



Age-Related TV Licence Policy
stakeholder report
March 2019

About this report

Populus was commissioned by the BBC to undertake a detailed piece of qualitative research with a broad cross section of stakeholders and society groups to assess attitudes towards the BBC, with a focus on the Age-Related TV Licence Fee Policy.

The structure of conversations followed that of the consultation document so far as possible. The discussion template avoided “cherry-picking” points, or asking questions that were not raised in the consultation document. Prompts were neutral wherever possible.

This is a report on engagement with stakeholders from media industry or media policy backgrounds, and from organisations representing the needs and interests of older people or focusing on intergenerational issues – all selected by the BBC, using a particular template. It arises out of what the BBC said in the consultation document, that there would be “engagement with organisations and those we see as stakeholders (including interested organisations, academics and industry representatives)”.

Table of Content

About this report.....	2
Methodology	4
Executive summary	5
The BBC consultation on Age-Related TV licence fees	6
Approach to TV licence fee concessions.....	14
Copying the current concession	14
Restoring the universal fee	23
Reforming the concession	30
Other options and considerations	38
Cuts to programmes and services.....	42
Reflections on the 2015 licence fee settlement	45
Appendix 1: discussion guide	49

Methodology

Populus interviewed 115 key BBC stakeholders by telephone between January and February 2019.

Stakeholders came from four different categories – each with a relevant knowledge or interest in the age-related licence fee concession policy – these were:

- 37 respondents with a media policy background (“Media Policy”), including: directors of national think tanks; leading academics with a media interest; and senior media union representatives.
- 42 respondents with a media industry background (“Media Industry”), including: senior figures at UK media production companies and representatives of organisations focused on supporting the UK creative industries.
- 25 respondents from organisations representing the needs and interests of older people (“Older People’s Groups”), including: representatives of charities supporting older people; academics with an interest in issues related to aging; and peers with a focus on issues pertinent to the lives of older people.
- 11 respondents with a focus on intergenerational issues (“Intergenerational Groups”), including: academics with a focus on intergenerational fairness; representatives of charities seeking to address intergenerational issues; and representatives of national think tanks with an interest in issues of intergenerational equality.

Stakeholders took part in detailed phone interviews, with each lasting between twenty minutes and an hour.

All interviews followed a discussion guide agreed with the BBC (see Appendix) and all participants were drawn from long lists agreed with the BBC. The structure of this report aligns broadly with the structure of the discussion guide.

Executive summary

What to do about the Age-Related TV Licence Fee concession provokes fierce discussion and conflicting opinions among stakeholders most of whom view the issue as fundamental to the future funding and character of the BBC. All understand the context of the consultation and its potential wider ramifications even if they sometimes lack detailed knowledge of some of the options being considered.

Stakeholders sense there is no 'perfect' solution to handling the concession of free licence fees for the over 75s: if the BBC takes on this financial burden, it puts much-loved content and services at risk; if it seeks to modify or eliminate the concession it threatens access to its services for some over-75s who cannot afford a TV licence. Either way the BBC is in an unenviable position. Against this background, the least worst approach to the future of the concession varies by stakeholder group.

Those from the media industry, media policy, and intergenerational groups tend to share the same outlook: a preference for reforming the universal concession, by means-testing it in line with Pension Credit. They consider this the fairest and most rational approach, allowing the concession to continue for those most in need, while obliging over 75s who can afford to pay to do so. The other two reform ideas presented - raising the age of entitlement or reducing the size of the concession - are considered reasonable options though more arbitrary and less effective than means testing. Many are tempted by the restoration of the universal licence fee as a way of keeping costs down for the BBC, however most reject the idea as unrealistic, given the likely PR backlash it would provoke. This group of stakeholders saves its strongest opposition for copying the current concession, a move considered ruinously costly for the BBC, unfair to other impoverished groups in society, and a responsibility that the Government should never have foisted on to the public service broadcaster.

Stakeholders representing older people's groups take a fundamentally different approach. For this group, the most popular preferred consultation option is for the BBC to copy the concession. Combatting loneliness and supporting over 75s living in hardship are considered the main advantages of this approach. Older people's group stakeholders strongly oppose restoring a universal fee, based on a belief that many pensioners cannot afford to pay a TV licence and would therefore go without television. Likewise, the mean-testing approach is criticised fiercely by older people's group stakeholders, as both costly to administer and likely not to be taken up by vulnerable pensioners.

The BBC consultation on Age-Related TV licence fees

Background to the consultation

Stakeholders from across all groups had a strong and detailed knowledge of the history of the current over-75s licence fee concession. Many spontaneously recalled the 2000 introduction of the policy by Tony Blair's Government and could speak in great detail about the licence fee settlement of 2015, which made the BBC liable for the cost of this concession from June 2020. Although only some stakeholders could quote the projected cost of the over-75s licence fees policy to the BBC, most knew it represented a substantial portion of the BBC's overall budget.

"I know that the situation is that the Department of Work and Pensions no longer fund that and it's now falling on the BBC. That shortfall is definitely hitting the BBC's budgets. I think it's 2020 when it's entirely in the BBC's remit as to whether they will continue to offer a concessionary licence for over-75s. It's a considerable sum of money, several hundred million and that would impact upon services from the BBC, quite severely." Media Industry

"I know the Government are making cuts. The Government's subsidised this in the past, or paid for it, and they're not going to, so it leaves a big hole in the BBC's budget. So they're thinking, 'well, can we scrap this?' and with anything to do with older people and money, from the Government's point of view, but also from the BBC's point of view, they've always had this policy in place, so this is quite a difficult one." Older People's Groups

"I think the difficult issue for the BBC is that when this latest licence fee settlement was put in place by Chancellor George Osborne, the bit of the deal was that the BBC would take on in due course the £750 million licence fee payment. They didn't complain at the time so they've gotten themselves into quite a difficult position. I think there's a huge amount of sympathy for them but on the other hand, it wasn't exactly a negotiation. You don't negotiate with the Treasury, you try and reach a consensus." Media Policy

"I know a little bit more about how it happened – ageing society, more people living over-75 getting free licences. Somebody will have to pay for that. The Government are putting the onus on the BBC. The BBC are saying that if they continue to do so, then the quality of programming or the amounts of programming or other services will be reduced." Older People's Groups

The BBC consultation on Age-Related TV licence fees

While stakeholders were well informed of the history of the licence fee, their knowledge of the actual consultation was more varied.

The majority had limited knowledge of the consultation, having only briefly scanned through the consultation documents or learnt of headlines through the media. They knew that there were a number of approaches being consulted on but struggled to give specifics without prompting.

A minority were closely involved in engaging with the BBC about the issues raised by the consultation, through attending roundtable events, BBC briefings and meetings, and briefing other bodies involved with the issue. Many of these stakeholders had made formal submissions or had contributed to those of their organisations. Most spoke in detail about the proposed approaches, having given careful and serious consideration to the benefits and drawbacks of each.

"I know they're going out, consulting experts, and I'm sure they're consulting other people, because the Government changed the funding of the licence fee and, therefore, the free

component for the over-75s was placed upon the BBC. The BBC are now saying they can no longer afford it, and so they're having to make certain decisions.” Older People’s Groups

“I think I’m aware of the three options that they are consulting on. Although, now if you ask me if I knew what they are I will struggle, but I think I know the three broad options, but that’s about the depth of my knowledge. I haven’t actually read the consultation document.” Media Industry

“I’m broadly informed; we take the Daily Telegraph every day - that and their website, and general media coverage. I’m aware of the consultation on the proposals.” Older People’s Groups

“Not an awful lot, I’ll be very honest with you. I’m not particularly up to speed with it.” Older People’s Groups

“Quite a lot. I’ve attended one meeting with Purnell and I have read their document, in fact their document is over here because I am about to respond myself and I’ve read Enders Analysis’ view which I have to agree with.” Media Industry

“Not a great deal. I’ve read the statements but I haven’t gone into it, in any detail. I haven’t been involved in any discussions or anything.” Media Industry

“Quite a lot. The one thing I haven’t done is actually read their consultation very closely - their documents - but I’m aware of the background in some detail.” Media Policy

Before assessing each proposed approach separately, the majority stated that there was no ‘perfect solution’. Regardless of their preferred option, stakeholders agreed that the decision to be made was a tough one, where there were no ‘winners’. On the one hand, they saw a large financial burden on the BBC which could mean service users (a large proportion of whom were aged over 75) losing much-loved and valued services. On the other hand there was the cohort of over-75s who could not afford a TV licence and who might lose access to many BBC services because of their inability to pay.

“The BBC is clearly facing quite an invidious choice because either it must take something away from its most loyal customers, as it were, or if it was going to maintain the free TV licence it would serve their interest, but that would mean some kind of diminishment of BBC services. That would presumably make the BBC even less attractive to the younger audience who are less loyal to a single broadcaster and has more varied media consumption because of Netflix and these other newer services, and whom the BBC obviously needs to attract if it wants to remain viable in the future, more so than other broadcasters.” Intergenerational Groups

“It’s not going to be popular, no matter what, like anything. If you take something away from people, it’s mostly going to be no, and yet there will be people out there, a bit like the state pension, and certain benefits, like cold winter, you know, the winter fuel allowance, that would say, ‘Look, I’m quite well-off. I don’t need these things’, so it’s very difficult.” Older People’s Groups

“The question of what the BBC should do is a different question from what should be done as far as licence fee concessions are concerned. My fundamental view is that it’s a question of social policy, which is more likely to be dealt with by Government. However, one recognises that the reason the BBC is asking the question is because the BBC agreed with Government, back in whenever it was, 2017, that this would be one of the elements of the agreement for funding of the licence fee, going forward. It’s something the BBC has to deal with and has to find a solution to. It’s a different question if it was the Government which was more correctly dealing with this matter itself.” Media Industry

"I suppose it is tricky, because what's the right approach? There's what a politically sensible approach is. My personal view is - and I've always thought this - that the policy is misguided. So, all other things being equal, I would say the right approach, actually, is to find a way of getting rid of the concession. I can see that that is pretty politically difficult. I think the BBC is in a difficult position." Media Policy

"I recognise the BBC's, basically, between a rock and a hard place, and they've got some very difficult decisions to make about this, but ultimately, it's like a hospital pass. I don't see how they can win out of this at all, because if you think about who the audience are, for the BBC it's increasingly an older audience who have stuck with the BBC throughout their lives, really, and it'll be another kick-in-the-teeth audience. So it's a tricky one." Intergenerational Groups

"Broadly aware. Aware of the financial implications of that. Aware that, arguably, the Government's given the BBC quite a difficult challenge there. I understand it broadly, but also understand that it's a difficult challenge for the BBC." Older People's Groups

Given the consensus view of stakeholders that the BBC should never have had the responsibility for funding over-75s licence fees transferred to it, the optimal solution for the majority of stakeholders from across all stakeholder groups – and for some, the *only* solution – was to return this obligation to the Government where they thought it rightly belonged. Many recalled Prime Minister Theresa May's 2017 manifesto promise that pensioners' free TV licences would be maintained – and believed it was the responsibility of her Government, rather than the BBC, either to fulfil her pledge or break that commitment. These stakeholders accepted that the BBC would face considerable PR backlash for being seen to renege on the deal, and risked angering and potentially humiliating the Government, but they still insisted it was the right thing to do both for the BBC and the country. These stakeholders fundamentally supported such a move and those within the media industry who held this view felt that the industry would stand behind the BBC.

Nevertheless, many of the stakeholders who had called for the return of the licence fee concession to the Government also saw this approach as unrealistic. They felt that, having agreed to the licence fee settlement of 2015, the BBC was not in a position now to insist that the Government reclaimed responsibility for the policy. For these stakeholders, the deal was considered closed and the BBC was tied to its responsibilities. They doubted that, four years on, the Government would reopen the agreement and reclaim responsibility for the licence fee concession.

"It's our position very clearly that the BBC cannot pay for that subsidy, that means that over-75s exemption going. But much more critically, it means the BBC refusing to fund it and putting the ball back in the Government's part. I absolutely believe that the sustainability of that welfare benefit should be a priority for political parties and they should fund that. It should not come from the funding from the licence fee paying public. Despite the deal that they signed up to, I don't feel that the BBC should see out that obligation and put themselves in a position of scrapping it or of changing the age threshold and messing about with it. There will be a massive backlash if they do that. They should be very honest about saying, actually, the BBC cannot afford to do this without a massive consequence to what they deliver, in terms of their actual remit, so unfortunately, they can't follow through on that and they need to put it back to the Government to resolve. That is what they should do and they should play political hardball on that." Media Industry

"The right approach is to tell the Government to take back what its responsibilities are. It is not the role of the BBC, as an entertainment organisation if you like, to delve into people's financial well-being or otherwise. The TV licence for many years has been part of what we refer to as universal pensioner benefits, along with things like the Winter Fuel allowance, the bus pass, free prescriptions. That is because successive governments have failed to deal with the fact that the basic State Pension in the UK is the least adequate in the developed world. We are

currently 37th, which is bottom of the table, of the 37 OECD countries. The Government played a dirty trick. Theresa May promised that the free TV licence would be safe in her hands, and two months later we find the DWP has foisted it on to the BBC as part of their new Charter. It isn't the fault of the BBC, it's the fault of the Government. The BBC unfortunately has the unenviable task of trying to sort out what it can afford and what it can't, but really the total responsibility needs to go back to the Government, and that is our campaign and has been from the beginning." Older People's Groups

"I'm tempted to use undiplomatic language and for the BBC to tell the Government to go stuff themselves. In practical terms, I think the BBC's been deliberately put in an impossible position by the Government. It's extremely wrong that the BBC should be put in a position where they are making effectively welfare policy decisions. The question is, how they actually get round this without attracting a PR backlash and being seemed to be blamed for withdrawing effectively a freebie from the over-75s." Media Policy

"The question as to whether or not over-75s should, or should not, pay the BBC licence fee is a social policy matter that should be set and determined by parliament and the Government, not the BBC. It's not an issue the BBC should be in sole control of." Media Industry

"Our position is very much that this concession shouldn't be the responsibility of the BBC. It should be the responsibility of the Government and we would want that responsibility to go back to them and it's not really fair for the BBC to be concerned with what is essentially social policy and it's not really their remit." Older People's Groups

"Ultimately, in our mind, it's either [reform] or it's, literally, pass the entire cost back on to the Government! It's quite simply one of those two things. The ultimate preference is that the Government reassume the responsibility for it. On a practical basis it feels like that's an unlikely prospect." Media Policy

Concerns about the BBC's consultation

A few stakeholders shared reservations about how the BBC had approached and undertaken the age-related TV licence fee policy consultation. Criticisms tended to fall into two broad themes.

Firstly, a number of media and intergenerational stakeholders believed that, in an attempt to be considered impartial about the outcome of the consultation, the BBC had not sufficiently communicated its own 'point of view'. These stakeholders had seen the consultation as an opportunity to reiterate the value of the BBC, celebrate the quality of its services and more broadly open a dialogue with licence fee payers. They thought the BBC had a responsibility to be honest and open with its audiences about the challenges of funding the concession and its practical impact on services and programming – and were convinced that this would prompt an outcry against a BBC-funded licence fee concession from the general public.

These stakeholders were therefore disappointed that the BBC had not actively campaigned against taking on responsibility for the concession nor communicated the perceived 'devastating' implications of taking on the full concession cost. They worried that the general public were unaware that the future of the BBC was at stake and that only those with a vested interest, such as over-75 audiences and the groups representing them, had made submissions, potentially skewing the results of the consultation.

