to 7.0% in 2017/18.

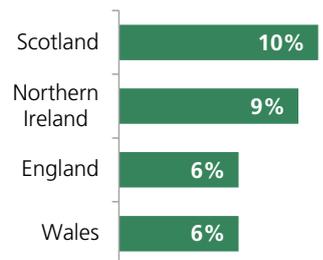
**5a. TV LICENCE FEE EVASION RATE**



BBC, [Television Licence Fee Trust Statement for the Year Ending 31 March 2018](#), Figure 5, p. 36

Chart 5b provides estimates of licence fee evasion rate by nation. In March 2016, the highest level of 10% was estimated in Scotland followed by 9% in the Northern Ireland. The TV licence evasion rate in England and Wales was around 6%.

**5b. TV LICENCE EVASION ESTIMATES BY NATION, MARCH 2016**



Source: NAO, [TV licence fee collection](#), 23 January 2017, p. 21

<sup>12</sup> Please note that total licence fee income include DWP licence fee reimbursement for over 75's

## 4. TV licence fee concessions

### 4.1 Types of concessions

The TV licence fee concessions regulated by the *Communications (Television Licensing) Regulations 2004* (as amended). Information about types of concessions is available on the [TV licensing website - Licences facts and figures section](#).

The main groups eligible for concessions include (see hyperlinks for more information):

- [People aged over 75](#)
- [Blind people \(severely sight impaired\)](#)
- [People in qualifying residential care homes and are disabled or over 60](#)
- [Businesses that provide units of overnight accommodation \(e.g. a hotel\)](#)

### 4.2 TV Licence for over 75s

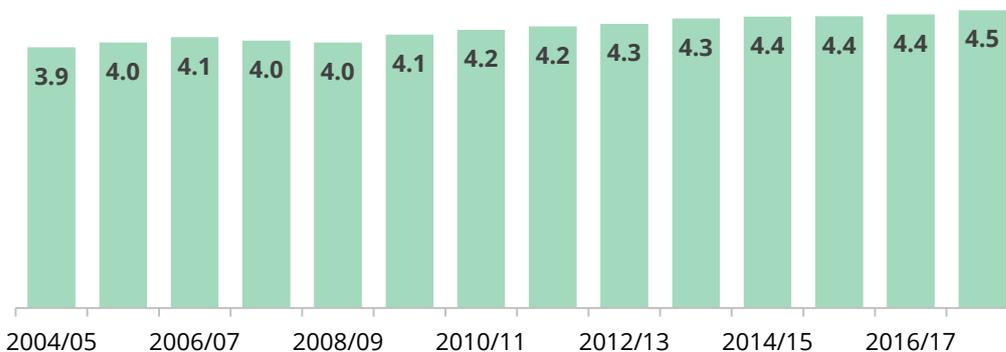
Since 2000 the DWP has covered the cost of TV licence for households with someone aged over 75.<sup>13</sup> In 2017/18, the cost of these TV licences accounted for around 17% of the total TV licencing revenues, this was a slight increase compared to 16% in 2004/05.

The BBC has published data on the number of free TV licences for residents aged 75 and over in an FOI request.<sup>14</sup> The latest figures are available in [BBC Annual Report and Accounts](#).

Chart 6 shows the number of free TV licences issued for people aged 75 and over. In 2017/18 there were 4.5 million licences, compared to 3.9 million in 2004/05. This was an increase of around 14% compared to 2004/05.

#### 6. NUMBER OF FREE OVER 75 TV LICENCES IN FORCE, 2004/05-2017/18

Millions of licences



Sources:

Data for 2004/05- 2014/15: FOI response published on [tvlicensing.co.uk](#)

Data for 2015/16-2016/17: [BBC Annual Report and Accounts 2016/17](#), p. 132

Data for 2017/18: [BBC Annual Report and Accounts 2017/18](#), p. 191

<sup>13</sup> Frontier Economics, [Review of over-75s funding](#), November 2018, p.17

<sup>14</sup> The BBC response to FOI: "[How many free, over 75 TV Licences are in force?](#)", this information is available on [TVlicensing.uk](#) website.

## Changes from 2018/19

From 2018/19 the BBC began to take on part of the responsibility for funding TV licence fees of those over 75, which had previously been met fully by the government.<sup>15</sup> The broadcaster will have to cover the full cost of these licences from 2020-21.<sup>16</sup> The legislative basis for this is section 89 of the *Digital Economy Act 2017* which amends section 365 of the *Communications Act 2003* (as amended).

In 2017/18, the TV licence cost for over-75s was around £0.66 billion, an increase from £0.63 last year. [Frontier Economics](#) analysis suggest that it could reach £0.75 billion in 2021/22 and would continue to rise due to aging population.<sup>17</sup>

In November 2018, the BBC launched a public consultation on age-related TV licence policy.<sup>18</sup> More information and associated documents are available on the [BBC website](#).

