



Age-related TV licence policy

Summary of stakeholder consultation responses

June 2019

## 1. Executive Summary

This report provides a detailed summary of stakeholders' views on the BBC's consultation on age-related TV licence policy. It summarises opinions expressed in 115 formal consultation submissions and at 15 BBC hosted roundtable discussions held during the consultation period which ran from 20 November 2018 until 12 February 2019.

The BBC consulted on three key options: copying the concession, restoring a universal licence fee; and reforming the concession by providing a discounted licence for older people, raising the age threshold or making eligibility based on means-testing.

Nearly all stakeholders' submissions to the consultation were a free-form expression of views – and the majority of stakeholders expressed opinions about more than one of the options outlined in the consultation. In some cases stakeholders put forward alternative options to those which the BBC consulted on, or argued for a combination of different approaches. Strongly held views were expressed both for and against many of the options, and there was no one solution on which everyone agreed. Some declined to support any option.

The views of stakeholders can be summarised as follows:

### Copying the current concession (“copy”)

Almost half of stakeholders (and a majority of older people's groups) submitting a formal response said the concession for pensioners should continue. This was principally due to concerns about pensioner poverty, loneliness and social isolation. However, a majority of stakeholders who supported copy (and half of stakeholders overall) said that decision making on the concession was – and should remain – a matter for the Government, not the BBC. A minority of stakeholders supporting copy explicitly said the BBC should fund the concession, arguing for cuts to talent or management salaries, and further efficiency savings. Others argued that the scale of cuts needed to fund the concession would have a damaging impact on the BBC.

### Restoring a universal licence fee (“restore”)

A minority of stakeholders said that abolishing the concession and asking everyone to pay for the licence fee in the future – regardless of age – was their preferred option. For media industry stakeholders, support for restoring a universal licence fee was principally driven by reasons of affordability for the BBC (whilst often arguing that the concession should be a matter for the Government). Similarly, a minority of stakeholders saw

restoring a universal licence fee as a way for the BBC to 'reject' responsibility for the concession by returning responsibility to the Government. A few stakeholders cited reasons of fairness between the generations in support of this option. A majority of stakeholders were, however, opposed to restoring a universal licence fee for the same reasons many supported copy – i.e. the need to provide a benefit to older people who were often poor or lonely.

### Reforming the concession (“reform”)

Around a third of stakeholders supported reforming the concession in some way as their preferred option. Amongst respondents to 38 Degrees' survey there was most support for reform from with around 50% of respondents ranking reform, putting it as their favourite option. There was conditional support for reform from some stakeholders, with a minority talking about reform as a 'least worst' or second preference option. Views on each of the specific reform options are set out below:

- Discounting – Only a minority of stakeholders expressed an opinion on reforming the concession by offering a discount to the cost of a TV licence to pensioners. In general this option did not evoke the same strength of support or opposition that some of the other reform options did. Concerns were raised about this option having a disproportionate impact on poorer households. This was the second most popular reform option amongst 38 Degrees respondents.
- Changing / raising the age – Similarly, only a minority of stakeholders commented on changing the age threshold for the concession. Almost all that did, commented on raising the age (rather than lowering). A few stakeholders said it would be unfair to raise the age as it would exclude those who were unlikely to live long enough to claim. Others objected to it on grounds of its financial impact on the BBC and fairness to all licence fee payers, as this option would still require cuts to the BBC's budget. Conditional support for this option was expressed by a few stakeholders who felt this was a second preference option, if the concession couldn't be copied. This was the least popular reform option amongst 38 Degrees respondents.
- Means-testing – Means-testing eligibility for the concession drew the most support of the reform options amongst stakeholders. This was the lead reform option amongst 38 Degrees respondents. Those who supported means-testing argued that this was the fairest option and that it was a pragmatic option that struck the right balance between fairness to pensioners, fairness to all licence fee payers and the financial impact on the BBC. However, it was an option that polarised opinion amongst stakeholders and it was the option that attracted the

most criticism. Those opposing means-testing had concerns about the potential link to Pension Credit. They said the low level of take up and the nature of the benefit would mean many poorer older people would miss out.

- Combinations and other alternatives – A range of combinations (e.g. raising the age and discounting) were raised by stakeholders. These options were often presented as a way of reducing the financial burden on the BBC, or to allow for a more gradual way of pensioners making a contribution to the BBC's costs in the future.

No options supported - it is also notable that a minority of stakeholders who responded to the consultation explicitly rejected all the options set out in the consultation. Almost all felt that the responsibility for the concession should be for the Government and not the BBC. Others, in providing their input, did not think it was appropriate for them to express a preference for any of the consultation options.

Additional or cross-cutting themes from the responses – There were also a number of themes raised by stakeholders which were cross-cutting or were relevant to all of the options being considered. There were also some issues that did not relate to particular consultation options. Those themes and issues related to:

- Responsibility – stakeholders raised questions about the legitimacy of the decision by Government to give responsibility to the BBC, and for the BBC to take a decision about the future of the concession. Some stakeholders also argued that the BBC should reject or renegotiate responsibility for the concession policy.
- Licence fee settlements and the licence fee model – a few stakeholders argued that transferring the concession to the BBC undermined support for the licence fee. A few stakeholders said that the process for setting the licence fee – and in some cases the licence fee model – was in need of reform.
- Intergenerational fairness - differing views were expressed about how the concept of intergenerational fairness should or should not inform the BBC's decision.
- Nations and Regions - a few stakeholders from a range of sectors cited the importance of BBC investment in the development of the creative sectors in specific nations. A few of these stakeholders stated a view that any decision the BBC takes should not lead to a fall in investment in nations-specific content, or overall BBC spend in the nations. Evidence was also provided on the differing circumstances of pensioners across the UK.

Other stakeholders made comments about the evidence presented by Frontier Economics and how the issue of pensioner poverty was analysed and presented. A few stakeholders commented on the BBC's Equality Impact Assessment and raised concerns about the scope and accessibility of the consultation.

## 2. Introduction

The BBC's consultation on the age-related TV licence policy ran from 20 November 2018 to 12 February 2019. This report summarises views received from 115 stakeholders in the form of formal submissions, as well as opinions expressed at a series of 15 roundtable events held by the BBC around the UK.

There are three other reports which sit alongside this report, which summarise other aspects of the response to the consultation: a report from Traverse, analysing c85,000 public responses to the BBC's consultation document; a report from Populus summarising interviews with 115 people representing a range of organisations and interests; and a report from Ipsos MORI who conducted nationally reflective qualitative research with over 250 people.

### ***Structure of the report***

This document summarises what stakeholders have said about the main options set out in the BBC's consultation document. There are individual chapters on stakeholder views about the three options:

- Copying the concession (page 11);
- Restoring a universal licence fee (page 22) and
- Reforming the concession (page 29) either by providing a discounted licence for older people, raising the age threshold or making eligibility based on means-testing.

Each of these chapters begins with some of the key information about each option – as set out in the BBC's consultation document and Frontier Economics' analysis. It then provides a brief summary of the issues stakeholders most commonly raised. It then goes on to provide a more detailed account of the arguments stakeholders made and, where possible, the evidence they provided.

Throughout the document we refer to the main options in the consultation, as set out above, as “copy”, “restore” and “reform”

There is a chapter recording the views of stakeholders on the merits of a combination of the various reform options (page 42) – for example raising the age threshold and offering a discount. This chapter also includes detail on other reform options put forward by stakeholders during the consultation.

There is also a chapter on other themes (page 46) that came through strongly during the consultation – but which were not linked to a specific option. Most prominent was the issue of whether the BBC should have been given the responsibility for the concession,

but it also includes a summary of the feedback the BBC received on the nature of previous licence fee settlements; issues of inter-generational fairness; and impacts across the UK, its Nations and Regions.

Finally, this report includes a section (page 54) which summarises views expressed by stakeholders on the BBC's Equality Impact Assessment and the analysis by Frontier Economics that were both published alongside, and informed, the consultation. It also summarises comments from stakeholders on the accessibility and scope of the consultation itself.

### ***Qualitative and quantitative analysis***

Some stakeholders gave a clear indication of which option they supported and why, but others simply provided commentary on the issue of an age-related concession or the options discussed in the BBC consultation document. To reflect the complexity of the views put forward, this report provides a qualitative account of views expressed. However, where possible, this report references an approximate level of support to provide a point of comparison and throughout the report it refers to how many stakeholders or how many stakeholders of a particular grouping have given a particular response, using a standard set of quantifiers. From the largest to the smallest the quantifiers we use are:

- Nearly all
- A majority
- Around half
- Around a third
- A minority
- A few

Some representative organisations polled their members (in some cases thousands of people) before responding, while others put forward their own individual views.

### ***Who we engaged with and how***

The BBC contacted more than 1,000 UK stakeholders directly to let them know about the consultation. This included older people's groups, charities, media industry representatives, MPs and members of devolved parliaments and assemblies, devolved Governments and some local authority leaders. We identified some of those stakeholders by looking at those people and organisations that had responded to other relevant consultations (such as the State Pension Age Independent Review conducted by John Cridland, and the Work and Pensions Select Committee report on Intergenerational Fairness) to ensure we heard from those people who had an interest in this issue.