"I think that my concern is that that very, very simple trade-off, which is, if you're going to give a free ride to a proportion of households, then the higher that proportion is the less money there will be to pay for programmes on TV and radio. Since we know that TV and radio are important for older people, particularly important for older people, actually it is older people

who will suffer most. I think that simple trade-off hasn't been sufficiently communicated.”
Media Policy

“I do feel quite strongly that in a sense, the public consultation was a bit of a missed opportunity to have a broader dialogue and engagement with licence fee payers about the future of the BBC and specifically, the sustainability of its funding. It's a very discreet consultation over the issue of over-75s and whilst the context for where the BBC is at reads pretty well, I know it's quite clear in that consultation, it doesn't give licence fee payers the opportunity to input into how public service broadcasting is going to be maintained and quality and breadth of output is going to be sustained in the future. I very much feel like there will be a significant part of the licence fee payer population who would be willing to pay more, or who would be willing to very strongly support the fact that the BBC should have meaningful increases to its licence fee settlement. I think that would have given the BBC much greater strength in terms of its ongoing negotiations and discussions, when charter renewal is up.”
Media Policy

“I think it's a really dangerous time to be doing this, and for the whole country, because of the value the BBC brings to us all, and we under-estimate that at our peril. I think the BBC does a bad PR job on itself sometimes in terms of how it sells itself with that.” Media Industry

“My concern about the consultation is that because the BBC, rightly, is extremely cautious and taking a lot of trouble to explain the background and so on, the consultation document is pretty complex. Someone who is in a rush has to read 12 pages of explanation before they see the questionnaire, and then they're supposed to read many pages more. I think I've got it in front of me, yes; they're supposed to read a total of 50 pages before they actually get to the questionnaire, and then it's recommended they read an 88-page report by Frontier, and ideally also read the 26-page discussion paper by Frontier. Well, you know, that clearly is going to limit the responses to those people who are either most fired up about this or cause to be fired up, who will be some of the people benefitting from the concession.” Media Policy

“I know all about it, and I've been encouraging everyone I know to go online and fill in the form and play their part. My fear is somewhat inevitably that such is the nature of these things, that the vast majority of people who will be going online and doing their bit will be people who one, have a vested interest, and two, are themselves over-75. I fear that the answers might be slightly skewed as a consequence, but there's not much they can do about that.” Media Industry

In stark contrast there were a number of older people's group stakeholders who thought that the consultation was subconsciously skewed against the BBC copying the existing concession. These stakeholders disputed Frontier Economics' assessment that older households had generally seen a marked improvement in their living standards and resented the narrative it supported which both ignored the large number of over-75s still in poverty and reliant on their TV licences, and played up tensions between young and old by couching the issue in terms of intergenerational fairness. The BBC's circumstances, and the circumstances of younger people, should not be blamed on the over-75s, they felt.

A few also thought that the consultation itself was designed to be off-putting to over-75s through what was perceived to be a long and complex questionnaire that was only available online.

“There's something raised in the consultation about the fairness, and it raises an intergenerational unfairness. It's particularly unhelpful to create that kind of tension in something that's not relevant, and I do wonder what that was based on; if this really was a subject to bring that up. Again, it just seems so contrary to other government policy and other government initiatives: like promoting intergenerational cooperation and intergenerational

exchange and communication - for all sorts of reasons - including combating loneliness. To raise an issue of intergenerational unfairness, just seems entirely unnecessary, really, for something like a TV licence. Why would you do that? So that didn't sit at all well with me.” Older People’s Groups

“I think the language used in the document, in the actual questionnaire, the survey document, is quite complicated. It would be quite easy, in particular, to misinterpret the rather fundamental first question which talks about shall we make this universal? Which, if you read it quickly might make you think, oh, we keep this concession for everyone, but it actually basically means we don't have it for anybody. I think things like that are somewhat unfortunate really, it'd be interesting to see how people actually manage to fill that in or not. I spoke to someone just within the last two hours who was saying that actually they thought that the consultation was flawed because it didn't have a provision in it, which basically said the BBC shouldn't have anything to do with it. It should simply refuse to do this and give it back to the Government, so from that point of view there might be other options.” Older People’s Groups

Intergenerational fairness

Compared with older people’s group stakeholders, intergenerational stakeholders and many of the media industry stakeholders found the arguments made about intergenerational fairness in Frontier Economics’ reports to be compelling and accurate. These stakeholders asserted that over the prior few years, evidence had proven that the living standards of older generations as a whole had increased, and that pensioner poverty had diminished in the UK. By contrast, they insisted that there was now a generation of working households who were on lower salaries, had poorer living standards and faced challenging housing prospects. In their view, these younger generations endured far more hardship than their elder counterparts – who meanwhile were now considered the richest older generation in history.

This societal view led many of these stakeholders to question the rationale of free TV licences for over-75s. While this group understood that there were still pockets of over-75s living in poverty, for the most part it was thought that over-75s could afford the cost of a TV licence. It seemed illogical to this group that poorer, younger generations who could ill afford the cost of a licence, and were light users of BBC content (if users at all), should be ‘footing the bill’ for the wealthier, older generation, who themselves were the heavy BBC users.

For most, this sentiment prompted support for restoring the universal fee or a means-tested over-75s approach. A small number took a broader view and called for means-testing based on economic circumstances amongst all households, not just those with over-75 residents – given the perceived economic hardship faced by the younger age groups.

“We have good evidence to show that there is a significant and growing divide in the socio-economic status of the young compared to the old. Although there are substantial inequalities within each generation, as a group older people are becoming wealthier, and are substantially wealthier than younger people who are struggling to match previous generations in terms of either incomes at the same stage in life, or overall wealth accumulation.” Intergenerational Groups

“I'm aware of the research that has been conducted on behalf of the BBC about the social inequity of that policy and how there's poverty at all levels and all age groups in society and to single out just the elderly does seem to be somewhat unfair. Particularly as this group of over-75s, probably the richest generation of pensions in memory, if not ever, the baby boomers have done extremely well. Maybe that will not be the case in future, because people have not such good pension provision as they ought to have. However, I do think access to TV shouldn't

be regarded in the same thought as access to food and shelter and warmth. It's not a basic human right. I think it is a luxury. I do take on the point that it is, actually, could well be the last lonely voice in the corner of the room, for some people, but I do think we've got to look at it. It's not something that's essential. I think we need to look at ways of means testing to make sure it's properly targeted for those people." Media Industry

"We don't think moving the age actually does anything, but we do think that, for the first time in a long time, the balance of economic benefit has been moved to the older generation. Not completely, but clearly there are a number of people over-75 who benefit from the concession who could easily afford to pay the licence fee and are, actually, prime users, if you want, super users of BBC services. We recognise that. We recognise that the BBC has to actually spend more on and invest more on content. If the funds are going to be raised, then our position is, they should go into content for other demographics which are underserved, which is the under-35s, or indeed even under-50s, and not actually just be funds raised to prop up pension funds or other ventures, basically." Media Industry

"Why single out over-75s as people being on low income? That would be the question, why would you devote that £740 million to the over-75s? There has been a good shift, and pension benefits have risen much faster than other benefits. The percentage of pensioners that are below the poverty line is far, far lower than it was." Intergenerational Groups

"I think there is a fundamental problem in understanding older people's finances, especially at the moment. We have some very comfortably off older people who are benefitting from the old-style pension, the defined benefit pension." Intergenerational Groups

"I know there's a certain feeling which I've seen in those articles that now when we look at poverty, the older generation aren't really the poor generation, and therefore giving the free TV licence to older people may be considered unfair. There's a general feeling there about that. What's my feeling? Well, it's £150 so I don't think it makes a lot of difference talking about intergenerational redistribution, because when we talk about intergenerational redistribution we're talking about massive amounts of money through house prices and through pensions. Appreciation in the value of houses, we're talking significant sums. The TV licence pales in significance relative to those huge transfers. That would be one comment, the intergenerational issues are pretty minor. Two, it does seem a good idea to give, but why you would single out the over-75s... It does seem a reasonable policy that people on low incomes should be given some sort of dispensation on the TV licence fee. Effectively the redistribution should be taken out of taxes, it's the taxes that are redistributive, but the TV licence is very clearly hypothecated, so that's kind of an issue. It's much better to do the redistribution through the tax system than through the TV licence." Intergenerational Groups

"I think concessions generally to people who can less afford to pay it is useful, because I think it's important that people should be able to access information, regardless of their income. However, I'm less convinced that that should be sliced and diced by age, rather than some kind of income measurement. I understand the complexities of doing it and trying to do it in other ways, but there's plenty of over-75s who have got tons of money and plenty of under 25s who are arguably need it just as much who don't have a lot of money." Older People's Groups

"If they're given at all, they should be given according to need, not according to age, and therefore well-off people, like my parents, should not be getting a tax-free bung of £150 a year." Intergenerational Groups

"It's making a bit of a blanket assumption about people over-75 which we wouldn't endorse because some of them fall into that category, some of them don't. There's a whole range of people who do fall into the category of needing the TV and radio as a companion, or as a service, or as something that's important to their lives who may not be able to afford it. I think, perhaps, they should attune that free licence to disability benefit, for example. If you're in

receipt of a disability benefit, you'd get a free TV licence, all of those things. If you get Carer's Allowance, or if you get Attendance Allowance, for example. There might be an assumption there that you are at a stage in your life where you can't get out of the house on your own. Then you're in that isolated position rather than just basing it on age, which is not a great indicator of what people are capable of, or what they need." Intergenerational Groups

"I'd have thought there should be concessions, but some way of taking it back in income tax for those who are still paying income tax. These are the things that change regarding income tax when you're 75, and this may not actually affect a very large fraction of people, but if there was some way of adding it to income tax for people who are above some pretty low threshold, I think that would be fair." Intergenerational Groups

Approach to TV licence fee concessions

All stakeholders were asked in turn about the three overall options laid out in the BBC's consultation document: 1) copying the current concession, 2) restoring a universal licence fee, and 3) reforming the concession.

When it came to the concession options, media and intergenerational stakeholders' views differed quite dramatically from the views of older people's group stakeholders. Therefore, each proposed approach below is separated by these two broader stakeholder categories.

Copying the current concession

Media and intergenerational stakeholders

Overall reaction

Copying the current concession was the least preferred option among media and intergenerational stakeholders and the one that provoked the strongest reaction. Media and intergenerational stakeholders gave several reasons for their opposition to copying the current concession, and indeed many gave two or three of the reasons below, each of which they felt would be strong enough alone to discount copying the concession as a viable solution.

Opposition: the cost to the BBC

The most commonly cited reason for opposition to copying the current concession among media and intergenerational stakeholders was the cost it would impose on the BBC. Several were aware of the cost calculated by Frontier Economics (£745m, equivalent to around a fifth of the BBC's current budget), but those who were not assumed that the cost would be too great for the BBC to bear without a significant decline in the quality of its output. They argued that this meant the option was unfair when considering all licence fee payers – and not just those over the age of 75 – because the effect it would have on the quality and range of content, programming, and services would be felt by all BBC users. Some also added that the cost burden on the BBC would only continue to increase as the population aged.

"The unfairness lies in the reduction in the service that would be provided if it has to do that. The concession itself has some problems, given that we're in a world where it's no longer true that everybody over-75 is poor and has no resources. I speak as a member of a household which contains somebody over the age of 75, and we've deliberately not claimed a reduction in our licence fee, because we believe the BBC needs the money, and we can personally afford it."
Intergenerational Groups

"I'm against it because it doesn't discriminate in favour of the people who actually need it. You're passing the costs on to everybody." Media Policy

"I don't think that's a good idea at all. I think that should be stopped immediately. Because it's losing the BBC huge amounts of money from the households that are perfectly capable of paying for it." Media Industry

"If you had to sit down and say, 'What would you like to spend X hundred million on?' Would it be bolstering, for example, the BBC World Service, as an effort to counter disinformation internationally, or do you think that there is a role for the BBC to bolster regional cultural production, to provide reliable information in the UK? Clearly, when choosing between that and a handout to over-75s on the TV licence, it's difficult to make the case that you should make the handout. That option to me is an admission of defeat." Media Policy

"I'd probably say it's quite unfair on general licence fee payers for there to be cuts to that degree to fund this benefit." Media Policy

"The financial hit is huge. I'm a supporter of the BBC and find it unacceptable that the Government has, at a stroke, offloaded such a huge cost on to the corporation. All I can answer in response to your question is that the hit will be huge, and they should go a political route, which is to make a huge fuss about it and involve the opposition and argue that it's unacceptable." Media Policy

Some media and intergenerational stakeholders went as far as to predict that the cost of copying the current concession would be "life-threatening" and "disastrous" for the BBC, potentially reducing its capacity to compete to the extent that it might no longer be able to exist in its current form. Stakeholders often contextualised the timing of the consultation by adding that the BBC had in recent years undergone several cost-cutting exercises while fighting to compete against better-funded, growing entertainment services such as Netflix and Amazon. This, they said, made the option of copying the concession all the more dangerous to the BBC and all the more unfair to its licence fee payers. In particular, they stressed the importance of the BBC in reporting news accurately and tackling misinformation, suggesting that its global streaming competitors would not be well-placed or well-incentivised to fulfil this role in the absence of a well-funded BBC. They thought that, if it took on the full cost of the current concession, the BBC would no longer be able to support its news production to the degree necessary to continue informing the public to a satisfactory level.

"[Copying the concession] is the worst case scenario and I believe it's potentially life-threatening. I think the BBC needs to be at the size and scale that it presently is to operate in this changing media landscape to compete with the Netflixes and Amazons, and I would be very worried about cuts on that scale. I just cannot conceive how the BBC could remain in its present form. I have no idea if I was taking that decision, what would I cut? It's just such a large proportion for an organisation that's already had to endure quite a lot of cuts." Media Industry

"That's a disaster. The BBC's already had 20% real funding cuts in the last ten years, and this would be a massive further cut, another 20% or so on top of that. And it would get worse year-on-year. So if you really want us to end up with something similar to public broadcasting in America, which is irrelevant to everything, then go for that option, but that option is the death barrel for the BBC." Media Policy

"It's not acceptable on a number of levels. 1) free licence fees is government policy, like fuel subsidies, which they don't ask the fuel company to pay them. 2) The BBC is struggling, financially challenged enough against bigger, better-financed competitors. 3) It's a massive transfer of spend from the young to the old, which also I don't think can be justified. On all three grounds, I'm against it." Media Industry

"I think it's a very bad option because of the fiscal impacts on the BBC. What would happen is a vicious circle with having to close services and reducing the content. It would risk the BBC at least becoming less attractive as an audience proposition and so would probably hasten some kind of vicious circle of decline. I think there's a certain amount that the BBC needs to invest in high-quality content, and it needs to be funded adequately to do that." Media Industry

"I think it's a dumb way to proceed. I'm a big advocate, like everyone else, of the BBC being more efficient and the BBC making tough choices about how it spends money. Even in the short time since the BBC was given that responsibility, we can see even more clearly why we need a BBC that's properly funded, that still is able to be, if not totally universal, to have a spread of purposes and functions. We can see that across the board, from education, to worrying about misinformation and so on. The educational role of the BBC [is important], around information, in a world where Netflix etc [are becoming more prominent]. It is

becoming even more clear that the national asset of the BBC needs to be able to operate at scale, and it needs to have resources so that it can compete in those media spaces. In the UK, it plays a vital infrastructural role that's of exponential benefit to other media organisations, frankly, but also, too, as a social good. While the BBC is under those pressures, this is a completely unnecessary burden to add to that." Media Policy

"It would be very regrettable if the BBC has to carry out large cuts, particularly in the current climate of the amount of unregulated, un-quality-controlled alleged news that is floating around the internet and the social media system. Inevitably, this would mean a reduction in what the BBC could do, including its capacity to respond to all parts of the population, and to engage online in the way it does at the moment." Intergenerational Groups

Opposition: the responsibility of Government

Concern about the financial implications for the BBC if it was to copy the current concession was often coupled with a strong objection – among media stakeholders in particular – to the idea that the BBC should be administering any concessions at all. These stakeholders reiterated their belief that subsidising certain groups of the population was “not the BBC’s job” but the Government’s, especially if the aim was apparently to alleviate hardship. This they felt was especially the case, given that it was the Government rather than the BBC that had originally applied and then continued to pay for the concession for over-75s. Those stakeholders who held this view were usually critical of the BBC for failing to publicly resist the Government’s decision to cease funding the concession and said it should continue to do more to make clear that a socially targeted concession should be within the remit of Government and not the BBC.

