



**Response to the BBC consultation on  
Age-Related TV Licence Policy**

**February 2019**

**[www.audiouk.org](http://www.audiouk.org)**

## 1. About AudioUK

- 1.1. AudioUK is the trade body representing professional audio production companies in the UK. Our c.100 members are SMEs based all around the UK, producing radio, podcasts, audiobooks, audio games, audio branding and many other types of high-quality content.
- 1.2. AudioUK member companies make upwards of 20% of BBC non-news radio hours, plus content for commercial radio and many other organisations.

## 2. General Remarks

- 2.1. AudioUK would like to begin its response to this consultation by making clear that we find it deeply regrettable that the BBC has ended up in a position where it has to contemplate taking on such a significant cost as represented by the current policy of free TV licences (TVLs) for the over-75s.
- 2.2. We would certainly support calls for a rethink on the part of Government, which initially decided to provide free TVLs to over-75s from the public finances, but then subsequently put it to the BBC that it should take on the burden of paying for this policy.
- 2.3. It is worth recalling in this context the House of Commons Culture, Media & Sport Select Committee statement on the relevant TVLF negotiation process: “We share the wider sense of dismay that the July negotiations between the Government and the BBC on licence fee renewal, including the issue of licences for those over 75, were conducted in such a hasty and secretive manner. This greatly inhibited not only public and parliamentary scrutiny, but the capacity of either the BBC or the BBC Trust to formulate fully considered counter-proposals”<sup>1</sup>.
- 2.4. Notwithstanding that, we also find it regrettable that while it was placed under apparent pressure to conduct the negotiations in this manner, the BBC did nonetheless agree to take on this policy. The agreement to shoulder the obligation places the Corporation and its stakeholders in a very difficult position in terms of balancing the need for sufficient investment in unique high-quality public service content, whilst honouring a commitment made to Government.
- 2.5. The public’s perception of the TV Licence Fee (TVLF) is that it all goes to the provision of the BBC’s services, and therefore any time that it is used to pay for anything else, this is frequently not understood or appreciated by the public. For example, in 2010 Government decreed that the TVLF should pay c.£75m to Welsh Language broadcaster S4C. AudioUK fully supports S4C as an independent public service broadcaster, commissioning high-quality output on a limited budget. Nevertheless, the public are not necessarily aware that it is mainly paid for with TV Licence Fee funding.
- 2.6. There is also a lack of awareness that, perhaps due to its being called the TV Licence Fee, the funding also pays for the BBC’s radio services. The BBC’s 2015 ‘deprivation survey’ reported that those surveyed: “Were surprised by the range of

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<sup>1</sup> BBC Charter Review. House of Commons Select Committee on Culture, Media & Sport. First Report of Session 2015–16, HC 398, 11 Feb 2016, p6, para 10-11

services that the BBC produces (not all were aware that BBC Radio and Online services were included in the licence fee cost)<sup>2</sup>.

- 2.7. And it is important to note that the BBC is having to make a decision on the policy of age-related free TV licences in a difficult public environment. As is often the case, there is more nuance to this situation than some might be willing to acknowledge. The BBC faces a hostile media environment in which all other privately-owned media outlets will desire to see a reduction in the BBC's content-commissioning and services. Through their ownership of news networks some of these media owners will no doubt put maximum pressure on the BBC to bear the burden in full. We would urge the BBC to resist such media-generated public pressure and make a measured choice.
- 2.8. Fundamentally, while sympathetic to those older people in genuine need, we do not feel the current age-related policy targets sufficiently well those who would benefit from a free or discounted TVLF. The BBC's accompanying impact assessment cites research which shows that "Far fewer people over 75 are poor now than in 2000"<sup>3</sup>, when the policy was introduced. Clearly this means that there are fewer people among the over-75s who are in need of a free TVL.
- 2.9. Elsewhere, the population is growing older as medicine and healthier living leads to longer lifespans, and therefore it seems logical and practical to seek to mitigate the effects. We note that Frontier reported, regarding raising the threshold to 80 and over, that "the impacts are, on average, relatively small"<sup>4</sup>. AudioUK therefore is of the opinion that while the BBC may have some obligation to take on the policy at least initially, not least due to the public debate, it should do so employing all available options to mitigate the cost, and look to review regularly with a view to reducing further and eventually phasing it out altogether.

### **3. The Importance of BBC Radio to older people**

- 3.1. Short of abandoning the age-related policy altogether, what is certain is that there will be some degree of financial impact on the BBC, if it at least partially retains the burden of the age-related free TVLFs.
- 3.2. With a weekly reach of 71% of over-65s, the BBC's radio services have a greater weekly reach among older audiences than any other age demographic<sup>5</sup>, demonstrating their importance to older people. We would therefore argue that, as well as helping older people financially by continuing to offer a reduced cost TVL, the BBC can also best serve that part of the UK population by protecting the services with which they engage more than other demographics.
- 3.3. AudioUK notes that because of the value for money already offered by radio and the relatively small budgets involved in audio production, any impact on BBC funding is likely to be disproportionately felt by radio and audio.
- 3.4. We therefore urge the BBC to ring-fence its radio content budgets in the event of having to implement any cuts.

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<sup>2</sup> Life without the BBC: household study. MTM for the BBC, Aug 2015, p3

<sup>3</sup> BBC TVLF consultation paper 2018 - age-related impact assessment, p9

<sup>4</sup> BBC TVLF consultation paper 2018 - age-related impact assessment, p13

<sup>5</sup> Quarterly Summary of Radio Listening. RAJAR, December 2018, p15

## Answers to consultation Questions

**Question 1. Your views about three overall options - Rank them 1, 2, 3 where 1 is your favourite and 3 is your least favourite by writing the numbers 1, 2, 3 in the boxes.**

***If you wish, you can just identify your favourite as number 1. You will be able to say more about your preference/preferences later on.***

The BBC should be reforming the concession in some way	1
The BBC should be restoring a universal licence fee	2
The BBC should be copying the current concession	We do not support this option

**Question 2a: Your views about three particular reform options - Please rank these specific options for reforming the concession as 1, 2, 3 where 1 is your favourite and 3 is your least favourite by writing the numbers 1, 2, 3 in the boxes.**

Discounting, where households with someone aged 75 and over pay half the cost of a TV licence.	1 We have an equally strong preference to see this option introduced alongside the other two
Raising the age, where households of those aged 80 and over get a free TV licence.	1 We have an equally strong preference to see this option introduced alongside the other two
Means-testing, where households of those aged 75 and over in greater financial need, linked to Pension Credit, receive a free TV licence.	1 We have an equally strong preference to see this option introduced alongside the other two

**Question 2b. Your views about discounting: what discount?**

***The BBC has the power to set a discount at any level for older households.***

***We described a discounting option where households of those aged 75 and over pay 50% of the licence fee (that is, older households pay 50%).***

We agree with the proposal to offer a 50% discount

**Question 2c. Your views about changing the age: what age?**

We support the policy of setting an age limit of 80 years old and over

**Question 2d. Your view on combinations**

As stated in answer to 2a above, we support all three of these options strongly and would like to see all of them introduced.