Some stakeholders were also invited to attend roundtable events and invitees were drawn from the charity sector, academia, media industry and politicians around the UK. Views expressed in these roundtable discussions are explicitly referenced in the report where relevant. They are unattributed and all those who attended were also offered the opportunity to make a formal submission to the consultation, which many of them did.

### ***Formal responses***

Formal responses were received from organisations and individuals from the following sectors. Stakeholders from each of these sectors also took part in the roundtables the BBC held around the UK.

- **31 responses from organisations representing the needs and interests of older people (“older people’s groups”)** including: UK-wide bodies which provide advice and support to older people such as Age UK and Independent Age; devolved Nations statutory bodies; pensioner associations; and community groups representing the interests of older people in their local area.
- **10 responses from organisations within the media industry (“media industry”)** including: Pact (representing 450 companies in the independent production sector); individual production companies; senior figures from within the industry; and broadcasters including S4C and MG Alba.
- **15 responses from organisations or individuals with a media policy or policy background (“media policy experts”)** including: Cardiff University School of Journalism; the Pensions Policy Institute; Professor Steven Barnett; Professor Patrick Barwise; and Professor Sylvia Harvey.
- **8 responses from business organisations and trade unions** including: the Confederation of British Industry (CBI); media trade unions; and the National Union of Students (NUS).
- **9 responses from charities<sup>1</sup> and organisations which represent interests across the generations (“charities”)** including: debt advice charities; disability charities; and organisations with a focus on intergenerational issues such as The Alzheimer’s Society and The Intergenerational Foundation.

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<sup>1</sup> For the purposes of this report, we have differentiated between charities representing older people (included in older people’s groups category) and charities more generally.

- **41 responses classified as political (“political stakeholders”)** including from the Scottish and Welsh Governments and a number of political representatives and Peers.<sup>2</sup>
- **1 other response from 38 Degrees** – a social campaigning organisation which did not fit into the above categories.

The full list of stakeholder respondents is listed at annex 1.

### ***Surveys and petitions submitted by stakeholders***

Several organisations carried out surveys with their members and submitted the results or summaries of the results to us – and these have informed our analysis of each option and the additional themes.

Surveys were submitted by:

- 38 Degrees – 96,329 people responded to their survey which broadly followed the options set out in the BBC consultation, with an additional question on where responsibility for the concession should rest.
- Gransnet, a social media site, surveyed some of its users via a discussion thread on “the various proposals outlined in the consultation” and estimate that approximately 100 users took part.
- Later Life Ambitions<sup>3</sup> – c. 6,000 members responded to its survey.
- University of the Third Age (U3A) – sought views from local U3As. Their submission to the consultation did not specify the number of responses received.
- The Silver Line – carried out a poll of 200 of those older people who use their service which asked two questions - one about their main activity during the day and the other about use of the internet. The Silver Line used these answers as evidence that television can be a lifeline for older people.

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<sup>2</sup> The BBC received multiple contacts from MPs and Peers during the course of the consultation. Many forwarded constituents’ correspondence around the age-related concession, where this was the case, these were sent to Traverse to analyse as part of the general public response. Where MPs, Peers and devolved nations representatives made their own comments, these are summarised here. Responses were received from the Scottish Government and Welsh Executive as well as from the Liberal Democrat Party and Sinn Fein (as these are collective or corporate responses they have been analysed within the main body of the report.)

<sup>3</sup> LLA represents the Civil Service Pensioners’ Alliance, National Association of Retired Police Officers, and National Federation of Occupational Pensioners.

- Age Sector Platform (an umbrella grouping representing pensioner groups in Northern Ireland) - engaged 200 members of its Research Panel (pensioners from across NI) to assist in responding to a questionnaire.<sup>4</sup>
- The Voice of the Listener and Viewer (VLV) – 108 members responded to this survey. Most of those who contributed were described as ‘retired’ from a ‘range of backgrounds, regions and social status’.

We also received a confidential response, which was a survey of c.300 people who responded to a questionnaire which asked questions about continuing free TV licences, offering a reduced fee, changing the age threshold, or offering a concession to those in greatest financial need.

Petitions<sup>5</sup> considered in this report include:

- West Midlands Pensioner Convention - a petition calling on government to fund the concession, with around 1,800 signatures.

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<sup>4</sup>The survey contained a preface that “Age Sector Platform has been clear on its view that households with someone over 75 should continue to receive free TV license” [sic]

<sup>5</sup> Some petitions are considered as part of the Traverse report

### 3. Option 1: Copy the current concession/ the concession should continue

#### Summary

The consultation document set out the BBC's initial thinking that the BBC would not be able to afford to copy the existing concession, with its high and rising cost, and that the level of cuts to services would not be consistent with sustaining the BBC's mission and public purposes for all audiences<sup>6</sup>. Frontier Economics' report concluded that there was no particularly compelling economic rationale for reinstating the concession in its current form<sup>7</sup>. The consultation document also noted that the concession was introduced to help relieve pensioner poverty, which is still an issue for some older people.<sup>8</sup>

Copying the concession was the preferred option for almost half of all stakeholders including a majority of older people's groups and political stakeholders.

Around 39% of 38 Degrees respondents ranking "keep free TV Licences for the over 75s, but make cuts to other BBC services" put it as their favourite option – the second most popular option behind reform.

The main reason given for supporting copy was the impact on older people if the concession was removed. Concerns about **pensioner poverty and income** were often raised:

***"the BBC should be copying the current concession...the current concession was introduced to help relieve pensioner poverty, which remains an issue among many older people."*** – British Geriatrics Society

**Loneliness and social isolation**, as well as specific issues relating to **health and disability** were also raised by those supporting copying the concession. Some argued for retaining the concession as a **universal benefit** – for these and other reasons.

However, pensioner poverty was also a theme raised by stakeholders who did not support copying the current concession – and we heard that pensioner poverty has fallen since the concession was introduced and that poverty was also increasingly an issue for younger or working age people:

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<sup>6</sup> BBC, *Age-related TV licence fee policy*, 2018, p10.

<sup>7</sup> Frontier Economics, *Review of over-75s funding*, 2018, p.8

<sup>8</sup> BBC, *Age-related TV licence fee policy*, 2018, p.35

***“there has been a remarkable (and extremely welcome) decline in pensioner poverty over the period in which the free TV Licence has been in existence” –***

Intergenerational Foundation

A majority of stakeholders who stated that they thought the concession should continue said that the ***responsibility and funding for the concession should be for Government.***<sup>9</sup> Support for copy, therefore, was often based on the premise that the BBC should not, and would not, have to meet the financial implications of this option:

***“We...firmly believe that the funding of the concession should be the responsibility of Government.” – Later Life Ambitions***

A minority of stakeholders suggested that the cost of the concession could be covered by efficiency savings or cuts to executive and talent pay:

***“The BBC is seen by many as a well-funded organisation, with highly paid staff, and should review its finances to identify savings.” – United for all Ages***

Only a few responses explicitly said the BBC should cut programmes or services in order to copy the concession.

However, around half of media industry stakeholders rejected a copy option, on the basis of the ***impact on the BBC***, arguing that it was unaffordable and would require damaging cuts to BBC programmes and services and would change the BBC beyond recognition. Some of these stakeholders also said it would severely damage the creative sector as a whole, especially in the UK’s nations and regions:

***“WGGB believes that the requirement for the BBC to meet the £745 million a year minimum cost of free licence fees for the over 75s, will seriously jeopardise its ability to meet its obligations under its charter as it represents a cut to licence fee revenue of 20%.” – Writers’ Guild of Great Britain***

## Key themes

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<sup>9</sup> The view that responsibility for making decisions and funding the concession should revert to Government was also shared by stakeholders who wanted the BBC to restore a universal licence fee, on the basis that the Government should reinstate the concession. It was also the view of some stakeholders who did not support any option, as well as stakeholders who supported other options.

The key themes raised by stakeholders in relation to copying the current concession are now explored in further detail below.

### Copy: Pensioner poverty and income

Frontier Economics set out in their analysis that, in 2000, the UK Government focused on an equity rationale in creating the age-related licence fee concession: the benefits would (largely) go to poorer households<sup>10</sup>. The consultation explained how, eighteen years on from the concession being introduced, the picture on pensioner living standards and poverty was different<sup>11</sup>. Frontier Economics' report set out that older households have generally seen a marked improvement in their living standards, that incomes, wealth and life expectancy of older people were improved significantly - between 1999/2000 and 2014/15, the median income for families headed by someone aged over 75 rose from 56% to 80% of the median for working-age families, with median income for families headed by those aged 65 to 74 overtaking that of working age households in 2009/10<sup>12</sup>. While recognising the position set out by Frontier Economics, the BBC's consultation also recognised that pensioner poverty was still an issue for some older people<sup>13</sup>.

Around half the stakeholders who supported copy said that the concession should be copied because pensioner poverty remains a serious issue – which the concession could help alleviate.