"It would be quite wrong to duplicate the concessions brought in by Gordon Brown. That was a decision taken by the Chancellor of the Exchequer and implemented through the DWP. So to my knowledge, and I stand to be corrected, there was no legislation for introducing the benefit. It was a government decision and why should the BBC should be copying an internal decision of, as it happens, a Labour Government? [...] The Government should be asking that question really, not the BBC. The BBC has never been asked before to find out whether or not people think the licence fee is fair. The licence fee [concession] is set by the Government. It's not set by the BBC, so it's for the Government to determine its fairness." Media Policy

"I'm opposed to that. It's not the BBC's responsibility to provide what are the equivalent of welfare payments to elderly people." Media Policy

"I think it's extremely unfair, and it's unfair that the BBC was landed with this. The BBC should never have agreed that this should be part of the licence fee settlement. That was a grave mistake that was made. I think the BBC is in an invidious position; whichever option it chooses it will be criticised for. There's no good result, and the status quo is absolutely the worst scenario." Media Industry

"It's very difficult politically to withdraw something, so if the Government believes that this policy is appropriate, it should fully fund it itself. It shouldn't expect the BBC to have to make very difficult decisions about the overall quality and range of its output versus concessions for a specific group." Media Industry

"My view is the corporation should have gone to the wall and never agreed to take on that responsibility. It's not the BBC's job to administer welfare benefits. Absolutely isn't. That would be my starting point but I know you're asking questions which don't start from there." Media Policy

"The Government has put the BBC in a very difficult position with its policy and I'd probably be supportive of the BBC trying to minimise the cost of that benefit. It is up to the Government to

try and help over-75s in other ways with their financial circumstances if they deem that necessary. I don't necessarily agree with the policy in the first place of free TV licences for over-75s. But irrespective of that, I don't think it should have to be funded by the BBC.” Media Policy

Opposition: the target of the concession

The third main objection to copying the current concession among media and intergenerational stakeholders was the premise that over-75s were more in need of a concession than others. While most preferred an ideal world where no groups within society needed a concession from the BBC at all, if one were to be given, these people argued there was little logic in bestowing it on the over-75s. They commonly argued that pensioners had become increasingly wealthy relative to the rest of the population between the introduction of the licence fee concession in 2000 and the present day. They therefore felt that the concession was unfair to other groups within society who might be more likely to suffer poverty and who were also less likely to get the same value from the BBC licence fee due to their more diverse media diets. More generally, these stakeholders felt that any concession seeking to alleviate poverty should not be based indirectly on broader demographic categories, such as age, as in their view this led to large numbers of people receiving concessions that they did not need.

Intergenerational stakeholders were particularly likely to bring up this objection to copying the concession but it was also widespread among media stakeholders.

“We’re very aware of generational inequalities. If anything, that subsidy should be going into the BBC's current efforts to re-orientate its focus to serving different, younger age groups.” Media Policy

“Those who can afford to pay should do so. Many of us feel that things have moved too far towards helping the old and not enough towards helping the young. So I can understand why it's unpopular that everyone over-75 is getting something free when people with young kids are more pressed for money and they don't get any concession.” Intergenerational Groups

“As far as elderly people are concerned, there are already too many concessions made to them in terms of special treatment, ranging from the winter fuel allowance to free travel on the underground, without any consideration as to whether these elderly people have substantial incomes or not. That applies to giving people who are well-off a free television licence. Why would you do that?” Media Policy

“On philosophical grounds, we don't think there is a convincing argument, regardless of who is paying for it, for a universal benefit that goes to all households above the age of 75, which doesn't take any account of their ability to pay for it. [...]. To begin with, the TV licence is regressive because it's more expensive to poorer people than to richer ones, and then to give people, just because they're older a free one, is even more regressive. There may have been a more convincing argument for this when it was introduced almost 20 years ago because there was a much closer relationship between age and poverty, because more older people lived in poverty. Now, that's a very unconvincing relationship because a much smaller percentage of over-75s are below the poverty threshold and they are predicted to continue to become wealthier as a demographic going forwards.” Intergenerational Groups

“I'm not sure about concessions for ageing. In health terms, it's a universally good thing, because all the evidence says you need so much more support as you age and you have less money. But for social things, I'm not sure in principle that it's a necessary thing for our society to acknowledge. The small concessions that you get when you turn 60 or 65 for going to the cinema and things like that, they all help. They recognise that you're no longer on a salary and no longer have earning potential.” Intergenerational Groups

“That would be terrible, scandalous. Because it continues to give a tax-free grant to a large number of wealthy people. The world has changed in at least three important ways. 1) There a lot more older people, because people are living longer; 2) a lot of them, because of the way pensions and other assets, particularly housing assets, have worked out, they're a lot better off than they were; and 3) you've got the situation that young people have to pay this but watch a lot less television, so demographically there's an extra unfairness there.” Intergenerational Groups

“It means that there are households that are perfectly capable of paying the licence fee but get out of it because they've got an old person living there.” Media Industry

“We should not assume that all pensioners are getting better off, but pensioner poverty has fallen by a third. The median pensioner income is now higher than the median working age income, after housing costs. These are really big shifts in our society. Wealth is growing in the UK but becoming increasingly concentrated in older generations, at the same time still being very unevenly distributed within them.” Intergenerational Groups

“It means you're disproportionately putting resources for older users when the BBC has a remit for the population as a whole, including younger people.” Media Policy

“It would be quite unfair to maintain the current concession as it is. The aim of the social policy is to alleviate or mitigate the worst effects of poverty, but poverty is something which is found across all demographics, not just in the over-75 groups. So ‘over-75’ is a rather arbitrary place to draw a line. The impact of the BBC choosing voluntarily to alleviate poverty in a particular demographic is just not right from a poverty point of view. If it's going to choose to make those kinds of interventions for people to have access to BBC services who are financially constrained, then it should be better targeted across the whole demographic.” Media Industry

“It's not acceptable on a number of levels. 1) free licence fees is government policy, like fuel subsidies, which they don't ask the fuel company to pay them. 2) The BBC is struggling, financially challenged enough against bigger, better-financed competitors. 3) It's a massive transfer of spend from the young to the old, which also I don't think can be justified. On all three grounds, I'm against it.” Media Industry

Support for copying the current concession

A very small number of media and intergenerational stakeholders were in favour of copying the current concession. They offered three reasons: a) many over-75s were suffering not only from poverty, but also from isolation and loneliness, and television and radio were very helpful in combatting this; b) older people tended to use BBC services more than other groups and so a free television licence was more important to them than it would be for others; and c) older people had been contributing to the BBC for a longer time and it was therefore fair that they were rewarded for this in later life. They also expressed disappointment at the Government for retracting the concession and seeking to pass the responsibility to the BBC.

“Fairness doesn't come into it. I'm over-75. Old people were given this concession by a government who was seeking to make life easier for old-age pensioners because their lives were often very deprived, lonely and wretched. That was a good piece of social policy. But the idea that [the Government] would put the BBC into a situation in which it will suffer when it's retracted, is [...] ill-advised.” Media Industry

“I think there's lots of evidence of the fact that that age group relies more on some of the BBC's outputs and that isolation can be a really important issue with old age. It's harder now that it's been handed from the state to the BBC. If you view it as part of an intergenerational contract that we have in our welfare state, where people pay in during working age and then receive

the benefits and things like the state pension and retirement, I think that's quite an important.”
Media Policy

Feasibility of copying the current concession

When asked how feasible copying the current concession would be, media and intergenerational stakeholders said that while it might be technically feasible for the BBC to implement it was not financially practical. They returned to the damage they thought it would inflict on the quality and range of the BBC’s services, suggesting that covering the cost of the concession would lead to a lasting and meaningful deterioration of its output. Some media stakeholders worried, however, that there would be little sympathy with this viewpoint among the wider public, who they said viewed the BBC as “a wealthy, bloated organisation” which paid very high salaries to on-screen talent.

“It’s feasible but it would bankrupt the BBC.” Media Industry

“If they did, it would have a significant detrimental impact on the quality and breadth of offering that the BBC could make, so it could be done but it would be at the expense of all the work that the BBC does which, goes back to the fundamental point that this is a political decision that the BBC should not be making.” Media Industry

“Politically it's quite feasible. [...] But it comes at a critical time, and I think that's significantly damaging to the Beeb.” Media Policy

“It’s feasible, but it will have genuine consequences for the quality and volume of content the BBC is able to produce. So you can do it, but you have to recognise that the consequences are negative and substantial when it comes to the quality and volume of services you get from the BBC.” Media Industry

“The trouble is it's not a one-off; it's an ongoing and probably growing financial commitment. I don't know what the figures are. I don't know how much the cost is growing every year. But people look at the BBC and they see quite a wealthy, bloated organisation paying a lot of people very high salaries, and sometimes that kind of whingeing doesn't really carry much sympathy.” Intergenerational Groups

“I don't think it's feasible at all, because of the amount of money involved and that's only going to grow.” Media Industry

“It would be really quite damaging for the BBC to cut that much out of its budget over a relatively short period of time. [It will have] a very noticeable detrimental impact on its output and the service that it provides to licence fee payers in general.” Media Policy

“It's hopeless. I don't think you can do that. You might just as well take an axe to the BBC as it is. It would impose huge suffering on the BBC and we have to decide whether we care about that or not. I do care about it.” Media Industry

“It would be really damaging to what the BBC could do. I realise it's not necessarily a terribly friendly environment in some quarters for it to change the policy, but if it adopts it to start with, it's only going to kick that can down the road, isn't it? They'll have to make certain cuts to accommodate it in the short-term, which could mean losing services or something, so even if they reduce it later on, you've then got to set those services up again.” Media Industry

Older people’s group stakeholders

Overall reaction

Of the three main options, copying the current concession was the most popular approach among older people’s group stakeholders.

Support: fairness and combatting isolation

Older people's group stakeholders who supported the BBC copying the current concession felt strongly that it would be unfair for over-75s to have their licence fee concession removed. They said that older people often felt lonely and isolated, particularly if they had few relatives nearby or were housebound due to ill health. They argued that television and radio were very important in combatting isolation among older people by allowing them a sense of connection with the wider world, and that to remove the concession would therefore risk undermining the wellbeing of older generations. Others said that the unfairness of removing the concession was enhanced by the fact that older people had contributed to the BBC throughout their lifetime, and so deserved to have a subsidy in later life.

"We think that's the most fair approach that means that the older people who are on low incomes, low fixed incomes and those who are not claiming the benefits that they need, that it's going to ensure that they're able to get access to the BBC. We know that there's a lot of older people who are lonely and isolated and, for many, TV is their main source of comfort and they find that that means that that will tackle that feeling of loneliness and isolation. Many older people aren't using the internet, so it's a window to the outside world and that that's where they're going to get their main source of information from. It's the most fair to make sure that the most vulnerable, older people are still accessing it and will help to tackle loneliness and isolation where it can." Older People's Groups

"Half of all over-75s are disabled. One in four view the television as their main form of companionship. I'm going to get the number wrong, but a very significant proportion are either living in poverty or only just above the poverty line. One in two have multiple long-term health conditions and can't get out and about. So television's a very important window on the world for over-75s, and a significant number would lose out financially and/or would struggle to actually pay this, if they were made to do so." Older People's Groups

"As we get older, our pension pays for less, so at 75, when I've already paid my licence fee for 55 years, I would struggle to pay for my TV Licence. We're all going to aspire to be old one day." Older People's Groups

"People over the age of 75 are much more likely to have chronic health conditions that restrict their mobility in one way or another. So they are much more likely to be dependent upon in-home entertainment to keep them connected to what's going in the world, to keep them connected and interested. So as a population they probably have fewer choices to go out and do other things and prosper more from access to mainstream media than an active 35-year-old." Older People's Groups

"I think it's fair because we've got to prioritise what we think is important for society. It's such a huge problem, loneliness, and the fact that so many older people rely on the TV as their only source of company, I think it is a fair one." Older People's Groups

Nevertheless, older people's group stakeholders who supported the BBC copying the concession underlined their view that ideally the Government, and not the BBC, should pay for it. As with media and intergenerational stakeholders, they felt that as the concession was socially targeted and had been implemented originally by the Government, it was Government who should continue to fund it.

"We'd support that but we don't think it's fair for the BBC to have to fund it." Older People's Groups

"My preferred option is that it remains with Government. I think supporting older people is a government responsibility rather than a BBC responsibility. I think this should have been resisted by the BBC; I think Government should honour the commitment that it did make and

that this should not be transferred. This is supporting older people, supporting other government policies, such as combatting loneliness amongst older people. It's not a BBC responsibility and it's not for the BBC to work out who deserves what or who is able to afford what." Older People's Groups

"For us, the only option that we would support would be to keep the scheme as it is. I think that's option 1, copy the scheme but still we would support that but what our main ambition would be that it would be the scheme as it is currently that the Government is responsible for, not the BBC." Older People's Groups

"That they should be left as they left as they are. I don't support any change to the current system. I think it's going to be a disproportionate impact on vulnerable older people who have enjoyed this policy, which was introduced - not at the request of the BBC, as far as I know, but by Government - almost 20 years ago. It's one of the very few universal benefits left to older people. I think, ironically, older people really value the BBC and what the BBC does and that this concession means an awful lot more to them - disproportionately more to them - than to other people. So, from the work I've been doing, this is really seen as a very negative move by Government; that it's a government responsibility rather than a BBC responsibility, and that it isn't something that should be taken away from older people at this stage." Older People's Groups

"I think it's right that there are concessions in place for people over-75... the concessions should be retained. Looking at the consultation document, I can fully understand the BBC's arguments in terms of the economics of the situation. For us, it's not a BBC problem. For us, it is something that the Government should actually be dealing with. It was the Government who handed it over to the BBC three years ago and, for us, the situation is that the discount, the free licence situation, should remain in place for people over-75 and the cost of that should be borne by the Government." Older People's Groups

"My opinion is, in a nutshell, is that the BBC have - as a broadcasting authority - have to balance the books, raise the money, produce quality programmes in a competitive market. And therefore, they should not be in a position where they have to bear the cost of these free licences to a group of the population: either it's got to be funded by some of the recipients of the service or by the Government. Then that's a big ask on the tax payer." Older People's Groups

"I understand the arguments about the economies of scale and the choice that the BBC would have to put in place in terms of some programmes and some services going or being reduced in order to pay for the concession. Therefore, this is where we feel that it's not a BBC problem and that we don't necessarily think the BBC should be having to make the changes that it's talking about, i.e. cutting some services, in order to maintain the concession." Older People's Groups

Opposition: poorly targeted and damaging to BBC services

A minority of older people's group stakeholders were opposed to copying the current concession. In their view, the concession was poorly targeted and would be too costly for the BBC. They said that wealthier over-75s could afford to pay for a full television licence and that this would be preferable to the cost being covered by the BBC, particularly if it had to make cuts to its services as a result.

"I think as I say, that's potentially a huge waste of money because I think there's plenty of over-75s who could afford to pay the licence fee and yes, I'm not convinced." Older People's Groups

"I don't think in the longer-term that it's sustainable, because at the end of the day, the quality and the range of services which the BBC provide are going to diminish. My view is that the

licence fee receivers should - if they're in a financial position to do so - pay and shouldn't expect either the Government or other tax payers - or indeed, the BBC to diminish their service as a result." Older People's Groups

Feasibility of copying the current concession

Several of those in favour of the BBC copying the current concession said unprompted, when explaining their support for it, that they did not think that cuts to BBC services were necessary in order to fund the concession. Some of these older people's group stakeholders felt that the BBC should be paying smaller salaries to on screen talent in order to fund the concession, while others suggested that the BBC could raise the licence fee for others or generate higher sales overseas in order to cover the cost (see Cuts to programmes and services, p.43).

