

### Introduction

Age Scotland welcomes the opportunity to take part in this consultation regarding the Age-related TV licence concession. This concession has been in existence since November 2000, where households that include someone aged 75 or over have been entitled to a free TV licence. After private negotiations between the BBC and the UK Government, it was agreed that from 2020 the responsibility for the age-related concession would rest with the BBC, despite a manifesto commitment from the Conservative party during the 2017 General Election to maintain the benefit. This consultation response outlines Age Scotland's views on the BBC's initial proposals for how the concession could operate from June 2020.

Age Scotland is Scotland's leading charity advocating on behalf of older people. We work with a network of partners, including Age UK, Age Cymru, and Age NI. We support the consultation responses of our partners who have also submitted separate responses to this consultation.

### Key points

Fundamentally, Age Scotland believe that this concession is a form of welfare policy that the BBC should never have agreed to take responsibility for. By removing or changing the benefit eligibility in any way will negatively impact the lives of many older people, especially those on low and fixed incomes. The agreement made by the BBC and the UK Government was done with no public consultation and we believe they should take back responsibility for funding the licence for those aged 75 and over. It is not appropriate for a public broadcaster to be making decisions about who should be entitled to concessions which in reality is part of the country's welfare state.

Many thousands of pensioners already struggle to make ends meet. Age Scotland's Money Matters Project found that many older people struggle financially, with four in ten people over the age of fifty reporting that they feel financially squeezed or struggling, and Age Scotland's survey on the housing needs of older people found that six in ten pensioners who live alone reporting they have difficulty paying their fuel bill. Having another new bill to pay could put many below the poverty line or further into poverty. Older people over 75 who may very well have paid into the system all their adult life shouldn't have to make the choice between their TV or another utility bill.

This financial strain can also be further exasperated by any disability or long term health conditions that they may be living with. The proportion of adults with a long-term limiting health condition or disability is increasing, as the population ages –more than four fifths of people aged 85 years and over have reported that their daily lives are limited by a long-term health problem

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of disability.<sup>1</sup> This is important as there are numerous extra costs associated with having a disability or long-term condition such as taxis to medical appointments, specialist equipment and receiving support and care.

We know that about half of over 75s say that their main form of company is the TV or a pet. Our research has found that 100,000 older people in Scotland feel lonely all or most of the time, and with nearly 7 out of 10 people over 75 not using the Internet, TV helps them stay connected.<sup>2</sup> For older people who may live on their own, struggle to leave their homes due to mobility or who have limited support systems, a friendly face on the TV can brighten their day and improve their quality of life.

## The reform options

Age Scotland do not believe that the alternative options outlined by the BBC are acceptable. In this section we will outline our response to each proposed option in turn, explaining why we do not think these are solutions to what is ultimately a UK Government welfare benefit cut.

### 1. Discounting, where a household with someone aged 75 and over pay half the cost of a TV licence

Analysis by Frontier Economics shows that a reduced concession would disproportionately hit older people on low incomes as this would represent a greater proportion of their income compared to richer households. We would, therefore, not be supportive of this proposal as it would still be a considerable strain on an individual's finance.

It is also worth considering the fact Frontier Economics estimate that the cost of the administration and implementation of a discount would not raise the amount of money the BBC are looking to recover by changing the over-75 concession. Roughly £24 million would be spent on the administration on this proposal, having a detrimental effect on the poorest older people in Scotland, whilst not raising enough funds for the BBC.

### 2. Raising the age, where households of those aged 80 and over get a free TV licence.

Age Scotland sees raising the age threshold to 80 to be fundamentally socially unjust, with the poorest older people unlikely to ever benefit from the free TV licence due to poor life expectancy. The **average** life expectancy at birth across Scotland was 81 years for women, and 77 for men. Indeed, Scotland has one of the lowest life expectancies in Western Europe, and the lowest in the UK;<sup>3</sup> the life expectancy for a man in Orkney is 80, whereas in Glasgow it is only 73.<sup>4</sup>

Lessons should also be learnt from the Women Against State Pension Inequality (WASPI) movement which is fighting to achieve a fair transitional state pension arrangements for women born in the 1950s. If the BBC were to raise the age threshold they could be met with a huge

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<sup>1</sup> <https://www2.gov.scot/Topics/People/Equality/Equalities/DataGrid/Disability/DisabPopMig>

<sup>2</sup> <https://beta.gov.scot/publications/scotlands-people-annual-report-results-2016-scottish-household-survey/pages/7/>

<sup>3</sup> <https://www.gov.scot/publications/scotlands-public-health-priorities/pages/2/>

<sup>4</sup> <https://www.nrscotland.gov.uk/news/2017/variation-in-life-expectancy-between-areas-in-scotland>

backlash from older people who were approaching the age of 75 and now have to wait a further five years to benefit from the free TV licence concession.

### **3. Means-testing, where households of those aged 75 and over in greater financial need, linked to Pension Credit, receive a free TV licence.**

Whilst we can understand the intention of means-testing as a way to ensure those with the greatest financial need benefit from receiving a free TV licence, Age Scotland does not support this proposal, especially linking it to Pension Credit.

Firstly, Pension Credit is an already massively under claimed benefit, the Department for Work and Pensions (DWP) estimate that 40% of those entitled to Pension Credit do not receive it.<sup>5</sup> This may be for a multitude of reasons, such as older people not knowing what they're entitled to, or they may be put off by the application or process, or feel there is stigma associated with claiming benefits. Secondly, the proposal would, therefore, have the unintended consequence of excluding those on the very lowest incomes i.e. those entitled to Pension Credit but do not claim it, and those who are marginally above the threshold.

The new 'mixed-aged couple' rules being introduced in May 2019 regarding Pension Credit could also result in people who are 75 unable to receive a free TV licence as they will be unable to claim Pension Credit until their partner reaches their State Pension Age. This is a very problematic policy as it sees older people who would normally have been assessed as on a low income and eligible for Pension Credit unable to claim as their partner is not of pensionable age. This will result in older people on low incomes struggling for longer, and with the added financial strain of now paying for a TV licence.

The BBC should also consider the administrative burden associated with collecting and securely storing personal information such as a person's financial situation, as well as the fact older people may not want to share with the BBC their financial situation.

## **Conclusion**

Age Scotland notes that the BBC's consultation document has framed this Age-related concession as an intergenerational debate, which does not take into account that pensioner poverty is on the rise, and that 29% of over 75s live below, or just above the poverty line.<sup>6</sup> We're concerned that older people have been portrayed as a drain on resources instead of people who have paid into the State their entire lives and are a valuable asset to society. We believe the financial difficulties the BBC finds itself in should not be a burden that falls on older people's shoulders.

We are also concerned that any change to the TV licence concession will result in older people giving up what in many cases is their lifeline to the outside world. It is a form of companionship and source of good quality information. We know from our research that about half of over 75s say that their main form of company is their TV or pet.

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<sup>5</sup> <https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-2016-to-2017>

<sup>6</sup> Households Below Average Income (HBAI, 2016-17) – defined as *below 70% of median contemporary household income after housing costs*.

We believe the BBC should never have agreed responsibility for the concession, and the UK Government should do the right thing and continue to pay for this benefit as they committed to do so in their Manifesto. With the state pension age increasing every year and as one of the lowest in Europe, universal benefits such as the TV licence for over 75s, which are essentially tops ups, are more crucial than ever.