Age UK said that a fifth (18%) of people aged 75 and over live in poverty and that if the concession was abolished, an additional 50,000 pensioners would be pushed into poverty if they had to pay £150 each year for a TV licence.<sup>14</sup>

A few stakeholders argued that not only was pensioner poverty still an issue, but the levels of pensioner poverty were rising:

***“The numbers of pensioners in poverty have risen from 1.6 million three years ago to 1.9 million now and will rise beyond two million by 2022 – and the over-75s are almost 50 per cent more likely to be in poverty than the 65-75s.”*** – Gordon Brown

Others made related points that pensioner income has fallen in real terms – with private pensions not keeping track with the cost of living and returns on savings being lower.

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<sup>10</sup> Frontier Economics, *Review of over-75s funding*, 2018, p.17

<sup>11</sup> BBC, *Age-related TV licence fee policy*, 2018, p.

<sup>12</sup> Frontier Economics, *Review of over-75s funding*, 2018, p.19

<sup>13</sup> BBC, *Age-related TV licence fee policy*, 2018, p.10.

<sup>14</sup> [Age UK's website](#) states that nearly a fifth (18%) of people aged 75+ in UK live in poverty (totalling around 900,000 individuals), The 50,000 figure is also quoted in the submissions of other stakeholders.

And there were comments that pensioners were least able to change their income circumstances and respond to changes in the cost of living. Age UK said that those who could not afford the cost of the TV licence would have to cut back on other things such as heating, food or socialising. This view was also reflected in a number of roundtable discussions. For example, it was put forward that the value of pensions had been declining in real terms, as had the value of some other concessions such as the Winter Fuel Allowance:

***“The over 75s population have often been retired for many years. Many will have seen the real value of their retirement income falling over time as private pensions are generally not increased in line with living standards, and savings (which for many years have produced very little investment income) are drawn on.”*** – Age Northern Ireland

***“Individuals within this group are unlikely to have any new alternative sources of income and will continue to face the same financial challenges.<sup>15</sup>”*** – Pension Policy Institute

A few stakeholders talked about the importance of the concession in providing a top up to pension provision and some highlighted OECD figures which show the UK as having the lowest state pension provision in the developed world:

***“Our campaign is to therefore return financial responsibility for this concession to the government, as part of the universal pensioner benefits given in lieu of a decent, living state pension.”*** – National Pensioners Convention

A minority of older people’s groups, as well as stakeholders from other groupings, also said that, as over 75s are more likely to live alone, not copying the concession would have a greater impact on this group as it would need to be paid from a single income – making it more unaffordable for some.

However, some stakeholders made comments on pensioner incomes, but without expressing support for copy (or in some cases, not expressing a view on any of the options).

And a few stakeholders argued that pensioner poverty was not a convincing argument for a copied concession. Some of these stakeholders said that copying the concession would be unfair as it would mean younger people, some of whom may also be in poverty, would be cross-subsidising free TV licences for wealthier older people. They argued that

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<sup>15</sup> In its response the Pension Policy Institute did not support or oppose any of the specific options

age was not a reliable indicator of wealth and a concession could be better targeted to benefit the poorest in society.

The Intergenerational Foundation's submission, quoting DWP data, pointed to the decline in pensioner poverty from 28.7% in 1999/2000 to 15.8% in 2016/17, and a higher proportion of working age households now in poverty than when the concession was introduced.

### Copy: Loneliness and social isolation

The consultation recognised the significance of BBC programmes and services as an important source of enjoyment and companionship for the elderly<sup>16</sup>. Frontier Economics highlighted that the risk of social isolation is greatest for those who live by themselves and that over 75s were more likely to live alone, but noted that the proportion of elderly people living alone has fallen significantly since 2000<sup>17</sup>.

A majority of older people's groups, and a few other stakeholders, said that the risk of loneliness amongst over-75s is greater (as older people often lived alone and suffered from mobility issues) and that TV was important in tackling loneliness and isolation and that the concession should continue to ensure pensioners are guaranteed access to television:

***"...for older people television can be a lifeline"*** - The Silver Line

In their submission Age UK cite a survey which found that "nearly two out of five of people aged 75+ in Great Britain agreed that television was their main form of company (these days)"<sup>18</sup>. A number of other stakeholders (including Age Northern Ireland, who conducted their own survey in 2014, Gordon Brown and the National Pensions Convention) also made similar points.

Others argued that television provides a unique benefit for older people:

***"over 60% of our members agreed that losing the concession would cause them to feel lonelier. Our members highlighted that television "helps enormously in combatting loneliness", and many said they would "be alone without the concession"***

- Later Life Ambitions

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<sup>16</sup> BBC, *Age-related TV licence fee policy*, 2018, p.34

<sup>17</sup> Frontier Economics, *Review of over-75s funding*, 2018, p.21

<sup>18</sup> TNS polling for Age UK, 2016

***“unique circumstances faced by older people...contribute to loneliness and make existing conditions worse, and which in turn are likely to increase the likelihood and severity of ill health.”*** – The Commissioner for Older People for Northern Ireland

This view was not universally shared. The Intergenerational Foundation’s submission pointed to evidence that says loneliness is not an issue that exclusively affects the old – mentioning studies that show it is more likely to affect the young. They cite evidence from the most recent UK Community Life Survey. They also note Frontier Economics’ assessment that there is very little evidence that the amount of money spent on free TV licences for over-75s justifies the impact on alleviating loneliness:

***“some of the best available evidence which we have suggests that [loneliness] is actually more likely to affect the young”*** – Intergenerational Foundation

About half of older people’s groups (and a minority of other stakeholders) also raised the role that TV plays in social inclusion for pensioners.

***“70% of our members also highlighted that their TV was their main means for staying up-to-date with news and current affairs – losing it would be “devastating”.***  
– Later Life Ambitions

A few stakeholders underline the importance of television for accessing information on news, emergencies and weather for those who may not be able to access information via other means – particularly on-line. The Silver Line polled 200 service users and found that 54% said watching TV was their main activity during the day; and 66% also said they did not use the internet. Others cited ONS (2018) data showing 51% of people over the age of 75 in the UK have never used the internet.

This point was echoed by a number of stakeholders at roundtables – in that television provided a valuable ‘window on the world’ for many older people.

### Copy: Health and disability

Frontier Economics showed how over 75s were, on average, in worse health than younger pensioners, with no recent evidence that this gap is closing. Between 2000 and 2016, the proportion of those aged 75 and over reporting that they were in good health remained constant, while the share of younger pensioners reporting good health rose.<sup>19</sup>

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<sup>19</sup> Frontier Economics, *Review of over-75s funding*, 2018, p.20

A few stakeholders highlight the prevalence of disability and ill health in older age. Age UK (citing DWP data) said that half of all individuals aged 75 and over are disabled. Future Years (unsourced) said that the majority of older people at age 74 have at least one long term health condition affecting mobility.

A few stakeholders said that the costs of ageing – particularly ill-health and disabilities – reduce disposable incomes and that essential care and support needs – such as heating, cleaning and transport - mean that even those in receipt of what may be considered a reasonable income have difficulties meeting an additional cost. For example, The Alzheimer’s Society said that there are 850,000 people in the UK with dementia and that one in six people aged 80+ have dementia. They went to say that people with dementia typically pay up to £100,000 for their care, and it can cost up to 40% more than care for people without the condition:

***“We felt the focus of the evidence and consultation on general living standards did not take into account the financial implications and inequity that people with disabilities including dementia face.”*** – Alzheimer’s Society

A minority of stakeholders also said that TV is particularly relied on by those with disabilities and health conditions. The Alzheimer’s Society stressed that TV can be a source of communication, information, cognitive stimulation, therapy, structure, routine and connection for those suffering from Alzheimer’s.

#### Copy: Universality of the benefit for pensioners

In addition to arguments about pensioner poverty, loneliness and ill health, we heard from a few stakeholders arguing for retaining a universal benefit for other reasons. A few said the concession is earned for actions in pensioners’ earlier life (i.e. contribution to society or their previous support of the BBC):

***“The reality is that senior citizens will have paid their taxes (and TV licences) for many decades and it is hardly unfair that we should receive some universal benefits when our disposable income is much less than during our working years.”*** – Silver Voices

In addition, the Money Advice Trust stated that universal benefits like the current concession based on age makes the scheme easier to administer. This view was reflected in other submissions that point to the costs of administering the reform options:

***“Universal benefits are generally easier to apply across the board, without depending upon people to check they qualify or go through complicated hoops in order to do so.”*** – Money Advice Trust

#### Copy: Responsibility for the concession

The consultation set out how, in 2017, the UK Parliament passed a law transferring responsibility to the BBC to decide what, if any, age-related concession should be in place for those aged 65 and older, beyond June 2020<sup>20</sup>.

This was an issue that many stakeholders commented on in their submissions. One of the most widely held views across all stakeholder groups was that responsibility for the concession should be a matter for the Government and not the BBC. This was raised in around half of all responses. There is further detail and analysis on this wider issue in the additional themes chapter.