"We also want the BBC to take a closer look at itself, because we don't believe there's a necessity to cut programmes of any kind. It needs to take a very critical look at the areas of expenditure, such as the salaries paid to some of its top employees and on some of the screen talent. A personal view: I don't think the BBC should be spending over £1,000,000 to get someone to talk about football. There's a deep sense, not just in the older population, but within families of other age groups, that the BBC needs to take its responsibility of accountability, because it's public money that the BBC is receiving, and take more seriously its accountability to its customers and look at how they can rearrange for the modern day." Intergenerational Groups

"There's a bigger question there about the BBC and the use of money. So rather than cuts from services, it's about wages of the top people they're paying. It seems to be excessive in terms of salaries that people can attract at the BBC and to cut a valuable service for older people seems as though they're looking in the wrong department to make the cuts." Older People's Groups

"I think that it's very important to retain the free licence, and I think there are many ways in which they could fund it, and it wouldn't necessarily be cuts. I think that's a threat, which is rather unfortunate. They could raise the TV licence, they could raise more money by selling overseas, or they could go back to the Government and ask again. I think there are many options, not just cuts." Older People's Groups

"It might mean that everybody's licence has to go up. That would be a kinder approach." Older People's Groups

Those who were more sympathetic to the cost burden on the BBC suggested that the BBC should do more to resist the Government's decision and insist that it paid for the licence fee concession rather than the BBC (see Other options and considerations, p.40).

"It should be dealt with by the Government itself rather than the burden put on the BBC. The Government should deal with it and should keep responsibility." Older People's Groups

"Clearly it would cause enormous difficulty for the BBC if it had to fund this out of its own coffers, so from that point of view we think it's unfair to expect the BBC to do that and it's a matter for Government to do it. Or, if it wishes to change the concession, the Government should have a proper public debate about it, and not just try and sneak it in through a private backroom deal." Older People's Groups

"They should keep on arguing with the Government. Hopefully there'll be a change of Government which will be much more sympathetic to the whole issue. I'm not saying that there's likely to be a general election before 2020 when this is all supposed to happen, but who knows because the way things are going over the whole issue of Brexit, who knows that's

going to happen in the coming period. Even if there isn't a general election before 2020, I know there'll be lots of people like myself campaigning." Older People's Groups

Restoring the universal fee

Media and intergenerational stakeholders

Overall reaction

While the universal fee had at least some degree of support from most media and intergenerational stakeholders, only a minority chose this approach as their preferred option.

Support: cost, responsibility, and fairness

The minority who chose restoring the universal licence fee as their preferred option did so for reasons which mirrored the ones they offered for opposing the first option (copying the concession): cost, responsibility, and fairness. They reiterated that the cost of the concession would be highly damaging to the BBC and that it should be the Government, not the BBC, covering the cost of any socially targeted concessions, particularly as the BBC had not paid for the concession to date.

This group also felt that restoring the universal fee was the most fair option of those proposed because it offered a consistent 'price' for the BBC's services for all, with no underlying assumptions made about the ability of different age groups to contribute to the BBC. Some also suggested that the cost of the licence fee was not high enough to the individual to necessitate social concessions, particularly given that older people already had access to various other forms of welfare. They said that older people would receive very good value for money from the licence fee given that they were among the most frequent users of BBC services, and so should pay the full licence fee like other households.

Though this particular group of media and intergenerational stakeholders supported the universal fee, they did not think that the BBC would choose this option because of the political consequences they thought it might face (see 'Feasibility of restoring the universal fee', p.28).

"I think the BBC should certainly get the money. I think that the money, I think everybody over 18 who receives services from the BBC should pay a licence fee is what I think." Media Industry

"Is there any reason not to do that? Can people really not afford? Is it £11 a month or something? It's not a huge amount per month." Intergenerational Groups

"My heart says it's wrong but my head says why is it wrong? We pay for what we get. [...] It is based on an assumption that if you're old, you don't have any money and that's just not true now. I don't think anyone can say it's unfair [to restore the universal fee]. There are plenty of people under 75 who can't afford the television licence. There are plenty of younger people living in poverty, who can't afford it. I feel there's something a little bit patronising about making those assumptions." Intergenerational Groups

"It's quite a good idea. [Older people] are typically watching a lot, and they still have the benefits that help pay for it, the winter fuel allowance, and those that are particularly short of money get a pension credit. It's quite doable to cut it completely. They should be brave and do it. But there's no way it's going to happen." Intergenerational Groups

"That's very much what I'd like to see the BBC choose, although I'm very pessimistic about that being the outcome. I think that the BBC instinctively tries to avoid conflict with politicians and government, and there's a big political lobby that's pushing the BBC away from this. The natural instincts of the BBC leadership will be to compromise, to find some middle way that's neither the worst nor the best. I think the BBC needs to have the courage to choose this option, but I don't know if the leadership of the BBC has that courage. I hope they prove me wrong. I

think it is fair. I do understand that there are some people who have difficulty paying the licence fee, just like there's some people have difficulty paying their winter fuel bills, and government policy should take that into account. Compensation for any hardship that people suffer from, apart from this one exception, is always funded by Government.” Media Industry

“I think that sounds very fair. Because over-75s spent the most amount of hours viewing TV of any demographic population, so it seems only right they should pay for it. It's an incredibly good deal for them compared to any of the subscriptions.” Media Industry

“In an ideal world, that's what I would choose because, as I said, from the start, I don't think the BBC should have to fund this benefit and I think that it seems perfectly reasonable for me for the BBC as a broadcaster to say, 'We have a licence fee and everyone who wants to access the BBC has to pay it'. Then it will be up to the Government to help with financial situations of certain vulnerable groups, if they choose to.” Media Policy

Support: in principle but not with immediate effect

A second group of media and intergenerational stakeholders supported the universal licence fee in principle, but felt that, given the history of its provision, implementing it straight away would not be the most practical, fair, or wise way for the BBC to proceed. They said that they would support the BBC ultimately moving towards a universal licence fee, but felt that this would need to be phased in over a long period of time so that it was not unfair to those over-75 who had not had to budget for it to date. They indicated that, if the concession had not already applied since 2000, they would be in favour of a universal system in which all age groups paid the full licence fee. However, given that those over-75 currently had become accustomed to the concession, they were wary about the immediate restoration of a universal system.

“Well, I think that [restoring the universal fee] should be the ultimate objective, but I think it would be a catastrophic mistake by the BBC to do what the consultation documents suggest they may be going to do, and that's just get rid of it all at once.” Media Industry

“I think that's a fair approach. But if they were reducing, I don't know, Child Benefit or something, it's a question of planning ahead, giving people notice. If you were going to do that straightforward return, you'd say something like, 'in five years' time this will end,' or three years' time, or whatever.” Media Policy

“Theoretically it's fair because everyone is in the same position. Practically, you're going to be asking people who currently have the concession to find £150 a year, so the fairness of that depends on the ability to pay. Obviously, some would be worse affected than others.” Media Industry

“The biggest possible change to that policy is basically getting rid of it. For all I've said, I think to completely get rid of it is a very sudden move. There's something to be said for it if the arguments are strong enough. But it's a very sudden and big change, and I've seen the comments made by people like Age UK and so on. Arguably, they're not terribly helpful because they're trying to say that the Government should pay for it again. This is all politics around this. The BBC could call the Government's bluff if it did that. But [restoring the universal fee] would certainly be a sudden change.” Media Industry

“What I would do if I couldn't do anything else would be to increase the age limit every year, so that you didn't take it away from people who are already benefiting but you next year made it 76, the year after made it 77. So no one else would ever get it but you wouldn't withdraw it from those who are already benefiting, which will obviously take a long time for the revenue to come in compared to just getting rid of it automatically but it would take away the political toxicity of the issue.” Media Industry

Some media and intergenerational stakeholders also said that the universal system was preferable in an ideal world but that, given the history of the concession, it would be better to reform it in a way that targeted those most in need. They typically suggested a means tested option, which they felt would save the BBC from covering the bulk of the concession fee while applying it more directly to those on lower incomes (see Reforming the concession, p.32).

“From a strictly philosophical point of view that would actually be the best option, that is to say within the current legal remit that the BBC has. I think the best solution overall would be if the TV licence was simply made more progressive, so that it could be that everyone below a certain policy threshold got a free one.” Intergenerational Groups

“It's much better, to do redistribution through the tax system, so to have a universal fee seems cleaner. [However], some people do fall through the net and benefits are very low for various people, so there might be an argument for having some sort of dispensation for people on low incomes.” Intergenerational Groups

“There's probably a case for doing something like means testing or shifting up the age threshold gradually. I don't think it's realistic to go off that cliff edge, basically. In the long-term, all this rests on what you think the role of a public broadcaster is. [...] It's silly to change public policy that drastically overnight. I could see that would be the long-term direction of travel, but it doesn't seem like the first option today.” Intergenerational Groups

“I think in an ideal world, I would have a concession that was means tested or a payment based on progressive taxation because ability to pay is obviously very different between different types of household. There is a theoretical problem with a flat rate universal payment. It's like a poll tax but I think that there is no clear justification for over-75s being treated differently from other people, so a means-tested concession for everyone, all ages, you can make a case for. But it is much harder to make the case for a 100% blanket concession for over-75s.” Media Industry

Opposition to restoring a universal fee

Around a quarter of media and intergenerational stakeholders were opposed to restoring a universal fee. Their responses focused on the needs of poorer and more vulnerable over-75s; they suggested that restoring a universal fee would undo the good that had been done by the original concession. They emphasised the importance of the BBC in keeping isolated and vulnerable older people company, as well as financially aiding those who were worst off. Most of those who were against restoring the concession were in favour of reforming the current concession to target those most in need rather than simply copying the current concession.

“I think that would be outrageous. First of all because of the impact it would have on some very poor and vulnerable people. The purpose of having a universal benefit that's targeted on a particular demographic is there's evidence that there's a relatively high proportion of vulnerability in that population group. If the case was to be made to focus it more narrowly then there's an evidence-based case for 85-plus but I'm not going to make that case. If it was taken away completely, there would be a lot of people who miss out and would be too poor to purchase a TV licence, which is going to rise and rise again. The prospect of frail, older people being taken to court to recover licence fees is just not something that I think the BBC would want to contemplate. The PR hit they would take on that would be absolutely massive. The papers would simply be full of vulnerable people who are being denied TV licences. Tell them not to go down that road! That would be foolish indeed.” Media Policy

“Well, I think, it's always very difficult to take a privilege away, particularly when the privilege is deeply valued. Our oldest citizens depend upon television. Many of them are frail, physically unable to get out the way they used to, the way young people do, the way they would want to. Television brings the world to them. Furthermore, people they see on television become friends. As they lose friends, and they lose family, as they grow older, they become more and more vital to their quality of life. I have described taking the licence fee away from our oldest people as cruel. I think that is how it will be perceived.” Media Policy

“Well, of course, it just cancels out the social good that was brought about by instituting the idea in the first place. In that sense, it's simply blindly going back to how we were. There's no doubt that over the last ten years, certain concessions to older people have made the lives of old-age pensioners much easier.” Media Industry

“I think if you're poor and old, you shouldn't be paying it. The BBC obviously provides a lot of important companionship for older people, as well as access to information, and I don't like the thought that people who are old and don't have the means don't have access to the BBC, for reasons from companionship to democracy.” Media Industry

“My take on that is that there are genuinely a subgroup of old age pensioners, particularly the much older ones, some of whom are quite lonely, who can't afford it. The BBC, particularly with being virtually the only provider nationally of speech radio, is particularly enjoyed and used by the elderly. I think it'd be a very bad thing. So I'm completely against that.” Media Industry

Feasibility of restoring a universal fee

The consensus among media and intergenerational stakeholders was that restoring a universal licence fee would result in a considerable political backlash at the BBC's expense, though they were divided about whether this was a risk worth taking.

On the whole, media and intergenerational stakeholders tended to suggest that there was a high risk that the BBC would be politically damaged by restoring a universal fee – at least if it was done with immediate effect. Those who held this view identified two factors that made restoring a universal fee politically infeasible: 1) a potential decline in public support for the BBC (particularly among older groups); and 2) a hostile reaction from Government. Most focused on the former, suggesting that the BBC would need to assess how the public might react before electing to restore a universal fee; they worried that the BBC's standing could fall if it was seen to remove a concession for the elderly. A couple focused on the latter, suggesting that the Government would either attempt to stop the BBC from restoring a universal fee or impose regulations or restrictions on it in future that could damage it in the long term.

*“I suspect it would be unfeasible, which is why I don't think this is what they're going to do. This is what's often referred to as the bleeding stump problem, which is that taking benefits away from specific groups of the population is much harder than creating them in the first place because it will mean creating a specific group of disadvantaged consumers.”
Intergenerational Groups*

“I think the BBC, in an ideal world, ought to be seeking to get out from under this particular obligation. It seems an unreasonable one to impose upon it. There is clearly a problem of a political nature for the BBC, and indeed, for the relevant government at the time. Given also that it is a time of austerity, a time of pressure, a time when there is concern about the widening gap between rich and poor, where there is concern about those who are disadvantaged, in a whole range of ways, not just age, it's obviously immensely tricky. That's the old regulator in me speaking. What I would hope the BBC would have the courage to do, is to say, 'We no longer wish to continue with this concession.' There are two risks in that as I see it. One risk is the short-term political one. There would be an almighty row, and the BBC would

be blamed. Although, of course, the BBC is not exactly incompetent when it comes to arguing its own case in public, and it should be prepared to do so.” Media Policy

“I think withdrawing it all in one go would be very, very damaging because the right-wing press will have a lot of fun, which is most of the press in this country. They'll have an awful lot of fun at the BBC's expense. Politically, I can see for the BBC, that would be very damaging. For individuals, some would cope. I mean they'd complain but they would still cope quite nicely, and there would be a few who perhaps would really, really struggle and those are the ones who I think should be looked at.” Intergenerational Groups

“Politically, it's not acceptable. I think the old age lobby groups would bleat. I'm in favour of it, but I can't see it working. It's not doable, it's politically unacceptable, and also the BBC would be seen as a scrooge, they'd be seen as uncaring, so I don't think it's feasible.” Intergenerational Groups

“It's not feasible because Parliament would not allow it. Jeremy Wright, who is the current secretary of state for media, made a very mealy-mouthed statement, but nevertheless, it was an indication saying he didn't expect them to do such a thing. His party was the people who forced them into this situation in the first place, so it was extremely hypocritical of him, but it's an example of the fact that politicians don't mind facing two directions. They'd have no problems, so no, it's not feasible for the BBC in many ways. It would cause outrage socially; it would cause damage, and it would put the BBC in bad odour in Parliament. It may even bring forward further prohibitions in Parliament or the Ofcom regulator, and it would endanger the BBC's licence fee negotiation, because the next thing that the BBC has in a year or two's time is the licence fee is reset. The charter doesn't come up for another eight years, but the licence fee is reset, and it would endanger those negotiations.” Media Industry

“I think that's what should have happened in the first place, but I think that is politically infeasible now, but it's completely wrong for the BBC to be used as part of the Government's social policy.” Media Policy

“The question is, what's the fall-out? I just think the public concern... I suspect it would get a fair amount of criticism in some areas of the press, from some politicians, possibly Government, I don't know, and possibly from the general public, up to a point. I haven't seen any recent polling as to what people's views are. Certainly, in any risk assessment, that's got to be a key concern: is it damaging to the BBC's overall reputation and standing?” Media Industry

A significant minority acknowledged that there was a potential for political backlash but felt that restoring the universal fee was still preferable to other options, which they felt posed a greater threat to the health of the organisation in the long term. They did not want the BBC to assume any additional cost at a time when they thought it was already struggling financially, and nor did they want it to go down the route of administering social benefits, which they thought should only be done by Government.