There are three key options outlined in the consultation document:

1. **To discount the cost of the licence fee for older households.** This would mean older households would pay something, but not the full amount. The consultation document includes scenario where households with someone over 75 would pay half the cost of a TV licence.
2. **To change the age at which households receive a free TV licence** to a different age above 65. The consultation document explains a scenario where all households with someone aged over 80 would receive a free TV licence.
3. **To means-test a licence fee concession for older people.** In this scenario the BBC would cover the cost of TV licence only to households with someone over 75 in greater financial need, by linking free licences to one of the Government's measures of pensioner income: Pension Credit.<sup>19</sup>

Detailed analysis of age-related TV licence funding is also available in the [Review of Over-75s Funding – A report prepared for the BBC](#) published by Frontier Economics.

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<sup>15</sup> Frontier Economics, *Review of Over-75s Funding – A report prepared for the BBC*, November 2018, p. 6.

<sup>16</sup> BBC news, *BBC to fund over-75s' TV licences*, July 2015

<sup>17</sup> BBC, *Age-related TV Licence Policy Public Consultation*, p. 20, 20 November 2018

<sup>18</sup> BBC, *BBC launches consultation on TV licences for older people*, 20 November 2018

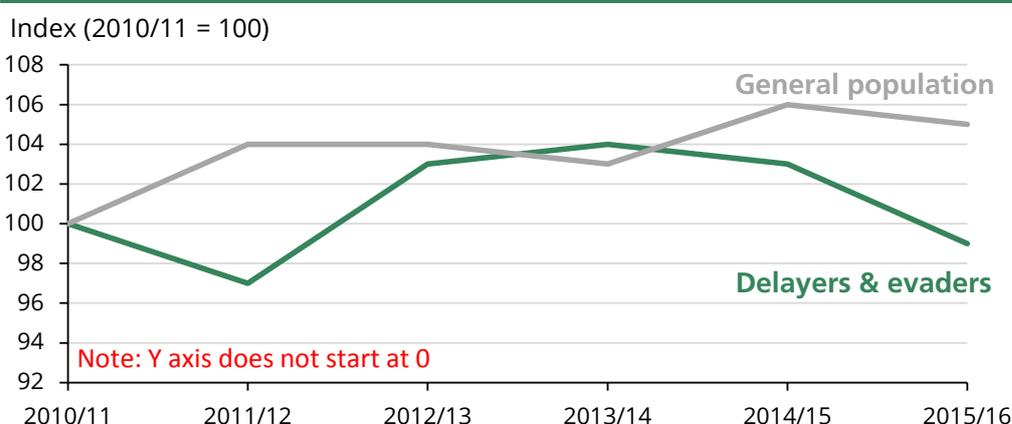
<sup>19</sup> *Ibid.* p. 52

## 5. Public opinion

### 5.1 Attitudes towards TV licensing

In 2010/11, [TV licensing](#) has developed an index which allows monitoring attitudes towards TV licensing. Data collection for this index was commissioned from Harris Interactive. These estimates were produced using surveys of general population and TV licence evaders. Please refer to – TV licence fee collection publication – section 2.17 for more details about data collection methodology.

#### 7. REPUTATION INDICES FOR THE GENERAL POPULATION, AND DELAYERS AND EVADERS, JUNE 2010 TO MARCH 2016



Source: NAO, [TV licence fee collection](#), 23 January 2017, p. 26

Chart 7 shows the index of attitudes towards the TV licensing. Data suggests that TV licensing was more positively viewed among the general population in 2015/16 compared to 2010/11. Delayers and evaders, however, had more negative attitudes in 2015/16 than six years before. Delayers & evaders' views towards TV licensing has been more positive than those of general population in 2013/14. It has since become more negative than in 2010/11. This was a decrease from index score of 104 in 2013/14 to 99 in 2015/16.

### 5.2 Complaints about TV licensing

The number of complaints to TV licensing can give an indication about overall satisfaction and attitudes towards TV licensing. The NAO has published data on consumer complaints related to TV licensing in [TV Licence fee collection](#) publication.

Chart 8 provides data on share of complaints as percentage of the total TV licences in force. Data suggest that proportion of complaints decreased by more than half from 0.10% in 2010/11 to 0.04% in 2017/18. There were 11,033 complaints received in 2017/18.

#### 8. COMPLAINTS TO TV LICENSING

Complaints as % of total TV



Sources:

1. NAO, [TV licence fee collection](#), 23 January 2017, p. 27
2. BBC, [Television Licence Fee Statement for the Year Ending 31 March 2018](#), p. 7

## 6. Changing viewing habits

This section provides a short overview about changes in TV viewing habits over time.