However, this point was raised in particular in respect of copy. A majority of stakeholders who supported copy said that it is for the Government to determine age-related licence fee policy. Some also said that the concession should be funded by Government:

***“There is also a strong argument that it should not be the BBC’s job in the first place to try to alleviate poverty, when it has so many other duties which it is expected to perform on a relatively limited budget.”*** – Intergenerational Foundation

***“It is not appropriate for a public service broadcaster to be involved in what are, in effect, tax and benefit decisions. The BBC should not be placed in a position where it has to decide who should receive concessions or to administer a system which involves disclosure of personal details, such as financial information.”*** - Age UK

***“We support the petition of Age UK calling for the Government to restore DWP funding for the policy, at least until 2022 in our view.”*** - Enders

This was also a theme raised by stakeholders at roundtable discussions.

Only a few stakeholders said they were in favour of seeing cuts to BBC programmes and services in order to fund copying the concession.

#### Copy: Funding the concession and impact on BBC services

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<sup>20</sup> BBC, *Age-related TV licence fee policy*, 2018, p.4

The consultation set out the financial context in which this decision is being taken: over the last ten years, what the BBC can spend on services for UK licence fee payers had been cut by around 20%. It showed how the BBC had made efficiency savings and increased commercial income, but that cuts to programmes and services had also been made. It showed how further efficiency savings and less spend on talent costs would only generate modest savings in future<sup>21</sup>. It also set out that the public do not like cuts to BBC services<sup>22</sup>.

The consultation explained that the BBC does not have the power to raise the licence fee to cover those costs. Any new age-related concession would mean the BBC would have less money to make programmes and services and, as a result, the BBC would have to consider making less costly programmes, increasing repeats, or closing services<sup>23</sup>.

Only a minority of stakeholders actively engaged with the issue of the savings and cuts required to BBC services under this option (and others). As set out above, around half of stakeholders said the Government should continue to have responsibility for and / or fund the concession.

A minority of stakeholders expressed concerns about the impact on audiences if the BBC were to fund the concession, both in formal submissions and also in roundtable discussions. Some also raised concerns about cuts to BBC programmes and services:

***“It would appear impossible for the BBC to maintain the Over-75 Licence Fee concession in any form without significantly reducing the money available for content production and/or closing some services. This is likely to have a negative impact on all users of the BBC.”*** – Directors UK

***“The key trade-off is simple: the more households there are that don’t contribute to the cost of the BBC, the less money there will be to pay for programmes for everyone.”*** - Professor Patrick Barwise

Other concerns were raised by stakeholders about a BBC-funded copy option, including:

- **Loss of value to audiences** – A few media industry stakeholders said that the BBC would struggle to meet the expectations of audiences if it had to reduce drastically services or programmes to fund the concession. Some of these stakeholders said that cuts would diminish the BBC’s relevance and undermine the support for the BBC and the licence fee funding model.

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<sup>21</sup> BBC, *Age-related TV licence fee policy*, 2018, p.6-7

<sup>22</sup> BBC, *Age-related TV licence fee policy*, 2018, p.29

<sup>23</sup> BBC, *Age-related TV licence fee policy*, 2018, p.33

- **Impact on public debate** – A few stakeholders said cuts to BBC services as a result of a copied concession could have a negative impact on public debate at a time when the BBC (and other Public Service Broadcasters) were a defence against unreliable information/fake news.
- **Reduced creative sector growth** – A few media industry stakeholders, including Pact, said that any reductions to BBC investment would have a negative impact on the UK’s creative economy.
- **Implications for content quality** – A few media industry stakeholders said that it would be challenging for the BBC to meet the cost of the concession without a significant impact on quality of content and services.
- **Impact on the nations** – A few stakeholders cited the importance of the BBC in the development of the creative industries in the Nations. They expressed specific concerns about the impact of any reduction of BBC investment in the Nations. Further detail of these views are set out in the ‘Nations and Regions’ section of Chapter 7.
- **Impact on other specific services** - Relatedly, a few stakeholders express concern about the impact on their particular areas of interest. Audio UK, for example, called for ring-fencing of BBC radio budgets and the National Association of Deafened People expressed concern about an option which would result in a reduced BBC spend on accessibility.

A minority of stakeholders did argue that the BBC could fund the concession. Some said the BBC should cut salaries for highly paid staff and talent. Others referenced efficiency savings as a way for the concession to be paid for. In some of the roundtables it was suggested that the BBC should consider ‘re-invention’, for example reducing its costs by having a greater focus on news as opposed to expensive drama and entertainment programming. The Commissioner for Older People for Northern Ireland questioned the BBC’s funding of its pension deficit and why staff had not been asked to pay towards the funding shortfall:

***“The BBC should take a critical look at itself internally before it makes a decision that affects the most vulnerable of the elderly population. It needs to look at other areas of its expenditure, such as the salaries paid to some of its top employees and on-screen talent; legal fees associated with a number of high profile cases, the rising costs of upgrading of the EastEnders set and the way in which the Corporation***

***pays independent production companies and the use of personal service contracts.”***

– National Pensioners Convention

A few stakeholders said that having agreed to take responsibility for the concession as part of the 2015 Licence Fee Settlement the BBC should accept some or all of the financial responsibility for maintaining the concession:

***“I think it is right that the BBC finds the cost of the over 75 concession. It was part of a generous overall package on licence renewal and the BBC can do much more to improve cost effectiveness”*** – Baroness Neville-Rolfe DBE CMG

#### Quantitative survey results provided by stakeholders

**38 Degrees** – of those respondents who answered a question on overall options, around 39% who ranked “keep free TV Licences for the over 75s, but make cuts to other BBC services” put it as their favourite overall option – this was the second most popular option behind reform.

**Later Life Ambitions** – “76% said that the responsibility for maintaining the benefit should be with the Government. Over 60% of our members agreed that losing the concession would cause them to feel lonelier. Our members highlighted that television “helps enormously in combatting loneliness”, and many said they would “be alone without the concession”. 70% of our members also highlighted that their TV was their main means for staying up-to-date with news and current affairs – losing it would be “devastating”.

**Age Sector Platform** – 79% said that the BBC should “continue to provide free TV licence to households with someone over 75.” An additional 13.5% selected “[the BBC should] be allocated further funding from the Government beyond 2020, allowing households with someone over 75 to keep receiving free TV licence.”<sup>24</sup>

**VLV** – 6% of respondents strongly agreed or agreed with proposal 1: “Maintain the current concession to provide free TV licences to households which include at least one person who is over 75. There is a consequential loss to the BBC of c.£750m.”, This is compared to 81% who strongly disagreed / disagreed and 14% who neither agreed nor disagreed.

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<sup>24</sup> Of note: the submission from Age Sector Platform concludes, “It is the view of Age Sector Platform and its membership that the concession of free TV licences for over 75s should continue beyond June 2020 when the UK government takes back responsibility for the financial administration of the licensing system.”

## 4. Option 2: Restore a universal licence fee

### Summary

The BBC's consultation set out that restoring a universal licence fee would return to the principle that existed up to 2000 that everybody who receives BBC TV services should pay for them. It set out that there would not be any significant cuts to BBC services in this scenario. The consultation also recognised this option would remove the concession from every household with someone aged over 75, including the poorest pensioner households<sup>25</sup>.

Restoring a universal licence fee was the preference of around half of media industry stakeholders and a minority of media policy experts. A number of media policy and creative industry roundtable participants commented that this was the simplest option. A few political stakeholders and one Trade Union preferred this option and there was support for restore from a few charities and one intergenerational organisation.

The main reason given by stakeholders in support of restore, was related to a principled belief that the responsibility and funding for the concession was a matter for Government – and stakeholders often argued that by refusing to provide any concession the BBC would, in effect, also **reject responsibility for the concession and return it to Government**. Many of the stakeholders supporting restore recognised the importance of the concession to older people, but thought that it was for Government to tackle these issues:

***“The BBC should stand firm and reject the burden of the concession and make it clear that it is an issue for the Government”*** - Wayne Garvie

Other stakeholders that supported restore did so because of concerns about the **impact on the BBC, audiences and wider creative sector** under any of the other options:

***“It is better for the concession to end in 2020 rather than weaken the BBC public service's investment in content for all generations and all diverse communities across the UK”*** – Pact

A few stakeholders expressed **in principle support for a universal licence fee** arguing that it was right that everyone who received BBC services should pay for them. A few stakeholders raised issues of **intergenerational fairness** and said it was unfair to have a

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<sup>25</sup> BBC, *Age-related TV licence fee policy*, 2018, p.10

concession only for older people when poverty was also an issue for those under 75 currently required to pay the full licence fee.

But a majority of older people's groups and charities explicitly – and strongly – opposed restoring a universal licence fee. For most of these stakeholders the reasons for opposing restore were the same as or similar to their reasons for supporting copy. In particular, these stakeholders said that restoring the concession would have a negative impact on ***pensioner poverty and wellbeing***.

Restore was also the least popular overall option amongst those who responded to the 38 Degrees survey.