“I think the BBC should be prepared to screw its courage to the sticking place, to use the phrase, because somebody has to. The alternative is the BBC will end up, and this is an enormous risk, the BBC will end up as a supporter of the geriatric audience, on the assumption that everybody else is not going to watch the BBC. That means you don't need a licence fee at all, really. The Government will then end up providing the subsidy for the over-75s through the BBC, and the BBC will be left to find its money in some other way which is a ghastly, but not unimaginable, thought.” Media Policy

“It's totally feasible. I think it'll be the most feasible because it's a principled stand. You can say on principle it is wrong that the BBC should be funding this from the licence fee. As far as I understand, it's entitled to do that under the settlement that the choice is left with the BBC. I

think it's terrible that the choice is left with the BBC, because the BBC should be separate from the world of politics, and this is such a political decision. Actually, if you're applying a principle, this is the easiest option to choose because it is the one that illustrates a principle, whereas the other options are kind of compromised, neither one thing nor the other.” Media Industry

“It's the best option, but it's the hardest.” Media Policy

“The Government wouldn't be very happy with them. And you can understand why some elderly licence payers would be extremely disappointed because they're unlikely to get any extra support from the Government as a result of this. [...]. I'd still favour [restoring a universal fee] as the option. I just think it would need to be carefully managed and the BBC would probably have to go back to Government to make sure that the implications were managed as carefully as possible for the vulnerable groups at risk of missing out on accessing TV and radio as a result of it.” Media Policy

“It's not going to be without difficulties because it's obviously asking people to pay that are currently not paying unless a solution can be found for them. But the main benefits are it maintains or at least it promises to maintain the current level of service provision by the BBC. There is also an added benefit in that the BBC does not seem to be meddling in social policy and is independent of Government.” Media Industry

“Politically, they'll take some heat, but the gas and electricity companies don't pay the fuel subsidy and there's no reason why the BBC should pay for a political decision to give free licence fees to everyone. Furthermore, it is a massive transfer of money. Thirdly, it's a tonne of money that's just going to go up each year, over time, and eat out a bigger and bigger share of BBC income. Finally, it's a massive transfer of the BBC's income from the young to the old.” Media Industry

Older people's group stakeholders

Overall reaction

Restoring a universal licence fee was extremely unpopular among older people's group stakeholders.

Opposition: unfairness and pensioner poverty

Older people's group stakeholders' opposition was based on a belief that it would contribute to pensioner poverty among those who chose to pay it and to loneliness among those who did not. They believed that given the importance of the BBC and television to older age groups, some of the poorest over-75s might decide to cut down on heating and food expenditure in order to pay for their licence fees, while others might decide not to renew their licence fee and therefore risk feeling more isolated. Others added that the unfairness of this option was furthered by the fact that pensioners had contributed to the BBC throughout their lives and deserved to be rewarded in later life.

“It's unfair. It's always harder to take something away. We now have some much harder evidence to back up the effects of loneliness on people. We must remember that for those 3.9 million who never get out of the house at all, because of disablement, the only connection they have with the outside world is what they see on the news on the television and other kinds of programmes.” Older People's Groups

“I think the oldest old, and I think we probably can talk about the oldest old starting at 75, I think given their health profile, their potential for loneliness, their potential for being housebound, the kind of society we have, and given that they are the main television watchers in the country, that they can have access to television is very, very important. Generally, I think it would be very detrimental to the wellbeing of huge numbers of isolated older people if that free licence was taken away from them. That's my general view.” Older People's Groups

"I think given that it's in place, it does seem a bit of a hit to take it away. It just seems that there are a number of people, or a reasonable percentage in that area, that are a bit more rooted to their home, due to mobility and elder issues. I just think the TV is more of a lifeline for them than maybe some other age groups, to be honest, and that that they don't get... Also the fact that they have lived with the BBC and grown up with the BBC during that period. The younger people have a different relationship with the BBC, and the BBC will have to respond to that. I think the older generation, over-75, grown up with it and have valued it and stuck with it, and I think taking it away at this stage is a little bit harsh. I can understand the financial need, the BBC's got to change, and everything else, but if you had it at the moment and suddenly had to pay, I think there would be a percentage in that age group that wouldn't be able to. I think for those it would be yes, particularly harsh given that, I don't know the figures but I'm guessing that the figures are slightly higher for that age group than others, watching the BBC, but I don't know. You'd probably have the figures." Older People's Groups

"That would be terrible. Age UK have already produced some statistics which are very helpful about how many people would be suffering and poorer people have to make a decision whether to keep their TV or to cut back on food. So that would be a very bad thing." Older People's Groups

"I think that's swinging the pendulum probably too hard the other way. I wouldn't be happy having no concessions at all for anybody." Older People's Groups

"You see a lot of older people that just wouldn't pay the licence fee, so then aren't accessing BBC products or the TV which is really going to have a major impact on their loneliness and isolation. Also it could be pushing people that do then opt to pay for it, really struggling financially when they're on a fixed income as it is. So it could be pushing pensioner poverty further or people will suffer in terms of not accessing it at all." Older People's Groups

"The first thing to say is it will cause quite a lot of confusion and distress for older people who won't want to feel they're on the wrong side of the law. There will be significant numbers who for one reason or another won't manage to do it anyway, even if it is made compulsory. There's almost a million people living in our society with dementia, they are in cognitive decline, they're largely in this age group. So lots of people won't manage to do it for one reason or another and that's going to raise issues. Some people will have to make difficult choices about if they pay this bill, this extra bill of £155 a year, or they turn down the heating a bit in the winter when it's cold. It will make them lonelier and more miserable, and just basically take something out of their lives which they're currently enjoying." Older People's Groups

"Anyone over-75 who has savings now will be very lucky! The way austerity has hit, people are dipping into their savings all the time. This is a generation that rebuilt this country after the war. They worked solidly, hard jobs, they created the wealth of an economy of a country that was bankrupt after World War II. We were bankrupt, absolutely threadbare after World War II. This country is not bankrupt now. It is the fifth largest world economy, and if it can't look after its most vulnerable people, the people who saw this country back on its feet, worked, saved, did everything they were asked to do... When I was young and I worked I was told, 'You work, you save, because this is for your old age.' I get to my old age, and what do I find? Nothing, so at the end of the day, you're talking about the frailest and some of the most vulnerable people that we have in this country." Older People's Groups

"Our take on that would be that there are a lot of older people aged 75 and above who are living in poverty, and that £150 a year for a TV licence is a significant amount of money for some of those people to find. Undoubtedly, there are people over-75 who can easily afford to pay the TV licence. There's no question about that but there's also a significant section of the population which is struggling. [...] The TV licence, for a lot of older people who may be isolated

and lonely, the TV is a source of communication and a source of company.” Older People’s Groups

Feasibility of restoring a universal licence fee

Older people’s group stakeholders thought that restoring a universal licence fee might technically be feasible, but was impractical in terms of the effect it might have on older age groups. They did not think that operational feasibility should be considered without this broader impact being taken into account.

“I think they would become very unpopular. For people to see the Director-General getting the salary he’s getting and the presenters, like John Humphrys, getting the money he’s being paid out of the licence fee of 75 year plus old people who are poor wouldn’t go down very well.” Older People’s Groups

“Well, from a logistic point of view, it’s feasible. They can do it very easily, but I think the impact on older people will be huge. So it’s whether it’s morally right to do it.” Older People’s Groups

“Well, it’s feasible in the sense that it can be introduced. I repeat what our view would be: if across the board, everybody paid a flat rate of £150 for the TV licence, there are a significant number of older people who would not be able to actually do that.” Older People’s Groups

“It’s probably the easiest option for them, operationally, but I’m not sure my view adds any value to that question. It’d be feasible from their point of view; not feasible from the stakeholders’ point of view.” Older People’s Groups

Reforming the concession

Media and intergenerational stakeholders

Overall reaction

Reforming the concession was the most popular of the three overall options among media and intergenerational stakeholders. Of the three possible reform options described in the consultation document – discounting the licence fee by 50% for those over-75; raising the age threshold of eligibility to 80; and means testing using Pension Credit – means testing was the clear favourite among media and intergenerational stakeholders.

Means testing using Pension Credit

Those who thought means testing was the best option said that it was the fairest and most rational option while also being less costly than the other reform options. They thought that the original concession had been a “blunt instrument” which aimed to help alleviate poverty among older age groups, but which no longer worked well given that many pensioners were well-off. They thought that means testing would help be true to the original intention of the concession while minimising any negative effect on the quality of the BBC’s programming for other licence fee payers. They hoped it would therefore avoid the public backlash that they anticipated if the BBC were to restore a universal licence fee.

A few had read the full consultation paper and knew that means testing using Pension Credit was identified as the least costly of the reform options. Most others were not familiar with the figures but assumed that means testing would be the most cost effective of the reform options given that it would only target the poorest households; accordingly they were more likely to support it.

“I think probably means testing. I understand the point that the population is ageing, and for everyone over-75 to not pay the licence fee means a massive shortfall for BBC’s income. I think that would really negatively affect their output and what they could provide to the public. But I

also understand that the reason that it was introduced in the first place in 2000 was because there were a lot of poor people aged over-75 who might not necessarily be able to afford a licence fee, and I understand the role that television has in helping with informing people, and also with loneliness. So I want people who genuinely couldn't afford a licence to have the opportunity to watch TV, but I think there's an awful lot of people aged over-75 who could easily afford it. So I think it makes sense to means test those over-75." Media Industry

"Since then, I think a lot of people feel that that's unnecessary and, actually, older people can, a lot of them can afford to pay for the licence fee and, indeed, would be happy to, licence fee. I think it's difficult because, obviously, this policy moved the principle of universality for the first time. The licence fee had always been universal and, suddenly, it wasn't. Suddenly there was free licences for people over the age of 75. I personally think it's unfortunate that it was introduced at all as a concept because I think it weakens the position of the BBC, but I think that whether the BBC, to insist that everybody over the age 75 now has to pay, that that would be potentially to the detriment of the BBC's reputation. I think that for those pensioners who can't afford to pay, it would be difficult, and it would result in negative news stories and, indeed, difficult situations for people that are in receipt of Pension Credit. Therefore, I think that because of the fact that it's been since 2010, it's much better for the BBC to take what will be perceived by most people as a fair response, which is that pensioners who live on their own and are in receipt of Pension Credit can retain a free licence fee but all other people over the age of 75 should pay." Media Industry

"Of the three options, probably the best one is means testing, for two reasons; a) because it's the most rational option and the most progressive option because it would only preserve the free TV licence for households who are genuinely poor, if they use pension benefits; b) it's probably the most practical form of means testing because any forms of means testing requires a bureaucratic process to identify which households are entitled and which ones aren't. Doing it that way will minimise the implementation costs to means testing because households claiming pension credit are already known to the Department of Work and Pensions, so I presume they will go on top of an existing database to do that." Intergenerational Groups

"Even though I'm not a great fan of means testing, when times are hard, that is the fairest way. Pension Credit is a fairly good one [to use]. It's actually a fair one, it seems that the people who really need it do seem to get it without too much trouble, unlike some other benefits. I think that is probably the fairest way if you're going to go down the path of identifying who genuinely needs this." Intergenerational Groups

"The means testing on the pension credit seems to be the best system, but I don't know why you're singling out the poor who are old rather than people just on low incomes." Intergenerational Groups

"They're going to have to means test it, I think, because I don't think it is right that some very rich people don't pay for their TV licence. I really don't, I never have done. I never have thought that. So I think that for people who genuinely can't - for people with genuine need, genuinely this is a huge lifeline and it keeps them connected and it keeps them abreast of the world and they wouldn't be able to afford it if they suddenly had to start paying for it. Then the BBC absolutely should cover their costs, but I do think there is some way where you should be able to charge people who absolutely can afford it, and let's face it, many pensioners can." Media Policy

"I have a strong preference for some sort of means test. It cuts maybe two thirds, I think, of the cost. If you're going to reform it, that's the fairest, and the most effective." Intergenerational Groups

“That's the way to do it. If you're going to do it, and I'm not sure it should be done, but if you're going to do it then that is the way to do it.” Media Policy

“I'd be most concerned about the isolation of the worst income pensioners. I don't know about the practicalities of just working out who the Pension Credit population is for the BBC. That's, obviously, a consideration and there will be costs in that but, assuming it's quite an easy read-across, because there's access to the DWP-held records and all that, it would save probably quite a lot of money and is defensible.” Intergenerational Groups

“What Frontier have shown is that actually, pensioners are the least likely age group to be in poverty, but there are a lot of pensioners in poverty. Therefore, the right answer is to target the concession on the households with pensioners which are in receipt of Pension Credit, and that reduces the damage for programmes by 72%. I mean, none of these policies is perfect, but within the art of the possible, it minimises the number of over-75s living in poverty and paying for the licence fee.” Media Policy

Combining the concession with Pension Credit was mostly seen as a good way to implement means testing by media and intergenerational stakeholders. Though they usually did not have any detailed knowledge about how it might work in practice, supporters assumed it would work well for two reasons: a) they thought it would effectively target those most in need while minimising the cost to the BBC; and b) most (but not all) assumed that the administrative burden on the BBC would be minimal given that a system already existed which it could use.

“I don't know about the practicalities of working out who the Pension Credit population is for the BBC. That's, obviously, a consideration and there will be costs involved but, assuming it's quite an easy read-across, because there's access to the DWP-held records, it would save probably quite a lot of money and is defensible.” Intergenerational Groups

“Assuming the Pension Credit has been properly targeted; it involves no incremental, or very little incremental, bureaucracy because Pension Credit already exists. There's no need to set up lots of measurements and the execution of this is not especially difficult, because Pension Credit is already in place. So it's, to me, by far the best option given where we are, in that it minimises the damage to programmes for everyone, while also minimising the number of pensioners aged 75-plus who genuinely are in poverty and for whom the cost of the licence fee, on top of their other expenses, is something that really would hurt them.” Media Policy

Nevertheless, a small minority were opposed to means testing. Most commonly, this was on the grounds that it would add a significant administrative burden to the BBC, which stakeholders did not think it had the infrastructure to bear. Others referred to the relatively low take-up rate of Pension Credit among older people, arguing that a BBC licence fee concession based on Pension Credit would be likely to miss many of those it sought to target.

“The worst one is means testing because means testing has all sorts of problems. One, it's a nightmare, and heavily bureaucratic; and two: it introduces all sorts of cliffs and people who are good at putting money in different buckets will get free licences that they're not entitled to. And we all know that the poor don't claim lots of benefits they're entitled to. There's all sorts of bias in that, that I think the BBC ought to stay clear of.” Media Industry

“There are about a fifth of pensioners who are eligible for Pension Credit who don't claim it because of the means testing process. The universal benefit of free licences gets to everyone. If you go the Pension Credit route, it's more expensive and it won't hit all of those who could potentially benefit from it.” Media Policy

“Means testing sounds very good in principle, but I’m a strong advocate of reducing the amount of means testing in old age. That is what the all-party consensus pension reforms adopted since 2010. Because of the problems of means testing in terms of incentives/disincentives to save and provide for people’s retirement, means testing does have downsides. It also has the problem that it requires a much more complex test than simply, ‘were you born before or after a certain date?’ So administration is involved in that. Piggybacking on Pension Credit would protect some of the poorest, but obviously not all of them, because take-up rates for Pension Credit are incomplete. So it would probably reduce the cost considerably, because relatively, there’s only a small proportion of the pensioner population get Pension Credit. It’s not costless.” Intergenerational Groups

“Means testing is very clumsy. You have the example, already, of the winter fuel payment which is not means tested, on the basis that it would be too complicated to do so. I don’t see why the BBC licence fee would be any less complicated.” Media Policy

“How does that work with the present situation where one person is over-75 in a household, do you means assess the whole of that household? It sounds incredibly complicated and rather expensive.” Media Industry

“I have a good deal of experience of the means testing process and I just think it’s ridiculous, the idea that the BBC would be taking on something like that. Governments, for decades, have been trying to simplify the benefit system, simplify it for people receiving benefits but also departments administering those benefits, especially means tested benefits which can be quite complicated. So if there’s any suggestion that the BBC is going to set up a whole new division to manage a brand-new means tested benefit, that itself is going to require managerial expertise which the BBC does not have. It’s going to be very costly to administer as well as to actually pay the benefits, so it would be almost quite perverse outcome of this process although clearly that would be the one that would be the option that saves the most money from being cut from the BBC budget.” Media Policy

Raising the age threshold to 80

A small minority of media and intergenerational stakeholders advocated raising the age threshold to 80. Though they had little real enthusiasm for it, those who said this option was the best said it made some logical sense given the increasing longevity of the UK population. They said that the pension age was increasing for the same reason, and felt it made sense for the age threshold of other age-related benefits for the elderly (such as the licence fee concession) to follow suit. A few said that this also made the option palatable for the public, because there was a precedent in place already.