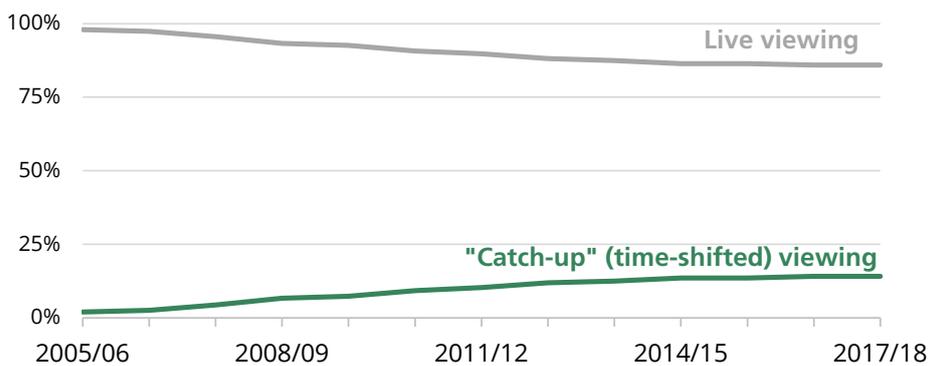
### 6.1 Fewer live TV viewers

The proportion of viewers choosing “catch-up” TV versus live broadcast increased rapidly over the last decade.

Live versus “Catch-up” TV viewing data is available on The Broadcasters’ Audience Research Board (BARB) website - [Catch-up & live TV compared](#) section.

Chart 9 shows live vs time-shifted TV viewing as proportion of total viewers. In September 2018, around 14% watched “catch-up” television. This is almost 12 percentage point increase compared to around 98% viewers watching live TV in September 2006.

**9. LIVE VS TIME-SHIFTED TV VIEWING AS AT SEPTEMBER**

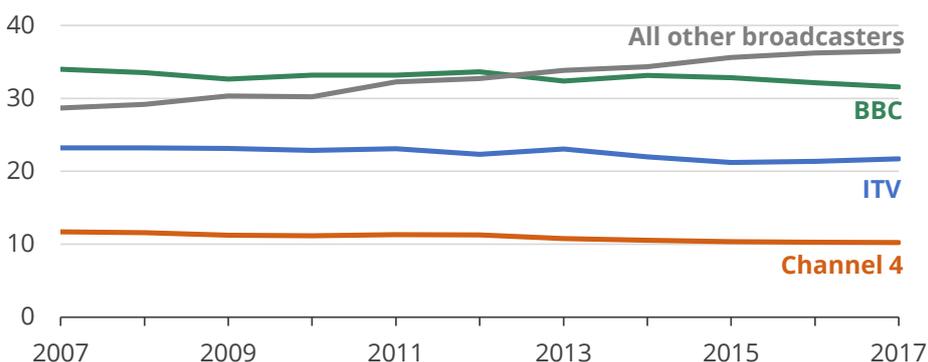


Note: figures are as at September each year, based on earliest September estimates available on BARB website (recording date varies between 1 and 8 September)  
 Source: BARB, [Catch-up & live TV compared](#), accessed 7 January 2019

### 6.2 Decreasing share of the BBC viewers

Chart 10 shows audience share of the top 3 most viewed broadcasters. It is based on [BARB Trends in Television Viewing 2017](#) report. Data suggest that audience share of the top 3 broadcasters decreased over the last decade. The BBC’s share fell from 34% in 2007 to 32% in 2017, the ITV’s from 23% to 22% and Channel 4’s from 12% to 10%.