Stakeholders from older people's groups and charities commented on the ***implementation challenges***, and said there was a risk of those experiencing cognitive decline being at higher risk of licence fee scams. Others raised the potential negative ***reputational impacts*** of the BBC pursuing this option.

## Key Themes

The key themes raised by stakeholders in relation to restoring a universal licence fee are explored in further detail below.

### Restore: Responsibility for the concession

As described in the chapter on copy above, and explored in further detail in the additional themes chapter later, there was much comment about who should have responsibility for deciding on and funding of the concession in stakeholder responses. Nearly all of those supporting restore said that the concession was a social or welfare issue, and therefore a matter for Government and not the BBC, and prefaced their support for restore in this way:

***“It is wholly inappropriate for the cost of a welfare benefit to be passed on to the licence-payer in this way”*** – Writers' Guild of Great Britain

***“Policies for the relief of poverty...are the business of the Government, not the BBC”***  
– Professor Diane Coyle

A few stakeholders said that the BBC restoring the concession would, in effect, be a means of transferring responsibility back to the Government:

***“If it is felt to be an essential service from a welfare viewpoint then the Government needs to take back responsibility and be held accountable for addressing the impact on welfare, should the BBC choose to scrap or limit the subsidy”*** – Directors UK

Others said that the purpose of the licence fee should be for the purposes of providing BBC content and services only, and not ‘top-sliced’ to fund a welfare benefit.

#### Restore: Impact on the BBC, audiences and creative economy

The consultation set out that while there were some residual costs of restoring the universal licence fee, the overall result of taking this option would be no significant cuts to BBC programmes and services<sup>26</sup>.

Around half of the stakeholders supporting restore said that the BBC could not afford take on the cost of the concession in any form and wanted to protect the BBC’s budget:

***“The potential budget cuts estimated in the consultation documents - up to £745 million to the BBC’s budget, will lead to a significantly diminished BBC, providing a poorer offering to all who use BBC services. (...) Restore is (...) the only option that protects the BBC’s budget, and by extension, the quality of the BBC’s output into the future. (...)”*** – International Broadcasting Trust

Many of those who argued for restore believed that the BBC either should not or could not afford to cover the costs of a concession. Many stakeholders supporting restore did not want to see an end to the concession as a matter of principle and many were sympathetic to issues of pensioner poverty and isolation:

***“Directors UK recognises the importance [of the concession] in helping to keep older generations connected to the outside world”*** - Directors UK

Overall, a minority of stakeholders argued that the BBC’s budget should be protected. They often raised these issues in the context of reform - given this option had the least financial impact on the BBC. However, in making these points only a minority explicitly supported restoring a universal licence fee. The key issues that stakeholders commented on in relation to the BBC’s budget in this context were as follows.

A few stakeholders commented on the need for the BBC to prioritise or increase investment in younger audiences given generational shifts in viewing, stating that restoration of the concession was the way to enable this:

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<sup>26</sup> BBC, *Age-related TV licence fee policy*, 2018, p.38-39

***“Given the generational shifts in viewing and listening habits(...), the BBC should be prioritising investment in the modes of delivery of its services, as well as the content, for audiences from infants to young adults”*** - Professor Diane Coyle

Other stakeholders argued the BBC needed to be able to continue to compete in a changing and challenging market context:

***“public service broadcasting remains important and valued to the UK public, and the BBC is the cornerstone of this offering. However, in order to continue to play its part the BBC needs to remain of sufficient scale to compete with new media organisations like Netflix and Amazon, and even Sky”*** – International Broadcasting Trust

Stakeholders at the roundtables, as well as a few media industry stakeholders and media policy experts talked about the positive role of the BBC in relation to UK soft power. A few other stakeholders suggested that there should be more investment in the BBC to act as bulwark against misinformation and fake news.

Lastly, a few stakeholders supporting restore expressed concerns about the adverse impact on the wider creative sector which cuts to BBC funding would have:

***“The profound impact of the BBC taking on the full cost of this concession (...) would also damage the creative industries which rely on BBC investment to produce the kinds of locally produced first run content which British viewers and listeners demand”***- Professor Steven Barnett

A minority of stakeholders, who explicitly opposed restore, also noted concerns about the BBC’s ability to take on the full cost of the concession without negative impacts on BBC programmes and services.

As set out in Chapter 3, some stakeholders disagreed with the view that the BBC couldn’t or shouldn’t take on the cost of a concession.

#### Restore: Intergenerational fairness and a universal licence fee

A minority of stakeholders who supported restore cited reasons of intergenerational fairness – arguing that any concession was a subsidy for older people provided by working age people – and that young people also suffered from loneliness and poverty:

***“Abolishing the TV Licence concession (...)would ameliorate the intergenerational unfairness of there being a free TV Licence for older households without there being***

***a corresponding one for poorer households of working-age***” - Intergenerational Foundation<sup>27</sup>

***“It also seems unfair that wealthy home-owners over the age of 75 should receive a free television licence, whilst younger people living in poverty are asked to pay in full”*** – Writers’ Guild of Great Britain

There was also some in principle support for restoring a universal licence fee at the roundtables, on the basis that the concession was felt to be a poorly targeted, outdated and a politically motivated benefit.

A few media policy stakeholders made a linked point, arguing that a restored universal licence fee was the fairest option as it meant everyone who received BBC TV services paid something towards them:

***“My preferred option is therefore to reinstate the over 75s licence fee in its entirety, restoring both universality and fairness”*** – Professor Steven Barnett

This view was echoed at a number of roundtable discussions.

#### Restore: Pensioner poverty and well-being

As set out in Chapter 3, pensioner poverty and well-being was a significant issue for many stakeholders who responded to the consultation.

Many of the same arguments made in support of copy were also made against restore.

There was strong opposition to restore from older people’s groups and charities. A minority explicitly rejected restore in their consultation responses, citing the impacts on pensioner poverty and well-being if the concession was restored:

***“Removing (...) the concession would have a major impact on the lives of many of our oldest citizens, particularly the most vulnerable who are living with some combination of disability, low income and loneliness”*** – Age UK

***“We believe that any change to the current arrangements would have a detrimental effect on the health of many thousands of isolated older people who may choose to forgo access to television if they have to pay the full licence fee”*** - British Geriatrics Society

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<sup>27</sup> It should be noted that the Intergenerational Foundation also commented that ***“the drawbacks of this [restore] option are that it would be somewhat regressive towards poorer older households”***.

***“The prospect of [television] being taken away could have a devastating impact on older people experiencing loneliness”*** – Campaign to End Loneliness

#### Restore: Difficulty of communicating change

The consultation set out that implementation of this option would, in principle, be relatively straightforward. It would require a new set of older people to pay the licence fee for the first time, but it would be done largely in line with existing procedures<sup>28</sup>.

A few stakeholders who opposed restore (including Age UK and Enders) pointed to the executional and communications challenges the BBC would face if a universal licence fee was restored.

They expressed concerns about communicating changes to those currently in receipt of the concession who were more likely to be disabled, facing issues of cognitive decline, have limited mobility and less likely to have access to online banking. A few stakeholders – primarily from older people’s groups and charities - said that these groups of older people may have greater issues with engaging with TV licensing – both in terms of payment plans as well as issues around enforcement:

***“Some will have received the free licence for around 20 years and will find it difficult to understand why they must now pay and could risk follow up action for non-payment”*** – Age UK

Concerns were also raised about opening up a vulnerable demographic to licence fee scams:

***“There could be the potential for confusion, especially for people with dementia being at higher risk of fraudsters or scams with the introduction of changing a process and baseline which has remained for the previous couple of decades”*** – Alzheimer’s UK

#### Restore: Reputational impact

A few media policy stakeholders and roundtable attendees said that restore would prompt a strong reaction from both the public and Government. There was speculation that such a position could put the BBC under pressure when negotiating future financial settlements with the Government. Others argued that the BBC was in a “lose-lose situation” irrespective of which option it decided on. A negative public and political reaction was inevitable, and some roundtable participants thought the BBC should protect its budget and select restore on that basis.

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<sup>28</sup> BBC, *Age-related TV licence fee policy*, 2018, p.39

Quantitative survey results provided by stakeholders

**38 Degrees** - of those respondents who answered a question on overall options, around 18% of those who ranked “scrap free TV licences for the over 75s, which would mean no major cuts to BBC services” put it as their favourite option. This was the least popular overall option.

**Age Sector Platform** – 2% of respondents said the BBC should “introduce a universal TV licence fee – meaning no free TV licensing for over 75s and everyone has to pay, regardless of age.

**VLV** – 35% of respondents agreed strongly/ agreed with proposal 2: “Free TV licences should be discontinued for all over 75s. the BBC thereby regains c.£750m pa of licence fee revenue.” This compared to 48% who disagreed and 17% who neither agreed nor disagreed.

## 5. Option 3: Reform the concession

### Summary

The BBC consulted on three specific options for reforming the age-related concession (discounting the cost of a licence fee; raising the age threshold for the concession; and means-testing the concession for older people)<sup>29</sup>. The BBC also asked people to consider what they thought about combining options and if they had views about other ways to reform the concession<sup>30</sup>.