“That’s a possibility. I think it’s probably the only one you can actually attach a logical argument to, given the general aging of our society and longevity.” Intergenerational Groups.

“Increasing the age threshold is an obvious one. That’s happened with pensions because obviously that’s an affordability issue for the Government, so they’ve been moving it up and up and eventually it will get to 70 and then probably eventually 80. I think that’s entirely reasonable.” Intergenerational Groups

“Option B sort of works in the short-term because life expectancy has gone up.” Intergenerational Groups

“On the raising the age threshold, I think there has been quite a reasonable consensus established by the review of the state pension age, and everything that’s gone before that with the Pensions Commission in the early 2000s, of increasing state pension ages in line with longevity. Everybody’s chasing a moving target You can see a case for using that logic. [...] You

definitely wouldn't want to do it overnight. You'd want to push everybody back by a year or something." Intergenerational Groups

"80 is probably a reasonable figure to go for. If you want like a 'soft Brexit', this is the soft Brexit equivalent. It sounds as if you're saving some money so yes, you're doing right by the taxpayer generally, you're not over-assisting older people, but you are recognising that there could be an issue for older people. That's my soft Brexit; if you want to sell it that's probably a good one to sell." Media Policy

Most, however, did not think that raising the age threshold by itself would solve some of the underlying problems they had with the existing concession, namely that it was costly and did not target those most in need. They said that as the population aged, the BBC would have to continue to raise the age threshold in order to stop the cost of the concession increasing disproportionately. They also did not think that this option was particularly cost-effective for the BBC. A couple also added that those who tended to live the longest were those who were also most well-off, and so were usually in least need of financial concessions.

"Raising it to 80 wouldn't be progressive and it's still inefficient to give a discount to wealthy households. The only advantage to that is it will slow down the rise in the cost of the free licence fee over time." Intergenerational Groups

"It's a matter of grubby judgement, or what you would get away with. I'm against doing it, so I don't think I could give you an exact age which I felt was better or worse than 80." Media Industry

"You increase the age threshold, you kick the can down the road a bit and, indeed, that may be a way of dealing with it. People are beginning to be used to the increase in the pension age, for the state pension. There is a precedent for that. It would be slightly less bad. It would be slightly less confrontational, it would be slightly less unpopular, but it wouldn't solve the basic issue. This is an opportunity to solve the basic issue." Media Policy

"I think with the way demographics are going, with more and more old people, I'm not sure. You'd end up having to do something again in a few years' time, so I'm not sure that raising it five years makes enough of a difference. Also, you might be 78 and really poor, and it doesn't help you. So I find that one a bit uncomfortable." Media Industry

"The people who are probably most in need of the free licence are those who are poor in the first place, and they're not living as long as long as wealthier people, and their later years are also more beset with illness and disability." Intergenerational Groups

Discounting by 50% for those over-75

Discounting the licence fee by 50% for those over-75 was chosen as the best reform option by a small minority of media and intergenerational stakeholders. Supporters thought it was a "pragmatic compromise", but most others viewed it as a "fudge" that did not address the underlying concerns of cost and fairness. They felt that the 50% figure was arbitrary and the overall approach less logical than either means testing or raising the age threshold, while still leaving the BBC with a considerable cost.

"A 50% concession would be, in some ways, a pragmatic compromise, wouldn't it? There isn't much of a rationale for the existing policy and if it doesn't feel possible to completely withdraw a concession, then what you're saying is we recognise there are some grounds for reducing payment." Media Industry

“Discounting it by 50% would be the second option to me because £12.50 a month is a lot. £6 is still a lot for some people but most people who really value this would be able to find that money, as long as they're aware of that option.” Intergenerational Groups

*“The question comes back to why do you want to give people over-75 a benefit?”
Intergenerational Groups*

“You'd still be giving a discount to a lot of households that didn't need one in terms of affordability. It would reduce the overall cost of it by a certain amount, but it would still leave a very big open-ended liability over time.” Intergenerational Groups

“The 50% discount still doesn't deal with the problem. It would still leave poorer households finding money, and wealthier ones getting a tax-free concession, albeit only £75 a year, going up pretty quickly. I don't think that option really works.” Intergenerational Groups

“Well, obviously the providing it on a discounted basis, say 50%, just means that you get 50% of all the effects in either direction. So you get half the cuts, but on the other hand, you get half of the impact on poorer over-75-year-olds.” Intergenerational Groups

*“You're still giving a concession to everybody when it's only a minority of people actually need.”
it.” Media Policy*

“It just makes it less bad, but it makes it a less expensive policy, but it remains ill-targeted and expensive.” Media Industry

“As far as discounting the licence fee, it's a political fudge. I wouldn't be at all surprised if we don't end up seeing something like that, but it strikes me, again, as unsatisfactory. This is an issue which needs to be tackled now.” Media Policy

“That still has the same inequity: people who are perfectly capable of forking out a couple of hundred quid for the licence fee, which is still incredible value.” Media Policy

Older people's group stakeholders

Overall reaction

Reforming the concession was the preferred option for only a minority of older people's group stakeholders. Of the three possible reform options described in the consultation document, means testing proved the most divisive, while raising the age threshold or discounting the licence fee received moderate support.

Raising the age threshold to 80

Taking into account second choice preferences, raising the age threshold to 80 was the most popular reform option among older people's group stakeholders. Those who supported it over the other options said that it made logical sense because life expectancy was higher than when the concession was introduced, and older people tended to be healthier at older ages than in the past, thus reducing the need for financial subsidies and support. Some also added that the oldest – who often tended to be the most isolated and at risk of health problems – would continue to be covered by the concession. Most of the older people's group stakeholders who supported this option, however, said that would prefer for the concession to remain available to those aged over-75, rather than 80.

“I wouldn't be adverse to it going up to 80. With 75, more people are living longer and older. More people are living in that category. Eighty's the new 70 or whatever you want to call it! So I do think that would be reasonably fair.” Older People's Groups

“I just think if they were to do anything, then raising the threshold to 80 would be probably the least painful, but I think 75 seems a sensible age, and I don't think they should do either of the other two. Frail, isolated older people should have access to free television, in a way that they

have in the past, because it is a lifeline. I mean, there are a lot of people in their mid-70s who are isolated and housebound, and don't get out much, and the television is their lifeline. Therefore, it seems to me that they should stick it at 75, but if 80 is the only way they think it is feasible, then that is the least worst option.” Older People’s Groups

“I think the most palatable of all of those options is probably raising to 80, because perhaps people are now healthier, living longer and retiring later. So actually people are much fit and healthy to a longer age. Perhaps the 80-year-olds of today are more like the 75-year-olds of 10 years ago if that makes sense, in terms of lifestyle. So moving it up five years, I guess feels like the most palatable of those three options, but I don't like any of them really. It might be the easiest one for people to understand in terms of just raising that age so that the most vulnerable and isolated people definitely still benefit, because if they're five years older they're potentially going to be more frail and more reliant on their TV.” Older People’s Groups

Means testing using Pension Credit

A minority of older people’s group stakeholders were in favour of means testing, suggesting that it appeared the fairest and simplest way to make sure that the most vulnerable among over-75s and those most in need of financial help were able to continue to access a licence fee concession.

“I think it should be means tested. You don't want to overcomplicate. People on pension credit should be able to claim their free licence fee, if they're over a certain age.” Older People’s Groups

“I think the means testing is fair. As long as it's done in the right way. If that's straightforward and not an expensive thing to do, I would be in favour of that, of means testing.” Older People’s Groups

“The benefits of means testing are that those who would be disadvantaged [would still be able to] rely on TV for company, for entertainment and for information, whatever age that as well.” Older People’s Groups

“A more targeted means assessment would seem the fairest way. Whether that is graduated so that those who are above a certain level pay the entirety; those who are in some form of middle band pay 50%; and those who are least financially able, don't pay anything and that there is a free licence fee for them, or whatever mechanism that you apply. It seems one that should make sense.” Older People’s Groups

However, just a small majority of older people’s group stakeholders ranked means testing as their least preferred reform option. Many of those were strongly against it. This was for two main reasons. Firstly, they considered it to be far costlier than assumed and an administrative burden for the BBC, regardless of whether or not it was done through the Pension Credit system. They had often been informed anecdotally that means testing came with many hidden costs, even if they had no direct experience of administering it themselves. They were therefore unlikely to support it unless the BBC could guarantee that the costs would not go over budget. They also felt it would be difficult from an operational perspective, creating a huge amount of administrative work for the BBC.

“I don't agree with means testing. [I have been told that] the costs of means testing is so disproportionate for the amount you're going to be saving, that they never go down that route and I am convinced by their argument that it isn't a way forward. I don't agree with the means testing. As I've said to you, it costs so much to do. I presume the BBC would have to do it as well. I'm sure the Government wouldn't want to do it and it would cost them more than what they're going to try to save. So that for me is not an option.” Older People’s Groups

"Means testing is expensive and very difficult, and it's not to be encouraged." Older People's Groups

"Believe it or not, it's very expensive to means test. I read figures that it costs ten times as much to means test in a situation than to introduce it universally, just making it a benefit if you know what I mean. I don't know whether the figure 'ten times' is right, but there is a lot of work involved in means testing which is going to be a cost item, however much it's going to cost. So therefore, no, I am not in favour of means testing." Older People's Groups

"I just think that would be a ridiculous idea. Simply because, does the BBC want to spend its time policing that? No, it doesn't. There are always hidden costs in means testing, because of the bureaucracy and administration that you need to set up to do the test and then arguments about whether that's now the right test or it's become the wrong test or whether you need to modify the test. So I just can't imagine why the BBC would want to do that to itself. So I think that's a total non-runner." Older People's Groups

"I don't know how that's feasible or how that's doable. That's not a job for the BBC. That's not what the BBC's role and responsibility is, to start working out who is eligible for what based on some kind of means or needs assessment. So it does seem entirely impractical - never mind undesirable. I expect there are some data protection issues in there, not to say some legislative requirements. It's just a hammer to crack a nut, basically." Older People's Groups

"I think means testing is a non-starter. It's just an administration bureaucratic. The means testing would actually probably cost so much it would be counter-productive in terms of their savings. My point before about the people that need it most won't participate." Older People's Groups

Secondly, some older people's group stakeholders opposed means testing using Pension Credit on the grounds that many older people entitled to receive Pension Credit did not currently claim it (some quoted a DWP figure of 40%), either because they did not know how, did not know they were eligible, or felt too proud to accept it. This, they said, would lead to many vulnerable older people losing out on a licence fee concession who would otherwise be able to qualify for one, which would mean that the means testing option would fail to achieve what it set out to do.

"This would really hit low-income households the most because there's a lot of older people who are entitled to Pension Credit that they don't claim it. The DWP estimate is that about 40% of people who are eligible aren't claiming it, so you're talking then about people who are very vulnerable older people who would really struggle to pay the licence fee. Also, it's worth BBC considering the administration costs and the burden of having to handle that personal information." Older People's Groups

"Means testing we vigorously oppose. Of all the proposals in the document, it's the one we hate the most. A very simple reason for that is that means testing sounds fair when you look at it, but given that 40% of the older people who are entitled to Pension Credit don't get it, that would absolutely mean that a significant portion of the poorest pensioners would lose out. It wouldn't do what it was aiming to do, which was to ensure that the poorest actually get some financial help. This is a long-standing issue with Pension Credit, which is the main means tested benefit for older people. It's thought there are a number of reasons why older people don't get it. Quite a lot of older people assume that they're not poor enough to get it and some of them they just don't hear about it. The process for claiming it is quite complex, it's a long form which often puts people off. Some older people, as a matter of principle, will not take something that they feel means that they're being branded as poor or struggling, so that's why, they'll take a universal entitlement because they feel that they are entitled to it, but not to something they have to claim. There's a whole bunch of reasons why, over a very many years we've absolutely

failed, both government and other organisations, to make much of a dent in those take-up figures. For that reason, we thoroughly dislike it.” Older People’s Groups

“A means test that’s linked to pension credit, theoretically I can see how that could work, other than I know from experience, that people won’t necessarily go for pension credit even if they really ought to. There’s still that perception that it’s money that they probably shouldn’t be receiving.” Older People’s Groups

Discounting by 50% for those over-75

A minority of older people’s group stakeholders supported discounting the licence fee by 50% as an effective and easily implemented compromise which would be preferable to restoring the licence fee, but there was little real enthusiasm for it overall. Most felt that it had little logic behind it and would still require over-75s to pay a considerable fee each year, which would hit the poorest the hardest. None, however, were vehemently opposed to this option.

“Possibly the easiest way in many ways to do that is to just apply a standard 50% discount.” Older People’s Groups

“Like taking rail passes for example, you get a third off your fare if you’ve got a rail pass. I’m always one to try and believe that we can learn from other work that’s been done and apply some of the principles. I think there are compromises to be made by looking at - I’m not saying there’s a right or wrong but looking at a discount, or paying half towards it or perhaps on a transitional way reducing the amount by Government. I don’t think they should take it off all at once.” Older People’s Groups

“I think just chopping it in half just looks like a completely financial decision, and not looking beyond that. I don’t think that seems to really make that much sense.” Older People’s Groups

“Making it 50% would be just a palliative, it wouldn’t really help.” Older People’s Groups

“We saw this option as a negative one. From our understanding of the analysis that Frontier Economics did, it wouldn’t raise enough money for the BBC anyway and it would still increase strain on individual finance. I’m not sure who would really win from that option.” Older People’s Groups

“We’re opposed to older people having to pay anything more at all. So from that point of view, we don’t particularly like that one, but you wouldn’t expect us to. We might dislike it slightly less than getting rid of it all together but, basically as you would expect, but it’s still an amount of money that some people will struggle to afford.” Older People’s Groups

“It clearly is an option, but I’m a very black and white person and I think I’d probably prefer to see a decision to either: ask people to pay; or, those who are not in a position to pay, to be given the free licence. That means those at the lower end of the scale are still going to have to pay out what to you and I may not seem a lot of money, but £70, £80, £90 for a licence is still an added burden to those who are struggling to balance the books each month.” Older People’s Groups

Other options and considerations

Renegotiate with the Government

When asked whether the BBC should consider any other options as part of the consultation process, several stakeholders from across all stakeholder groups reiterated their view that the BBC should insist that the Government continue to pay the concession or accept responsibility for the consequences of removing the concession from the over-75s. These people felt that the BBC should have taken a

stronger stand against the Government at earlier stages of the process and thought that the BBC still had an opportunity to reverse out of the position it had been put in. Older people's group stakeholders reiterated the importance of the full concession for older and often housebound people who relied on television and radio to combat loneliness and isolation.