**10. TOP 3 BROADCASTERS' AUDIENCE SHARE (%)**



Source: BARB, [BARB Trends in Television Viewing 2017](#), February 2018, p. 6

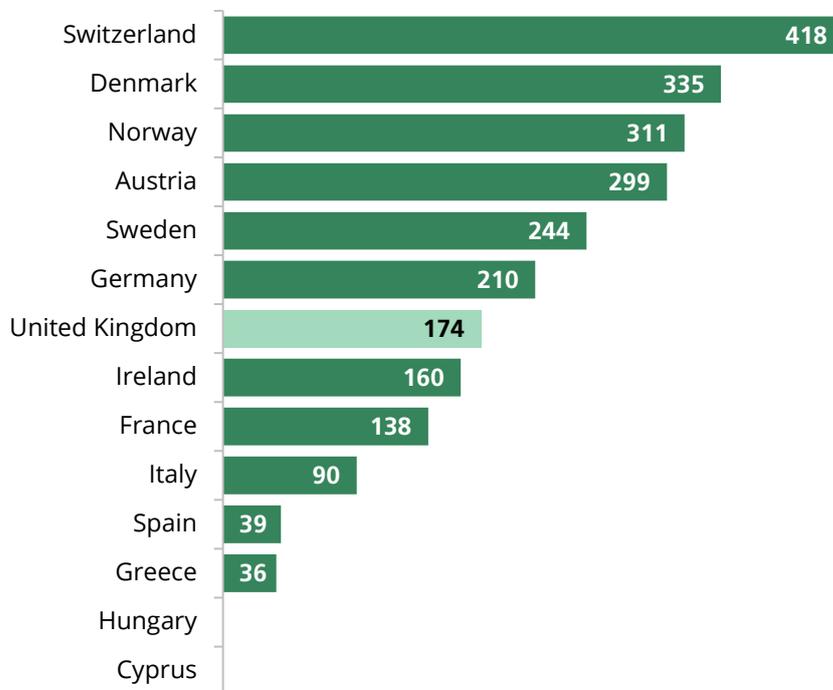
## 7. International comparison

The UK's model when advertisement or subscription fee is not a part of funding is also present in Denmark, Sweden and Norway. These are the only countries in Europe that have such a funding model.<sup>20</sup>

Chart 10 illustrates the TV licence fee rate in Europe. These figures are estimates published by the [EuroNews portal](#) in May 2018. The TV licence fee in the UK was ranked 7<sup>th</sup> highest compared to other countries in 2018. It was lower than in other countries with similar national broadcaster funding systems, such as Denmark (2<sup>nd</sup> highest), Norway (3<sup>rd</sup>) and Sweden (5<sup>th</sup>).<sup>21</sup>

Hungary and Cyprus have recently abolished the TV licence fee.

### 11. ANNUAL TV LICENCE FEES IN EUROPE, 2018 (Euros)



Source: EuroNews, [Public broadcasting: Licence fees in Europe compared](#), 17 May 2018

<sup>20</sup> BBC news, Tim Masters 'How is TV funded around the world?', 14 March 2014.

<sup>21</sup> EuroNews, [Public broadcasting: Licence fees in Europe compared](#), 17 May 2018

## 8. Appendix tables

This section provides data used in line charts and other graphs in which actual values are not visible from data labels. Data associated with all charts in this paper is available for download as Excel spreadsheet on parliament.uk website:

[TV licence fee statistics – House of Commons Library briefing](#)

**Data for charts 3 and 4:**

### TV LICENCE FEE REVENUES AND COLLECTION COST (£billions)

Year	Over 75s licence fee grant from	Licence fee income, excluding	Total TV licence fee income	licence fee collection
2010/11	£579	£2,934	<b>£3,513</b>	£124.4
2011/12	£588	£3,018	<b>£3,606</b>	£126.1
2012/13	£597	£3,059	<b>£3,656</b>	£111.4
2013/14	£608	£3,118	<b>£3,726</b>	£102.2
2014/15	£613	£3,122	<b>£3,735</b>	£101.4
2015/16	£622	£3,121	<b>£3,743</b>	£114.6
2016/17	£630	£3,157	<b>£3,787</b>	£82.2
2017/18	£655	£3,175	<b>£3,830</b>	£101.0

Sources: *BBC Annual Report and Accounts 2010/11 - 2016/17* and *BBC Annual report and Accounts 2017/18*

**Data for chart 7:**

### REPUTATION INDICES FOR THE GENERAL POPULATION, AND DELAYERS AND EVADERS, June 2010 to March 2016

Year	Delayers & evaders	General population
2010/11	100	100
2011/12	97	104
2012/13	103	104
2013/14	104	103
2014/15	103	106
2015/16	99	105

Source: NAO, *TV licence fee collection*, 23 January 2017, p. 26

**Data for chart 9:  
LIVE VS TIME-SHIFTED TV VIEWING AS AT SEPTEMBER  
2005/06 - 2016/17**

Year	Time-shifted	
	viewing	Live viewing
2005/06	2%	98%
2006/07	3%	97%
2007/08	4%	96%
2008/09	7%	93%
2009/10	7%	93%
2010/11	9%	91%
2011/12	10%	90%
2012/13	12%	88%
2013/14	13%	88%
2014/15	14%	86%
2015/16	14%	86%
2016/17	14%	86%
2017/18	14%	86%

Note: figures are as at September each year, based on earliest September estimates available on BARB website (recording date varies between 1 and 8 September)

Source: BARB, *Catch-up & live TV compared*, accessed 7 January 2019

**Data for chart 10:  
ANNUAL AUDIENCE SHARE (%) BY BROADCASTER**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
BBC	34	34	33	33	33	34	32	33	33	32	32
ITV	23	23	23	23	23	22	23	22	21	21	22
Channel 4	12	12	11	11	11	11	11	11	10	10	10
Other channels	29	29	30	30	32	33	34	34	36	36	36

Note: figures may not sum to 100% due to rounding

Source: BARB, *BARB Trends in Television Viewing 2017*, February 2018, p. 6



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