



HOUSE OF COMMONS  
LONDON SW1A 0AA

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**BBC Decision-Making in Relation to Age-Related Concession for TV Licences**

I am writing to you regarding the BBC consultation on the future of free TV Licences for the over-75s when the responsibility for the cost transfers to the BBC from the Department for Digital, Culture, Media and Sport (DCMS) and the Chancellor of the Exchequer.

When the BBC agreed the current funding charter in 2015, you agreed to take on the payment of free licences for the over-75s from 2018 and in return the BBC would in future be allowed to charge for its iPlayer catch-up services and would also benefit from guaranteed increases in its £3.7bn licence fee income in line with inflation measured by the consumer price index. Additionally the BBC would no longer be expected to contribute towards the government's rural broadband programme from 2020, saving about £80m a year.

I would remind you that at the time you said "We have secured the right deal for the BBC in difficult economic circumstances for the country. This agreement secures the long-term funding for a strong BBC over the next charter period."

It was disappointing, therefore, that less than 6 months after welcoming this agreement (January 2016) and accepting the concessions to take on the funding for over-75 households it was reported the BBC may ask over-75s to give up their free TV licence and that such a campaign could be run by personalities such as Sir Michael Parkinson. At the same time the BBC confirmed that Frontier Economics, a consultancy led by former cabinet secretary Lord O'Donnell, would report back on the best approach to asking people for contributions.



The BBC has again commissioned two reports by Frontier Economics to explore longer -term funding relating to the over-75s concession and a range of options forms part of the consultation, namely:

- **Restoring the universal licence fee that existed in the past, meaning no concession**
- **Means testing: eligibility linked to Pension Credit recipients**
- **Raising the age threshold**

Other possibilities were considered but I understand have not been taken forward due to implementation issues, financial and compliance costs.

### **Restoring the Universal Licence Fee**

In London there are **369,790** households with someone aged over 75 and **6,430** in my Brent North Constituency, the 39th most deprived borough out of the UK's 326. It is unacceptable that the BBC is considering taking this concession away from pensioners who are already struggling to make ends meet. People who need help from services that are getting more expensive, compounding budget pressures on the poorest and most vulnerable households. In their report, Frontier Economics confirmed that one third of the over 75s are in the poorest 30 per cent of the population and pensioner poverty is on the rise again. Many of our elderly citizens suffer from loneliness and depression, and for them a TV set is a lifeline. It is often their only form of company, since many live alone and have lost touch with friends and family.

In assessing the impact of your proposals I believe you should consider the impact of increased depression and loneliness on people's mental and physical health. The likely outcome is poorer health and quality of life, and health, as they are increasingly forced into the care of social or mental health services: two areas of spending already facing extreme cost pressures.

I feel that the corporation has paid no regard, in the construction of these proposals, to the wide-ranging social and equality impact on not just those directly affected but by those around them.

The Charity Age UK has already warned that plans to abolish free licences would push around 50,000 pensioners below the poverty line. Can you tell me, how after 20 years of free TV licences, the BBC would justify taking a housebound pensioner to court if they could not afford to purchase a licence? Or to ask for a fine of £1000 as the standard penalty?

### **Eligibility linked to Pension Credit receipt**

In my constituency just 59% among entitled households of those who could get pension credit have taken it up and therefore nearly **4,200 of my constituents** would lose their concessionary free T.V. licence. In their report Frontier Economics noted the potential for a take-up boost because of increasing the financial incentive to claim Pension Credit, but did not attempt to quantify this or factor it into its cost estimate. This Government has failed to increase public awareness or explore other options for getting this money to older people.



According to the House of Commons Library **76% of households aged 75 plus could lose out** if eligibility is restricted to Pension Credit receipt. This is close to the estimate produced by Frontier Economics in its report for the BBC on options for the over-75's. Frontier estimated that introducing this criterion would cost 28% of the alternative of continuing the universal concession in its current form in 2021/22, falling to 23% on average over the course of the subsequent decade.

Furthermore, to means test the licence fee the BBC would need to access DWP private records to enable them to decide who received the means tested benefit and who did not. Funding the free licence would be expected to cost the BBC £745 million a year, but the expense of taking people to court for non-payment would use more than 10% of the revenue received and the BBC has already admitted means testing would cost £72 million simply to administer the system, money that could be going direct to pensioners.

### **Qualifying Age Raised to over 80**

In looking at the rationale for increasing the age to 80, the report to the BBC said: "Individuals aged over 80 are more likely to live alone (49%) than individuals aged 75 and above (41%).

"Therefore, this variant could help to target the concession on those who are most reliant on television for companionship."

This suggests that the 41% of individuals, aged 75 years to 80 years do not get lonely, suffer from depression, have a disability or enjoy watching their favourite programmes on television. In my constituency this would mean nearly **2500 households** would lose eligibility, making the BBC for the first time a taxing authority which has the power to decide who pays and who does not.

This universal benefit for the elderly was introduced for a very good reason, in recognition of the contribution all elderly citizens had made to their communities and to ensure dignity for all in retirement. Now just at a time pensioner poverty is rising the benefit is at risk of being taken away.

The government needs to take back responsibility for the free TV licence, it's not just a television it is a lifeline for the most vulnerable members of our society. The Conservative manifesto of 2017 states that "***we will maintain all other pensioner benefits including free bus passes, eye tests, prescriptions and TV licences, for the duration of this Parliament***" – a clear unconditional guarantee that, for the full five years of the Parliament, every pensioner over 75 would be guaranteed a free TV licence. It is wrong, therefore that the BBC is now being given powers to make a decision that could abandon the free over-75 licence as early as summer 2020 – a breach of promise by the Government.



It is for all the reasons above nearly 60,000 people have signed Age Concern's petition demanding the government take back the responsibility for funding the TV licences for the elderly.

Finally, I understand the BBC has a statutory duty to consult and it needs to do so at a time when any proposals for reform are at a formative stage, express provisional views and put forward particular options. I would ask that as part of the consultation, appraisal and determination the Board will make an informed and reasonable choice based on the relevant protected characteristics, age, disability and vulnerability.

Yours sincerely,

A large black rectangular redaction box covering the signature of Barry Gardiner.

**Barry Gardiner**  
*Member of Parliament for Brent North*