"Ultimately, I think a lot of people would say, 'this is a government policy and it should go back to the Government'. I can see that there are difficulties for the BBC in dropping it all together, but I think some of the membership would just say that. They would just say, it shouldn't be paying this, on principle." Media Industry

"Perhaps, the BBC ought to go back to Government and say, 'Look, this is an impossible task, and you're going to need to help us share the burden', and perhaps, the BBC carries 50 per cent of the cost, and the Government carries the other 50 per cent, or some other way of managing it." Intergenerational Groups

"This shouldn't be happening and they shouldn't be put in a position asking questions about it. The licence fee is a government decision. There is nothing there requiring the BBC to become a branch of welfare and make decisions on what is essentially a welfare decision. It's not a programme-making decision. The BBC was created to make programmes! Radio programmes and then television programmes. It wasn't created to make welfare decisions." Media Policy

"I think there's a lot of criticism of what happened last time and the way in which the BBC's hand was forced. Whether there's space for some new thinking on that before we suddenly get to the point where it's time for another licence fee negotiation, I think that would be healthy if the BBC were to be a bit proactive on that." Media Industry

"I think the BBC ought to go back to the Government and say that their consultation has shown that this is a very bad thing and the Government should take on responsibility. It was agreed by the Government in 2000, when Gordon Brown was the chancellor at the time, that this should be brought in. It was very popular, it wasn't opposed by anyone, and the Government should take on responsibility to take back responsibility for it. The BBC should have the guts to go back to them and say that." Older People's Groups

"You can have a legitimate argument about whether the Government could and should tax some of these benefits or remove them from higher rate taxpayers. Those aren't matters for the BBC, they're all to do with the administration of our tax system. That's definitely for Government, for the Department of Work and Pensions and the Treasury. I don't think there's anything available to the BBC to get them out of this situation. I think it's all fairly hideous whichever way you look at it, to be honest." Older People's Groups

"Our campaign is solely about the Government taking back this concession. It did it without any consultation, and we don't think they have the right to give it to the BBC or any other unelected body, for that matter. It is a government role. Welfare is a government role, and it's as simple as that." Older People's Groups

"We would revert to our organisational view that this is a situation that the BBC shouldn't be having to make, and that the situation should revert to the Government, who should continue to provide the concession." Older People's Groups

"I don't think there has been enough public awareness about this. I don't think the BBC or the Government has taken stock on this. I think this should be put back on the table again." Older People's Groups

"Just to emphasise the usefulness of it. For a lot of older people, particularly older people who are experiencing isolation, as you get older and your circle of friends diminishes and your experience decreases in your health, and your mobility, and your ability to get out to the world, your reliance upon television is incredibly important. It is your friend in the corner of the room.

It is the distraction. To withdraw that from some of the most vulnerable under the guise of trying to make the business model work better, isn't a good idea." Older People's Groups

Aside from renegotiating with the Government, a few older people's group stakeholders said that the BBC should consider alternative ways of paying for the concession, including introducing paid advertisements or raising the licence fee for those in society who could afford them.

Exploring alternatives to the licence fee model

Several stakeholders also suggested that, when thinking about the long term, the BBC should consider exploring alternatives to the current licence fee model, which they felt was becoming outdated as the way people consumed content became more diversified. They suggested that the BBC could consider a subscription-based model, in which the fee was proportionate to the extent to which the service was used.

A small number from all stakeholder groups also wanted the BBC to consider using advertising to increase revenue, but saw this as an ongoing consideration for the future, rather than a concern that needed to be addressed immediately as part of the present consultation process.

"I fundamentally think there's only any argument for a concession for people where the household has only got over-75s in. That's always been my policy position. At the moment, if my mum comes and lives with me, I suddenly don't have to pay my TV licence despite the fact that my household income is six figures. It's stupid. It's stupid. It's stupid. Old people who live with only old people, halve the cost. Whoop-de-doo, problem solved." Media Policy

"Given that that is our sort of thesis behind the existence of my organisation, we are generally opposed to universal benefits which are targeted purely on the basis of age, because we don't think there is a convincing case for granting a welfare benefit to everyone above a certain age without taking any account of their material circumstances, therefore, we are naturally opposed to the TV licence in its current form and we would advocate a significant reform." Intergenerational Groups

"I think is that it's not the right question. I personally have a very high regard for the BBC but I am well aware that the way in which people are accessing broadcasting is changing dramatically and I don't think the issue of should we offer free licences to over-75s is separate from the way in which we all receive our communications nowadays and particularly younger people. I have a horrible feeling that the whole model is outdated and that this is sort of tweaking, really, the whole thing. On a very - if it just absolutely - I think it's got to be seen in that context. I don't think this can be a long-term solution, whichever way you go, and I just think the whole kind of licencing, the way funding the BBC through a licence is going to die a natural death because young people won't do it. I think it's time limited. In way, that's why I say I'm not sure the right question's being asked. If, however, I absolutely address that singular question, then I'm concerned that there are many 75 year olds who are perfectly well able to pay for a licence and more likely, maybe, to watch the BBC than younger people who can't afford the licence and are less likely to watch the BBC. I think the BBC risks losing the pipeline of punters if the licence continues to exist in its current form. I don't know how helpful that is, but I think that's my view." Media Policy

"I think the problem is that it's changed so much in the last few years because of people's capacity to stream so many programmes that the value of the licence fee is something, which has in the popular view diminished, because of that capacity to choose so much online. If you see what I mean. Perhaps, the BBC needs or has needed to make the case more forcefully for

the maintenance of a public broadcasting system which is funded by the licence fee.” Media Industry

“The second risk which seems, to me, to be the greater risk, is by removing the concession, it does slightly weaken the argument for retaining the licence fee. My sense of the consultation about the over-75 licence fee, is it's almost a dry run for what will happen with the renewal of the charter, if the charter is renewed, and the future of the licence fee. That seems to me to be a particularly fraught issue.” Media Policy

“I think the business model, maybe, should seek to increase income from a demographic within society that can afford it.” Older People’s Groups

“I don't know whether it's sacrosanct, this thing about non-advertising, but we have to move on sometimes. I think we should consider advertising to get extra revenue, which should then allow them to keep the universal over-75s [concession].” Older People’s Groups

“I'd rather put it another way, my answer to that. If they looked at, for example at alternative sources of income, the obvious one that comes to mind is advertising isn't it?” Older People’s Groups

“They talked about making the BBC operate in the same way as commercial broadcasters; having ads. [...] It sounds like a good idea. Adopt a more modern flexible charging system. Reduce high-earner salaries and seek a contribution from the Government. There is resentment over the very high salaries anyway.” Older People’s Groups

“The BBC telling the Government to bugger off and that it's going to make itself independent and run itself on a subscription service, and then it can make its own rules, or it should be able to make its own rules, at least. That would work but, otherwise, I really don't see why we should have a broadcaster that's fundamentally paid for by a Poll Tax. It's outrageous whether you watch it or not really, or no matter how much you watch, and nobody else uses that model, so why are we still doing it? It goes back to 1932.” Media Policy

“It might be that this problem could be solved maybe over the longer term by just rethinking the licence fee, in general. The BBC introducing charges for households, individuals, that use greater volumes or access greater volumes of the BBC's output and maybe discounts for vulnerable groups like older people could be applied to those charges. Obviously, that's more of a longer term project with all kinds of new systems at the BBC but it might be one way of giving some discount to the older groups as well as modernising the licence fee.” Media Policy

“I would have thought maybe, if they were going down that route, some kind of user charge might actually be fairer than just increasing the licence fee on wealthier households, but I don't know, and obviously that runs into arguments about the BBC then competing with these other services.” Intergenerational Groups

“I think the BBC and Government should consider the degree of subscription, for some of the more minority services. Again, I'm surprised not to see much about that in the consultation document. There's no reason why there should not be an element of subscription. I would not want to see it the dominating finance source, but I can see there is an argument, especially as we move more and more into the digital age, for some services to be funded on a personal payment basis.” Media Policy

“Unfortunately in the modern market it means that it's not keeping up with the money available for the streaming giants. I think we've got to think of new ways to pay for the BBC if it's going to continue to exist. I think you could get international subscriptions. There's a huge market to mark for the BBC and we ought to start really milking that.” Media Industry

“There will have to be I think probably a complete rethink of how the BBC is funded, including thinking about advertising. Other countries have a licence fee system that is not as expensive as this country's but it's topped-up by advertising revenue.” Media Industry

Cuts to programmes and services

When asked what channels or services the BBC could cut if it were to fund the licence fee concession for the over-75s in part or in full, responses were varied by stakeholder type.

Media and intergenerational stakeholders said that they did not think it was feasible to cut any services at all, particularly if the BBC were to fund the concession in full. They said it was already struggling to compete against competitors having already implemented many cuts and felt that any reduction in the standard of programming offered by the BBC would be unacceptable. Those who held this view typically either supported the restoration of a universal licence fee or whichever was the least costly reform option. Others were reluctant to specify areas they felt should be cut because they did not want those decisions to be influenced by the personal preferences of the BBC's stakeholders as opposed to its wider audience of licence fee payers. They suggested the BBC should consult with the public to ascertain perceptions of the quality and value for money of its various services before making any cuts.

“There isn't anywhere they can make cuts. They've been cut over many years. They were cut by 20% in 2010. They're still trying to manage the cuts of 2010. So I'm not really willing to name areas that they could cut because this isn't a matter for slicing a little bit here and a little bit there. We're talking about a quarter of a billion pounds this year, as I understand it.” Media Policy

“It would be worth almost a fifth of the BBC's entire budget, which is more than the BBC spends on the whole of BBC radio. It's the whole of BBC radio and a large chunk of BBC online. As a said, it's an open-ended liability, so it is going to carry on getting more expensive and, all things being equal, accounting for a larger share of the BBC's budget in the years and decades ahead, which it has been implied cuts to BBC services to pay for it. We think it's practically unworkable, unless the general public is willing to accept a very large reduction presumably in the quantity and quality of the BBC's outputs.” Intergenerational Groups

“I think if it causes a cut back in their services, that would be deplorable, because they're up against competition from all these commercial outfits now, and I think most of us feel the BBC is something that should be preserved.” Intergenerational Groups

“I just don't think it's affordable. I don't think it's sustainable or affordable going forward because of the ageing population. I think that's the pressure that the BBC is up against.” Intergenerational Groups

“It was primarily for financial reasons that they stopped BBC Three as a broadcast channel and put it only online, and completely predictably the audience collapsed, even though the younger viewers to whom it's aimed consume relatively a lot of online TV and video. So I think that question is one of the big questions which the BBC should be asking, and I think it should be asking it very explicitly and in a very public way, saying, 'According to our calculations, these are some options, three or four options, for meeting the full cost of free TV licences for any household with at least one person aged 75-plus. If we took on this full cost, these are the combinations of services we could cut.' That's something where they should then do another public consultation or, at the very least, do some in- depth research.” Media Policy

“People always cite the services they don't particularly treasure. I have a very particular BBC diet, and so I'm very conscious that whatever I say, somebody else will find objectionable. Of

course, it's never, 'Let's close Radio 4 or Radio 3,' because influential people like those." Media Policy

When pressed, other media and intergenerational stakeholders suggested two main areas where the BBC might be able to save money, although there was no clear consensus. Few felt that the cuts they tentatively suggested would actually be desirable, reiterating their frustration at the position the BBC was in.

The first area suggested by media and intergenerational stakeholders was entertainment radio. They felt that BBC radio channels – Radio 2 in particular – offered entertainment content that was similar to that produced by the private sector, and therefore this was the most obvious area for the BBC to cut back.

"I think they should perhaps lose a really dying market: some of Radio 2 and its TV counterparts. One thing I'm very perplexed about is all this pressure to dumb things down for young people. I thought we were supposed to have more education now than in the past. I don't understand this concern to provide dumbed down stuff for young people. Leave that to the commercial sector." Intergenerational Groups

"If it was a case of cutting programmes... It's difficult to know these days because in the old days I'd have said, 'All right, cut out the entertainment. Why should the BBC be using taxpayers' money to produce entertainment?' In fact now, of course, things like documentaries are a mainstream TV staple and there are documentary-only channels, so people make money out of that. It's difficult to know what to suggest, but I think, probably, the entertainment channels, radio in particular. I think there's huge amounts of radio which the BBC is now really just reproducing." Media Policy

"I think, if I was the BBC, I would be looking hard, not so much at the traditional targets of BBC 3 or BBC 6, but something like Radio 2. Something where you could argue that the commercial sector could provide, so it could be, I don't know, Radio 1 or Radio 2." Media Policy

"Probably some of the radio channels, and probably some of what I would call the non- public service broadcasting which goes on BBC One, Two and whatever else." Intergenerational Groups

The second main area, mentioned by some stakeholders, was the salaries of on-screen talent and senior management. Those who brought this up tended to be less sympathetic towards the BBC than others and were more likely to favour copying the current concession. They referred to recent news coverage of the salaries of long-standing BBC presenters and also the pay of senior staff. Others, however, criticised the argument that the BBC could save money by reducing salaries (which they brought up unprompted), suggesting that the amount it would need to raise to pay for the concession would far exceed any savings that resulted from reducing salaries.

"Perhaps there should be a review of just how much money they're throwing at people. I understand the competitive element of that because obviously if they don't throw it at people, then other people, other competitors will do. But I would look long and hard at their remuneration policy, for a start, because I think there are massive savings to be made there. Perhaps they should give more people with potential opportunities rather than paying out a lot of money for people who have been around for a long, long time and obviously increased their salary over a period of time and then retain those levels of salary regardless." Intergenerational Groups

"I expect other people will say it as well, but I think it seems apparent that there is scope for cost savings with executive pay and some of the stars' pay well. These are tabloid stories, and I really haven't looked into how much impact they actually make." Intergenerational Groups

"What could it do without? Maybe they should scrap the really expensive stuff: Gary Lineker. Expensive presenters. They should be more 'public servicey'. Costume dramas are also too expensive." Media Policy

"The fact is that it's not very long ago that the BBC top echelon awarded themselves some really hefty bonuses, if I recall correctly. I saw a piece in the Guardian late last year was quoting 30% bonuses. I don't think the BBC is going to find it very easy to plead poverty, so it would have to go back to the Government and to get opposition support, it would need to do this anyway, with a case which includes some cuts to its own budget maybe, that maybe there is fat at middle management level. 30% bonuses in the current climate are wrong and politically inept." Media Policy

"These fantasies that say, 'Oh, well, the BBC could sort of swallow that and reduce its overheads,' the numbers simply don't support that. They don't come close to supporting it. They've already lost Chris Evans and so on. No commercial business would think that's a sensible solution. The only way would be to cut services." Media Policy

In comparison to media and intergenerational stakeholders, older people's group stakeholders felt unable to comment on how the BBC would fund a licence fee concession, saying they did not know enough about the BBC's organisational costs. Those who supported copying the current concession suggested that cuts to programmes and services would not be necessary. A few identified salaries for senior management and on-screen talent as an area where cuts could be made.

"It's difficult when you don't work for an organisation to actually say where the cost savings could potentially be. Usually, from being a CEO of another organisation, what you're looking at is to try and reduce your fixed costs if at all possible, and part of that of that might be your staffing or it might be to do with expenses. It might be about the fees that are paid to people that are on your books. There might be less money to pay the fees of some of their higher-earning people." Older People's Groups

"They could cut the large salaries of the BBC executives, couldn't they?" Older People's Groups

"Some of the presenters at the BBC just get slightly under £2 million, like Gary Linekar. There are a number of people that get very high salaries. That is an area which I personally think should be looked at." Older People's Groups

"A lot of people feel that staff and executives are paid too much, and they should cut back on that. That was the most recurrent theme in terms of cost cutting: reduce high-earner salaries, whether it's staff or performers, but particularly performers." Older People's Groups

"There are not services that I think should be cut, but I think paying enormous salaries to celebrities for example to host things, might not be the best use of BBC money." Older People's Groups

Stakeholders from across all stakeholder groups mentioned areas they thought the BBC should protect from any upcoming cuts. These were most commonly news, television drama, documentaries, and content aimed at younger people. Those who said the BBC should protect its news content thought its importance in providing the British public with accurate, impartial, and comprehensive news coverage had increased given the prevalence of 'fake news' and misinformation. Those who said it should protect television drama and documentaries said that these were particular strengths of the

BBC and ones that helped to maintain its reputation for high quality, original content both in the UK and abroad. Those who said it should protect content aimed at younger people did so for two reasons: a) they felt it would be unfair for the content of younger people to be affected if it was older age groups who were provided with a subsidised television licence; and b) they said that younger audiences (which would become more important with regards to the long-term health of the organisation) were currently underserved by the BBC.