Around a third of stakeholders supported reforming the concession in some way as their preferred option. Some stakeholders explicitly supported reforming the concession – often saying that it provided the best and fairest balance of protecting the BBC against cuts but continuing to offer a concession for the elderly. Others gave conditional support – describing it as the least worst option. Amongst respondents to 38 Degrees’ survey there was most support for reform from with around 50% of respondents ranking reform, putting it as their favourite option.

There was most support amongst the reform options for means-testing. Those who supported means-testing tended to say it was the ***fairest*** option and that it would limit the ***impact on the BBC***. It was the most popular reform option amongst 38 Degrees respondents. However it tended to polarise opinions and those who opposed it often commented on ***Pension Credit*** – and concerns around ***low take up*** and creating a ***cliff edge of eligibility***. Stakeholders also highlighted ***administration and enforcement*** issues.

There was less support for discounting and raising the age. They were seen as potentially pragmatic solutions but more arbitrary than means-testing.

Only a minority of stakeholders commented on discounting. Those in favour of discounting thought it was a pragmatic solution which minimised, to some degree, the ***impact on the BBC***, whilst still offering a ***benefit for pensioners***. But those who opposed discounting said that the cuts to the BBC would still be significant under this option and it would ***disadvantage poorer pensioners*** – some of whom wouldn’t be able to afford a TV licence. A few charities raised specific issues around ***ill health***. This option attracted limited and often only conditional support. Age UK, for example, said it was ***“better than having no concession.”***

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<sup>29</sup> BBC, *Age-related TV licence fee policy*, 2018, p10-11

<sup>30</sup> BBC, *Age-related TV licence fee policy*, 2018, p.40

Those in favour of raising the age also often offered their support conditionally. For example, The Silver Line said that if they “***had to select between your three choices***”, in order of preference they would be: raising the age, discounting, then means-testing. Support for this option was often justified on the grounds of ***rising life expectancy*** – although those who opposed this option rejected arguments on that basis too. Stakeholders who commented on this option, as with discounting, discussed the balance between the ***impact on the BBC*** and ***impact on pensioners***. Others said that raising the age was an ***arbitrary*** way of reforming the concession. But this option attracted relatively little support amongst stakeholders and it was the least popular reform option amongst 38 Degrees respondents.

A few stakeholders raised concerns around the ***administration and enforcement***, and how older and more vulnerable people would be treated under any reform option – arguing that some people will be required to pay for a TV licence for the first time in many years and are likely to be more vulnerable (due to maybe ill-health, cognitive decline, or lacking the ability to set up payment arrangements).

As with other options many stakeholders, when commenting on reforming the concession, said that it shouldn’t be for the BBC to be taking decisions about the nature of any concession for older people, and that ***welfare policy was a matter for Government***.

#### Quantitative survey results provided by stakeholders

**38 Degrees** – of those respondents who answered a question on overall options, around 50% of respondents who ranked “change how the licence fee works, so the BBC has to make fewer cuts”, put it as their favourite option. This was the most popular response.

**Gransnet** – “over 80% of respondents” felt that “reforming the concession, so that a concession for older age groups would still apply, but in a different way” was the preferred choice. Gransnet report differing views as to how this should be achieved.

## Reform: Discounting (by 50%)

The consultation document suggested a discount of 50%, aligning with the concession given to those with severe visual impairments<sup>31</sup>. Frontier’s analysis states that, set at 50%, this option would cost £415 million in 2021/22<sup>32</sup> and may require new secondary legislation to implement<sup>33</sup>.

<sup>31</sup> BBC, *Age-related TV licence fee policy*, 2018, p.41

<sup>32</sup> Frontier Economics, *Review of over-75s funding*, 2018, p.44

<sup>33</sup> Frontier Economics, *Review of over-75s funding*, 2018, p.45

## Key Themes

### Discounting: Impact on the BBC

A few stakeholders commented on the costs of this option - saying that it would deliver some savings for the BBC, but others pointed out that it would still require significant cuts to the BBC's services and noted that the cost would continue to rise as a consequence of an ageing population. Others pointed to administration costs associated with this option. The Money Advice Trust argued that universal benefits are less costly to implement but Age UK noted that halving the concession does not halve the cost:

***“Frontier Economics estimate that in 2020-2021 it would cost 56% of the full concession – so 6% (around £24 million) would be taken up with administration and implementation – neither supporting older people nor increasing the income of the BBC”. – Age UK***

Similarly, it was noted in one of the roundtables that discounting delivers insufficient funds to maintain BBC services and attendees thought it would be difficult to administer.

### Discounting: Impact on pensioners

A few stakeholders, quoting Frontier Economics' analysis, said that discounting would be a regressive reform – disproportionately felt by poorer households and therefore a new burden on those least likely to afford it:

***“[discounting] would still increase the financial burden on those who are least able to afford the extra expenditure” – Parkinson's UK***

A few stakeholders felt that for discounting to be a viable option, the discount would need to be significant, and others said that a discount, whatever the rate, could still be beyond the means of some pensioners:

***“It would ease, but not resolve the financial pressure of paying for a TV licence, and it could still mean the cost of a television licence is beyond the means of some pensioners.” – International Broadcasting Trust***

### Discounting: Health conditions

Three charities, whose focus are disabilities and long term illnesses, commented on discounting with specific reference to health conditions. The Alzheimer's Society argued that people with dementia should be included in any discounts or exemptions given to other conditions. Parkinson's UK noted the higher cost of living for sufferers and pointed

to discounting still potentially placing a disproportionate financial burden on pensioners suffering from Parkinson's.

The National Association of Deafened People (NADP) suggested that the Government should fund a discount for all registered deaf people, compensating the BBC with a ring-fenced pot for improvements to signing and subtitling. They did not support the discount option but said that “ ***in paying the full fee deafened people have the right to full access***”.

#### Quantitative survey results provided by stakeholders

**38 Degrees** – of those respondents who answered a question on reform options, around 39% of respondents who ranked “discount the cost for older people” put it as their favourite option. This was the second most popular reform option, which also received the lowest number of ‘least favourite’ rankings.

**Later Life Ambitions** – 11% supported replacing the current concession with a 50% concession.

**Age Sector Platform** – 5.5% (11 respondents) supported introducing a “partial fee in the form of a concession for households with someone over 75 – meaning these households would receive some sort of discount on their TV licence, so they would have to pay, but not as much as everyone else”

**VLV** – 10% of respondents agreed/ strongly agreed with reform option 1 – Discount the cost for older households: “Any household with a member over 75 years old should receive a 50% discount on the cost of the licence fee. This would mean a reduction in income of £400m to the BBC.” This compares to 56% who disagreed/ strongly disagreed and 34% who neither agreed nor disagreed.

## Reform: Changing the Age / Raising the Age (to 80)

The BBC's consultation document set out an option of raising the qualifying age for the concession to 80 – and said that reforms to the state pension age were an example of where increases in longevity have been reflected in public policy reform. It also notes that raising the age to 80 would align the licence fee concession with the increased state pension and winter fuel allowance<sup>34</sup>. Frontier Economics' report drew on ONS data to show an improvement in life expectancy in the 20 years since the original threshold was set<sup>35</sup>. Frontier's report also highlighted that older pensioners are more likely to live alone, thus an increase in the age threshold could also more effectively target the

<sup>34</sup> BBC, *Age-related TV licence fee policy*, 2018, p.42

<sup>35</sup> Frontier Economics, *Review of over-75s funding*, 2018, p.27

concession to those who are more likely to suffer from loneliness and isolation. Frontier's modelling suggests that in 2021/22 an over-80s concession would have a residual cost of £481 million. This is 65% of the cost of reinstating the current concession<sup>36</sup>.

## Key Themes

### Raising the Age: Impact on the BBC

There was only limited mention of the impact of this option on the BBC. Some suggested it offered a pragmatic solution, and would reduce the impact on the BBC. This issue was also raised at two of the roundtable discussions, with one stakeholder equating the impact to the BBC's radio budget. Others said that the impact on the BBC of this option would remain significant. In their written submission, the Media Reform Coalition reflected upon the cost to both the elderly and the BBC of this approach:

***“Raising the age threshold to 80, instead of 75, would cost the BBC nearly £500 million a year and would mean that the poorest 75-80 year olds would still have to pay the full licence fee”.*** – Media Reform Coalition.

### Raising the Age: Rising Life Expectancy

A few stakeholders in three of the roundtable discussions said that raising the age might be the fairest option and cited the Government's decision to raise the state pension age as well as arguments around increased longevity as the basis for supporting this option.

However, a few stakeholders (from a mix of sectors) questioned the fairness of basing a change on increased longevity. This was also raised at two roundtables. Age UK and Age Scotland said that life expectancy is impacted significantly by a range of socio-economic and geographic factors and that this option would have disproportionate impact on some groups of older people. Age Scotland also said that Scotland has one of the lowest life expectancies in Western Europe and is the lowest of the UK nations.

A few older people's groups presented evidence to challenge the narrative of increasing life expectancy, indicating that fewer people would live long enough to benefit from a concession at 80.

