



January 2019

### **Age-related TV licence policy: public consultation**

The BBC agreed to take on the costs of the licence fees for the over-75s during the last charter process. The benefit was introduced in 2000 and was administered by the Department for Work and Pensions. A previous attempt to offload the benefit to the BBC was resisted by a former BBC director general. The BBC is now saying the cost of taking on the fees will be more than 1 billion by the end of the next decade.

The NUJ believes maintaining this benefit for the over-75s, paid from the licence-fee pot, would be catastrophic for our public service broadcaster and if the government wants to maintain any form of subsidy for the over-75s, it should pay for it; this welfare benefit should not be funded by licence fee payers. This view is shared by our sister unions in the Federation of Entertainment Unions.

Age UK has said scrapping the free TV licence for over-75s could push 50,000 older people into relative poverty and the charity concluded “we must demand the government takes back responsibility for funding free TV licences for everyone over 75”.

When the consultation was announced, **Michelle Stanistreet**, NUJ general secretary, said:

“This consultation is an important opportunity for the British public to reflect on the current financial pressures our public service broadcaster is facing. Forking out for the responsibilities the government has ditched on to the BBC in licence fee settlements of the last decade has seen budgets cut by a fifth. This has included making the BBC cover the costs of digital switchover from analogue TV; rural broadband rollout; local TV; funding of Welsh-language channel S4C, funding of the World Service and Monitoring Service; paying for journalists employed by local newspapers to cover local democracy, funding commercial broadcasters to make children’s tv and radio.

“The BBC has only been able to meet these additional responsibilities by cutting costs and despite promises of an end to salami-slicing that inevitably impacts quality programming and journalism, that is what BBC staff have experienced, with further swathes of cuts needed over the next 12 months if the books are to be balanced.

“The NUJ warned that in passing the buck on free TV licences for the over-75s, which comes fully into effect in 2020, the government was turning Aunty into an axe-wielding bogeyman who will be responsible for taking away or means-testing what is a welfare benefit.

“Maintaining this benefit for the over-75s in the same way would be catastrophic for our public service broadcaster – translating as an extra £745million of costs in 2021/22, a figure that will only head in one direction in an ageing population. If the government want to maintain any form of subsidy for the over-75s they should pay for it, this welfare benefit should not be funded by licence fee payers.

“This consultation sets out clearly the financial reality of the BBC, the context in which those decisions have been made, and the choices facing the BBC board in the coming year. However, what it fails to do is ask our views as licence fee payers about the broader financial pressures the BBC faces with successive raids on the licence fee and no real-terms investment into a public service broadcaster that is used by 92 per cent of the British adult population every single week. The best-case financial outcome of this consultation is to rule out ongoing subsidies to the over-75s, at a time when we need to be talking about investing in the BBC, not maintaining the status quo which is in reality opening the door to a managed decline.

“There is no room for further 'efficiency' savings at the BBC – there is a need to boost resources to fund services the licence fee public prizes, the quality journalism, programming and content that informs educates and entertains us day in, day out.”

A meeting of the BBC’s reps strongly supported the general secretary’s statement.

The NUJ is also concerned about the knock-on effect the cuts, caused by meeting the cost of the over-75s licence, will have on the other services and responsibilities of the BBC. Currently the government provides 8 per cent of the Welsh-language channel’s budget, but from 2023 the broadcaster will be dependent on the licence fee settlement. The BBC has an important public service remit to serve all communities in the UK and S4C plays a very important role in the cultural and media landscape in Wales. A cash-strapped BBC will inevitably have consequences for the future funding of S4C.