"I do think in terms of democracy, its general news offer is something I would want to, and reach of that news offer is, and capacity to cover what it covers globally, is something that I would want to protect." Intergenerational Groups

"I think the BBC could uphold its standards in terms of news coverage with rather more than it does at the moment. I would be happy for money to be spent on good drama series, natural world, things the BBC does well, and/or to revisit its news coverage and I suppose restore credibility." Media Policy

"There's a difference between where I think they will cut back and where I would like them to cut back. My fear is that they will cut back on quality and that will affect drama, original programming, the nature programmes, which I'm guessing are pretty expensive to make. All the things which actually we really cherish and that makes the BBC different." Intergenerational Groups

"The BBC must retain its popular services. The BBC must retain its high-quality services. There is the classic market failure argument: the BBC must provide what the commercial sector will not provide, but the BBC will not be able to provide that, unless it is also rivalling and challenging the commercial sector to attract mass audiences." Media Policy

"If they had to make the cuts, then I think the cuts need to affect services favouring older people, so that the services for younger viewers are protected. There's a basic imbalance overall, and people at the BBC have spoken about it - that there is not enough content for young people. The average age of the channel audience is 50 plus, often 60 plus, so people over 50 are clearly getting more value from the BBC than people under 50, and particularly people under 35. If there were to be cuts, and if you treat licence fee payers equally, then naturally, you need to take them from services that are used more by older viewers." Media Industry

Reflections on the 2015 licence fee settlement

The licence fee settlement of 2015 was a source of anger for many stakeholders. At the time many had expressed frustration over the agreement – this had subsided in the last few years – but their irritation had been reignited in recent months. This sentiment acted as a lens through which stakeholders viewed the over-75s issue – and was echoed repeatedly throughout conversations.

Criticisms towards the licence fee settlement were twofold. Firstly, stakeholders fundamentally disagreed with the manner and speed of the agreement. They accused the Government of 'bullying' the BBC by holding the conversations behind closed doors, rushing the agreement, and presenting the BBC with an 'unfair' ultimatum, without debate or negotiation. Ultimately, stakeholders asserted that the BBC had been placed in an impossible situation, with no choice but to accept the terms laid out by the Government. Many saw the actions of the then Chancellor of the Exchequer, George Osborne, and Chair of the Department of Culture, Media and Sport Committee, John Whittingdale, as evidence of a wider agenda to weaken and diminish the BBC.

"I'm not sure I agree with what the Government did in terms of putting what is a public policy decision on to the BBC." Media Industry

"I don't think this should ever have been passed on to the BBC, and I'm extremely surprised the BBC accepted this in the first place, since this is a welfare payment and it's a matter for DWP to cover it if that's considered to be a priority the Government has for providing support to elderly people. I don't think it's a BBC responsibility at all." Media Policy

"The ideal situation for me would be that the BBC had never agreed to take on this responsibility! They were caught on the hop by politicians looking to save money from wherever they could under the guise of austerity but, basically, cutting the public sector. There's also, no doubt about it, some antagonism towards the BBC on the right of politics, so some will have seen it as a way of bashing the BBC as well." Media Policy

"I'm not a fan of the BBC even taking on the commitment for it and so the settlement that was done back in 2015 when the BBC assumed responsibility for it, I thought was the Government crossing a red line because what now the BBC is having to do, is manage a benefit. The BBC is not a benefits, social benefits provider. It's a public broadcaster. [...] My worry, of course, was the worry of demography, that it's an uncapped liability that just gets bigger and bigger, and the Government was setting up the BBC to be the bad guy because who wants to have a benefit taken away from them? I was very nervous about what it meant both in the financial terms, in respect of the growing portion of the licence fee that is set against this, as well as more ideological around whether the BBC should ever have been doing this kind of thing. Frankly, there's going to be a period of pain in which I really do think the BBC needs to completely back out of this commitment." Media Policy

"I think it came out of two politicians, each of whom had a short-term political agenda, neither of whom I see as a particular enemy of the BBC, but we've ended up with this very expensive and very badly targeted concession." Media Policy

"It should be a government undertaking. It's as simple as that. It was a concession the BBC got forced into making at the last time of the licence fee renewal and it should never ever have been a proposal for the Government to put that funding into... It's a social benefit. The BBC's budget, at whatever level it needs to be struck at, and that is not being debated here, is not for subsidising licence fees. That goes through the treasury, not the BBC. I'm sure 99 per cent of everybody else has said hopefully the same thing. It's common sense really, at the end of the day." Media Industry

"Well, I think my view is that it's a reckless position because the Government, I think in my view, put a lot of pressure on the BBC to accept, as part of its new terms of business, to accept this additional social act as part of its deal and I am wholly against it." Media Industry

Not only did stakeholders criticise the manner of the 2015 licence fee settlement, they also had serious concerns about its content, the crux of which was the obligation on the BBC to take over the responsibility for funding and the duty to consult on the future of free television licences for over-75s. Their concerns centred on two aspects of the policy.

Firstly, stakeholders fundamentally disagreed with the idea of an independent BBC having the obligation to make decisions on what they thought amounted to social policy. In their view, it was the Government's role, as an elected body, to decide whether over-75s should pay a licence fee and, if so, at what level. They asserted it was 'undemocratic' for a non-elected body, with limited experience of social policy making, to be making these decisions. These stakeholders concluded that this obligation was at odds with the BBC's purpose, undermined the BBC Charter, and changed the nature of the relationship between an independent BBC and the licence fee payer.

Secondly, stakeholders fiercely opposed the idea that the BBC was obliged to fund the concessionary licences. As a matter of principle many felt uneasy about the BBC paying for a benefit-in-kind out of its own budget, and on a practical level they had grave concerns about the impact that the costs of doing

so would have on an already stretched licence fee. According to these stakeholders, all proposed approaches came with a hefty bill that the BBC could ill afford without making substantial cuts to the range or the quality of output.

“What they've managed to do is foist on to the Corporation a responsibility that it should never have and certainly should never have agreed to. You know there's an ancient principle about no taxation without representation and that means that politicians should be the people held responsible if taxes are levied.” Media Policy

“What I do disagree with very strongly is the fact that this particular hot potato has been dumped in the lap of the BBC to decide. The licence fee is a matter of taxation, taxation is something which is decided by democratically elected governments, so if the Government wishes to make changes to the way licence fees are allocated then I think it should make the decision itself and not pass it across to the BBC to decide.” Media Industry

“I object to the project in the first place in that the Government, whichever colour, was using BBC funding as a piece of social engineering and I don't think they should have involved the BBC in that. I don't think the BBC should have agreed.” Media Industry

“I think very clear that it's a matter of social policy that should be funded by general taxation.” Media Industry

“The over-75s exemption is a welfare benefit and it's absolutely improper for a public service broadcaster to take on both the policy and the fiscal responsibilities of that welfare benefit, and it immediately changes the nature of the relationship that licence fee payers have with their public service broadcaster.” Media Policy

“It's not right for the BBC to be put in the position of making decisions that are political policy decisions over who should get what, in a divvying up of a pot for a subsidy. It's wholly out with Charter obligations and it risks the BBC's relationship with the licence fee paying public of being undermined, which was always going to come to pass because the BBC cannot afford to sustain the subsidy as it stands. That much is self-evident without doing incredible self-harm to the corporation.” Media Industry

“My own view on it is actually pretty straightforward and binary. I don't believe that it is appropriate to involve the British Broadcasting Corporation in questions of poverty and welfare. [...] It is a matter for the Government and the welfare department whether they wish to make subventions in the welfare state to cover that.” Media Policy

“I think the Government should accept responsibility for it and not pass it to the BBC.” Older People's Groups

“They're not a welfare institution. It's not in their formal obligations. They're not competent to do this. By which I mean as a fairly sort of formal kind of way that they don't have the - they're not a government ministry. They don't have the competence to make these kinds of decisions. They shouldn't be pushed down that pathway. It is a political pathway deciding on what welfare benefits should be made available, so I would make the argument that it's irregular, unwelcome and improper.” Media Policy

“Well, I think, unfortunately, the BBC has ended up picking up government business, basically, and doing government dirty work for it, and the BBC has got landed with a very difficult problem. The Government has been very forthright in saying it won't cut universal benefits for older people, but now it's almost making the BBC make the cut in this particular benefit on its behalf.” Intergenerational Groups

While most aimed their criticisms at the Government for ‘forcing the deal’ onto the BBC, a minority thought that the BBC was also at fault for having signed up to the settlement. These stakeholders regretted that the BBC did not appear to have ‘put up a fight’, asserting that the leadership had had the opportunity to negotiate a better deal or to refuse the settlement. This group accepted that there may have been PR or financial implications in rejecting the deal, but saw these as preferable to funding an over-75s concession. Some stakeholders insisted that the BBC’s agreement made it more difficult now for the BBC to ask the Government to reconsider the arrangement.

“I think it was a moment of high vulnerability, because it was in the middle of licence fee negotiations, and I think it was worth conceding to John Whittingdale without a battle. Looking back, I regret very much that the BBC didn't put up more of a fight at the time, because it's left the British public very ignorant of the threat to the BBC with this policy.” Media Policy

“In the end, the Chancellor has all the power in the end, but they could have at least complained about it which they didn't which makes it much more difficult to argue their case. I'm not saying they haven't got a good case but it's going to be very difficult to argue it given that they didn't complain at the time. They were happy to take the RPI increase in the licence fee and this was the price for it, and they didn't... It's quite tricky for them.” Media Policy

“I feel a real sense of unease that the BBC agreed to this [...] The Conservative Government dumped the policy onto the BBC in order to take it off the Exchequer. It was bad policy in the first place and political cowardice not to want to take it away from people but to dump it on the BBC. I'm very upset that the BBC took it on. I wish it hadn't; perhaps it was unavoidable. The Government is asserting, quite bluntly, that the BBC promised to continue the payment, which I understand not to be true; that the BBC did not make a commitment, as I understand it, to take it over in its old form. But the Government is now in a position where it can say, 'We gave the BBC extra money; we gave them an indexed licence fee for five years and the quid pro quo is that they were going to take this over'.” Media Policy

“I do not have a deep understanding of the figures, but I have a great sense of foreboding that maintaining the concession will have a very, very extreme impact on the BBC.” Media Policy

“On the issue of taking on the over-75s benefit, I think that was a parlous decision. It shouldn't have been accepted by the BBC executive team, who clearly very strongly feel it was the best deal that they could get in the circumstances. [...] I'm entirely sympathetic to the fact that they did it because they were, in my opinion, under duress. The base of the phone calls or the meetings was I think more or less a week or so before the publication of the Green Paper which was going to be the first opportunity the BBC would have to see what the Government and its Secretary of State John Whittingdale had in mind for the BBC's new Charter. There was a point of maximum vulnerability and anxiety really, so I think it's fair enough for me to say that, in my opinion, the decision was taken by the BBC under duress and they took the decision to accept this responsibility for licensee payments for the over-75.” Media Policy

“I'm a great fan of the BBC. I just think it should never have got itself landed with taking this on and having to make this decision.” Intergenerational Groups

Appendix 1: discussion guide

Introduction: purpose, reassure about confidentiality

Populus have been commissioned by the BBC to undertake a detailed piece of qualitative research with a broad cross section of stakeholders and society groups to assess attitudes towards the BBC. As the BBC are consulting on Age-Related TV Licence Fee Policy there will be a detailed section based on the consultation document. There will be opportunity to comment more generally on the BBC at the end.

That section will form the basis of a report which the Board will be invited to take into account as part of its decision-making process. It will be published at the end of that process. The report will contain non-attributed comments. Everyone interviewed is therefore encouraged also to participate formally as part of the stakeholder consultation process, so that the views of stakeholder organisations are also received in an attributable form.

1. Licence fee consultation

Context (summarised from consultation document)

How much do you know about the BBC's consultation to decide the future of TV licences for older age groups?

[If necessary] Today, all households with someone aged over-75 are entitled to receive a free TV licence. The cost of this scheme has been paid for by the UK Government. In 2020 the current scheme is set to come to an end, along with the Government funding for it. Any new scheme from June 2020 to provide concessions relating to TV licences for older age groups is for the BBC to consult on, decide and then pay for. **The question that now faces the BBC is: what, if any, concession should be in place for older people from June 2020?**

As part of the consultation the BBC set out how it sees the future of its programmes and services and its financial position. It has a duty to deliver the public service mission set out in its Royal Charter. Any new age-related concession would mean the BBC would have less money, which would mean fewer programmes and services. The BBC does not have the power to raise the licence fee to cover the costs of a new concession.

The BBC asked an external economics consultancy, Frontier Economics, to provide detailed analysis and help the BBC to understand the implications of different options. Their work sets out the costs to the BBC for a range of reform options: changing the qualifying age, means-testing or giving a discounted licence rather than a free one. It also looks at restoring a universal licence fee, i.e. no concession in the future.

Frontier told us that if the BBC continued to provide free licences to the over-75s the total cost would be £745m – equivalent to a fifth of the BBC's current budget - by 2021/22 and would continue to rise thereafter. The BBC's current thinking is that to meet this cost, the BBC would have to make savings, close current services and reduce output substantially.

The concession was introduced to help relieve pensioner poverty, which is still an issue for some older people. We also recognise the significance of BBC programmes and services as an important source of enjoyment and companionship for the elderly. But Frontier Economics reports also explain that older

households have generally seen a marked improvement in their living standards. There is also a growing debate around the changing economic opportunities and circumstances among younger people, with a view that younger people have been hardest hit by recent economic events (such as the financial crisis and its aftermath).

Approach to TV licence fee concessions

In general, what do you think the right approach is to TV licence fee concessions for older age groups?

More specifically the consultation paper sets out a number of approaches the BBC might take. I'd like to get your views on some of these.

(For each of the below you could cite the service equivalents to each option set out in the document and the costs)

Copy the existing concession

Copying the current concession means that all households with someone over-75 would get a free TV licence. But to allow for the cost of this, we believe the BBC would have to make a large number of cuts to current programmes and services.

What do you think of this approach?

How fair is it?

The BBC say this will have a financial impact that would make significant cuts to programmes and services necessary. If channels or services had to go as result, what in your view could the BBC do without?

How feasible do you think it would be?

Overall, how good or bad do you think this option is?

Restore the universal fee

Restoring a universal licence fee means that there would be no free TV licences for any older age groups. Households with someone over-75 would have to pay the licence fee like other households. Although there is still a cost to the BBC, we believe the overall result would be no significant cuts to BBC services as a result of this option.

What do you think of this approach?

How fair is it?

How feasible do you think it would be?

Overall, how good or bad do you think this option is?

Reform the concession (setting out each option)

Reforming the concession means that there would still be some kind of licence fee concession for older age groups but it would be different from how it is now. For example, this could involve providing some kind of discount on the cost of the licence to older households, or changing the starting age for free TV licences, or focusing on those older households in greater financial need. We believe each of these options would mean fewer cuts to the BBC's programmes and services, compared with copying the current concession of free licences for all households with someone over-75.

In the consultation document the BBC outlines three possible ways to reform:

- Discounting the licence fee by 50% for those over-75
- Raising the age threshold for eligibility to 80
- Means-testing older households by using Pension Credit

What do you think of these approaches? In what ways do you think they might work i.e. who should the focus for concessions be on? Would you choose a higher or lower discount? At what age (above 65) would you start the concession?

How fair are they?

Financial impact:

- the smaller the amount that older households pay for their TV licence, the more cuts the BBC would have to make to cover the cost of this
- the lower the age, the more people would receive a free TV licence but the more cuts the BBC would have to make to cover the cost of this.

If channels or services had to go as result, what in your view could the BBC do without?

How feasible do you think these reform options would be?

Overall, how good or bad do you think these reform options are? Which would you rank first? And is there one you would place second? Third?

Overall

Of the three approaches we have spoken about (copy/ reform/ restore), which would you rank first? And is there one you would place second? Third?

Other approaches

We are also consulting on whether there are other approaches we could take – for example some of the reform options could be combined.

Are there any other approaches that you think should be considered?

Is there anything you want to add generally? You may have something else to say about your overall preferences or reform options, or you may have another idea for how to reform the concession.