ONS figures cited by Future Years suggest that, among women in the UK, the increase in life expectancy has dropped from an average of 12.9 weeks every year in 2005-2010 to 1.2 weeks in 2011-2015. Age UK also cite ONS figures to support their view:

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<sup>36</sup> Frontier Economics, *Review of over-75s funding*, 2018, p.49

***“Of those who reach 75, estimated that around 19% of men and 13% of women will have died before the age of 80.”*** - Age UK

### Raising the Age: Impact on pensioners

Closely related to the issue of increased life expectancy, was the issue of the impact of raising the age on pensioners who would miss out on the concession.

A few roundtable attendees representing older people’s groups remarked that age was a good proxy for need on the basis that older pensioners were generally less well off than younger ones and ill-health and mobility issues were more prevalent. Attendees at two other roundtables noted that even within those groups there is significant diversity in terms of health/finance and that age should not therefore be considered a good indicator of need.

The impact of raising the age threshold for those with disabilities or long term illness was also highlighted as a reason why this option would not be appropriate. Parkinson’s UK reported that if the threshold was increased to 80, around 28,000 people with Parkinson’s could lose out on a free TV licence:

***“With the additional cost of living with Parkinson’s, those who are on a low income may struggle to make up the additional costs and as a result they would risk losing a much-needed source of entertainment, companionship and for those who don’t have the internet, their only way of staying up to date with what is happening in the world”- Parkinson’s UK***

United for All Ages wrote that raising the age, though reflective of rising longevity, increases the risk of social isolation and will lead to an increased reliance on ***“hard-pressed”*** health and social services.

The Money Advice Trust said that this option would increase hardship for most vulnerable pensioners:

***“whose income will be most likely to be fixed from retirement age onwards. Their income will not have increased or decreased over time. Raising the age, will just make it harder for those over 75 to manage their finances, and increase hardship for the most vulnerable”*** – Money Advice Trust

Age UK said that sudden changes to the age at which support is provided, especially where notice is short, are perceived to be unfair. A few media policy stakeholders in the

roundtables echoed this sentiment. Whilst The Silver Line supported copy, in commenting on raising the age (as their preferred reform option) they suggested that the threshold age:

***“should be kept as close to the current age limit of 75 as possible in order to minimise the number of losers. We would also like transitional arrangements to be put in place which would protect those who currently have the concession”*** – The Silver Line

A few stakeholders (both in submissions and in roundtables) pointed to the difficulty of removing a benefit from those already in receipt. Current recipients between 75 and 79 would be asked to begin paying for the licence fee again.

#### Raising the Age: Arbitrary threshold

A few media industry stakeholders, including Professor Steven Barnett and Pact, argued against raising the age for the same reasons as discounting (saying that it was a regressive reform and would not deliver enough funding back to the BBC) and that it was an arbitrary threshold:

***“The option of raising or lowering the age threshold would simply represent the switching of one arbitrary threshold to another one”*** – Pact

This was a point made by a few stakeholders in a few of the roundtables.

The NUS challenged the setting of the concession at a higher age on the basis that poorer younger households would not be receiving a similar concession:

***“it does not seem fair to subsidise licences for the wealthy of any age”*** - NUS

#### Quantitative survey results provided by stakeholders

**38 Degrees** – of those respondents who answered a question on reform options, around 13% of respondents who ranked “change the age at which people receive a free TV licence” put it as their favourite option. This option was the least popular reform option, and had the highest number of ‘least favourite’ responses.

**VLV** – 30% of respondents agreed strongly / agreed with reform option 2 – Change the age at which households receive a free TV licence: “...given higher life expectancy today than in 2000, the minimum age for entitlement should be raised from 75 to 80. This would mean a reduction in income to the BBC of c.£480m”. This compares with 39% who disagreed strongly/ disagreed and 31% who neither agreed nor disagreed.

## Reform: means-testing

The consultation set out an option for means-testing eligibility for the concession linked to Pension Credit. Frontier Economics calculated that, under this option, approximately 900,000 households would receive a free TV licence based on take up of Pension Credit. It also set out that 3.75 million over 75 households who do not receive Pension Credit would no longer receive a free licence<sup>37</sup>. Frontier Economics estimated that the concession would cost around £209 million a year under this option<sup>38</sup> and that, whilst implementation would be more complex, it was still feasible.

Means-testing was supported by a range of different stakeholders including: charities and intergenerational groups (including Christians Against Poverty, Gransnet, WaveLength, Intergenerational Foundation, National, Union of Students); media industry groups (including Hartswood Films, Screen Scotland); media policy experts (including Professor Patrick Barwise, Media Reform Coalition); and political stakeholders. Of the 38 Degrees respondents who ranked means-testing as a reform option, 50% said it was their preferred option. However, a similar range of stakeholders were opposed to this option, including: older people's groups (including Age UK, Silver Line), political stakeholders, media industry groups (including Pact, IBT), charities and media policy experts. This option tended to polarise views.

## Key Themes

### Means-testing: Fairness

The key reasons for supporting means-testing centred around fairness – ensuring that the provision of free TV licences was targeted at those older people who were in most financial need, that those who could afford to pay did so. Stakeholders who supported this option said that means-testing was fundamentally fairer to all licence fee payers – including the young:

***“our preferred approach would be to means-test the concession and make it only available to people in receipt of Pension Credit. We believe that this is the fairest way to offer a concession”*** – Advice UK

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<sup>37</sup> BBC, *Age-related TV licence fee policy*, 2018, p.43-44

<sup>38</sup> Frontier Economics, *Review of over-75s funding*, 2018, p.56

***“the free TV licence should only be available to those who lack the means to pay for it themselves. As a benchmark, I would support this being available to those who are in receipt of Pension Credit”*** – Huw Merriman MP

***“Pensioners on above average income can afford the licence fee”*** – Professor Patrick Barwise

The Intergenerational Foundation in their response said they would like to see the principle of means-testing applied more widely – as this would be fairer to all licence fee payers, and in particular younger audiences. They said:

***“[it was] unfair for one [concession] to exist when there is not a corresponding benefit for poorer households of working age”*** - Intergenerational Foundation

A few media industry stakeholders also highlighted the need for fairness to all licence fee payers, but most of those who made this argument did not express support for a means-tested licence fee for all. Instead they called for a means-tested licence fee for older people as the best compromise and said that a continued concession of some form was fair to all licence fee payers:

***“If the BBC felt obliged to accept some responsibility for adopting an over 75s concession, this would be the only acceptable choice – not only in terms of affordability for poorer pensioners but also in terms of fairness to younger licence payers still required to pay whatever their means”*** – Professor Steven Barnett

Of those stakeholders who were in favour of means-testing, linking to Pension Credit was the most commented on option:

***“it would improve the targeting of the benefit so that it only goes to older households which are genuinely in need of it”*** - Intergenerational Foundation

However, a few stakeholders said that it would be more appropriate to link means-testing to other criteria to make the concession fairer:

***“I think poorer pensioners should at least get a discount which might be relative to the level of income tax”*** - Lord Mackay

A few charities – primarily debt advice bodies – also suggested alternative criteria which in their view would make the concession fairer. Christians Against Poverty suggested eligibility be made on a similar basis to the ‘warm homes discount’ and the Money Advice Trust suggested passporting to the attendance allowance (where eligibility would start

at 65 for those whose care needs are related to disability). Others suggested a link to income.

Notably, a majority of older people's groups who commented on this option, and a few charities, argued that means-testing was not fair – as older people disproportionately rely on the TV licence concession, many are facing issues of poverty and others face issues of illness and isolation (as set out in more detail in earlier chapters) and means-testing would exacerbate those issues:

***“means-testing would be totally unacceptable. All the evidence shows that the cost far outweighs any savings means-testing may eventually bring. There is a false assumption that those not in receipt of Pension Credit are better off, but in reality having an income just above the qualifying threshold can mean that you are liable to pay additional costs without any support. In such circumstances, an individual's net income may actually result in them being worse off after they have paid these additional expenses.”*** – National Pensioners Convention

#### Means-testing: Impact on the BBC

A few media industry and media policy stakeholders highlighted, alongside arguments of fairness, that means-testing would significantly reduce the financial impact to the BBC, and reduce potential cuts to services:

***“it [means-testing] significantly mitigates the cost to the BBC, thereby limiting any corresponding reduction in services (particularly those focussed on younger audiences)”*** – Hartswood Films

However, other media industry stakeholders highlighted that a means-testing option would still necessitate significant cuts to the BBC. Enders Analysis quoted Frontier's analysis which showed that a means-testing option linked to Pension Credit would result in 28% of the residual cost of the existing concession still being attributable to the BBC<sup>39</sup> – which Enders Analysis said would require significant cuts to services.

#### Means-testing: Pension Credit – low take up

Of the older people's groups that commented on this option, most said that linking means-testing to Pension Credit was unfair and many older people would lose out. Some argued that Pension Credit either didn't target the poorest pensioners or wasn't received by the poorest pensioners:

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<sup>39</sup> Frontier Economics, *Review of over-75s funding*, 2018, p.55

***“linking the concession to those in receipt of Pension Credit would miss the very poorest – those who are entitled to help but have not claimed”*** – Age UK

***“Using Pension Credit uptake as a qualifier to target those with the least income has its drawbacks as there is not a precise correlation between low income and benefit receipt. Those who are in receipt of means-tested benefits do not match perfectly those with the lowest incomes”*** – Pension Policy Institute

This was echoed by a few stakeholders at the roundtables.

Older people’s groups cited a range of evidence in support of their arguments. Age UK said that 40% of those entitled to Pension Credit were not receiving it and £3.5m of Pension Credit benefits each year go unclaimed. Age UK also said that the lack of take up means the poorest 10% of over 75s would lose 2.1% of their income. The Commissioner for Older People for Northern Ireland said changes to Pension Credit in May will cost some older couples as much as £7320 per year and the Pension Policy Institute said changes to the state pension will mean 300,000 fewer pensioners will be eligible for Pension Credit.

A few stakeholders, regardless of whether they supported means-testing, suggested that this option could have the benefit of improving uptake of Pension Credit:

***“an added benefit of this suggestion is the potential for such a scheme to help government address the far bigger problem of low take-up of pension credit by eligible pensioner”*** – Money Advice Trust

Many of the older people’s groups and charities that commented on this issue set out reasons for low take up of Pension Credit – including lack of awareness, not feeling entitled, and that issues to do with the process of claiming (not knowing how to, stigma of asking for help, issues of digital exclusion) disproportionately affected older people.

#### Means-testing: Pension Credit – cliff edge

A few stakeholders said that a means-testing option linked to Pension Credit would result in a hard ‘cliff edge’ of eligibility and the threshold for Pension Credit meant that many poorer older people would lose out. Age UK provided an example of someone whose income is £10 above the threshold who would be worse off than someone receiving Pension Credit and receiving the concession.

#### Means-testing: Responsibility for welfare decisions

A few stakeholders, including at the roundtables, said that they did not think it was appropriate for the BBC to be deciding which pensioners should be eligible - which was fundamentally a responsibility of Government – and that a means-testing option would mean the BBC would be tied to Government policy making and would not be in control of future changes to eligibility:

***“To be frank, it is not the BBC’s job to means-test.”*** – United for All Ages

***“It is a social policy matter for the Government, not a matter for the BBC...We would hope that TV licenses [sic] for the over 75s will continue to be funded by the Government”*** – Liberal Democrats

#### Means-testing: Administration and enforcement

A few stakeholders (including Christians Against Poverty, Future Years, Money Advice Trust, the Welsh Government and a few political stakeholders) argued that payment of the licence fee should be simpler or reformed for those people who, under a means-tested option, would be required to pay the licence fee for the first time in many years. This was a view expressed at a number of roundtables by political stakeholders.

A few charities advocated the Simple Payment Plan which has been trialled by TV Licensing (TVL) and they argued for it to be rolled out into business as usual. The Welsh Government suggested auto payments. In their response they stated that:

***“[older people should] receive free/discounted TV licence automatically – without form filling or loss of dignity”*** - Welsh Government

The Commissioner for Older People for Northern Ireland said that TVL’s current payment methods (weekly payments or a Direct Debit that requires the full 12 month licence to be paid over 6 months) may be unsuitable for older customers in financial difficulties.

Age UK argued that older people may not feel comfortable about sharing their personal data – which would be required under a means-testing option – with the BBC.

Quantitative survey results provided by stakeholders

**38 Degrees** – Of the 38 Degrees respondents who answered a question on reform options, around 50% of respondents who ranked “‘means-test’ the licence fee for older people, so only those who can afford it pay the fee”, put it as their favourite option. It was the most popular reform option.

**Later Life Ambitions** – “16% favoured linking free TV licences to over-75s who receive Pension Credit and 9% favoured linking free TV licences with anyone receiving Pension Credit, regardless of age”

**VLV** – 25% of respondents agreed strongly / agreed with reform option 3 – Means-test a licence fee concession for older people regardless of age: “free TV licences should be means-tested and apply to anyone receiving Pension Credit regardless of their age. This would mean a reduction in income of c.£330m to the BBC.” This compares to 41% of respondents who disagreed strongly / disagreed, and 34% who neither agreed nor disagreed.

55% of respondents agreed strongly / agreed with means-testing 75+ receiving Pension Credit: “Alternatively, the threshold should remain at 75 and be means-tested; e.g. limited to those receiving Pension Credit. This would mean that BBC income would be reduced to c.£210m.” This compares to 27% who disagreed strongly / disagree, and 19% who neither agreed nor disagreed.

## 6. Other Options – Combinations and Alternatives

### Summary

The BBC presented options for comment within the consultation and invited stakeholders to suggest alternatives and combinations.

Comments on combinations and alternatives to the options were relatively limited. Except where noted, combinations were largely cited by only one or two stakeholders and referenced either as a means of reducing the financial burden to the BBC, or as a phased way of restoring the universal licence fee whilst limiting the impact on older people.

A few stakeholders rejected the consultation options in favour of other funding models. Some made suggestions that the BBC could move to a subscription model, while others advocated a levy on other TV services as a means to generate further funds to support the BBC.

### Key themes

#### Combination with other options

##### **Means-test (linked to income tax) and change the age**

Ofcom Advisory Committee Scotland suggested that means-testing linked to income tax avoids any perceived ‘stigma’ people might have about claiming Pension Credit. This, they felt, would balance the impact on older people at the same time as ensuring a ‘sustainable’ income for the BBC. They suggested phasing in charges for those aged 75 - 79 or introducing a scaled discount up to age 80. They suggested that this would be a time limited solution in the light of demographic and technological change. In one of the roundtables it was suggested that a combination of raising the age coupled with means-testing could have the potential to do this. The NUS, whilst predominantly in favour of means-testing, suggested that it could be used in combination with changing the age to lessen the impact on vulnerable groups.

##### **Other means-testing combinations**

Christians Against Poverty said means-testing in combination with a discount could be feasible, but overall preferred a simpler scheme.

##### **Progressively raise the age (with a view to restore)**

Professor Diane Coyle suggested that although an immediate restoration of the universal licence fee would be preferable, in practice, it may require a progressive raising

of the age limit (pointing to life expectancy, an 85 year old today has similar life expectancy to a 75 year old in 2000).

### **Raising the age and for those who live alone**

Lord Blunkett suggested increasing the age of eligibility but said that only those who live alone should be eligible.

### **Combine all three options (with a view to restore)**

Audio UK was the only stakeholder to strongly and explicitly express a preference for a combination of all three reform options (discounting, raising the age and means-testing), with the aim to reduce the financial burden on the BBC and eventually phase out the concession.

### **Preserved rights**

The issue of preserved rights was raised by Lord Lipsey and at one of the roundtables. It would mean safeguarding the concession for older pensioners (perhaps those born before or during World War II) or those already in receipt of the benefit. These pensioners would be able to benefit from a free TV licence but new claimants would not receive a full TV licence concession:

***“this could be justified on the grounds that existing recipients have a reasonable expectation that the benefit will continue but that does not apply to new applicants”*** – Lord Lipsey

In their submission the Royal Tunbridge Wells & Area Access Group made reference to the ***“non-retrospective clause in English law”*** suggesting that changes can only apply to new applicants.

A combination of preserved rights and other options was also suggested in one of the roundtables. Under this option, those who turned 75 from now on would receive a different version of the concession. This might be a universal concession offering a 50% discount or a means-testing concession available only to the poorest pensioners. Those in favour of this option wanted to protect the rights of existing recipients but thought the need for a full concession would lessen over the next decade as younger, wealthier generations reach 75. Other stakeholders argued for phasing out the concession over time – linked to preserving access for those currently in receipt.

### **Fixed cost (after restoring)**

At one of the roundtables it was suggested that if the BBC decided to restore a universal licence fee then the rate could be frozen for those over 75 to protect against rising costs for the elderly.

### **Remove concession from multi-generational households**

This suggestion was made by a few stakeholders in submissions. For example, one chapter of the University of the Third Age observed that the scheme should be retained but only for households where all individuals are aged 75 and over. There was also discussion of this option at a few of the roundtables. However, this view was not universally supported.

In a related suggestion, the Ofcom Advisory Committee for Scotland suggested an “annual Broadcast Services charge” which could be collected through Council Tax. This could be linked to existing mechanisms to provide discounts to pensioners living alone, those on low incomes and people receiving certain benefits. It would allow a distinction between households where only one person in the family is over 75, creating the opportunity to remove the concession for those households, something which many see as a loophole and cause of lost revenue for the BBC.

### **Voluntary contributions**

A few stakeholders at the roundtables said that older people may be prepared to pay for the services they love and that a scheme of voluntary contributions could be considered. However, it was also acknowledged this approach presented a high level of financial uncertainty. The Money Advice Trust also argued it should be easier to make voluntary payments.

### **Subscription**

Richard Hooper argued that voluntary payments in the form of subscription could be solution to protecting the future of the BBC and suggested piloting a subscription model with the over 75s, as a precursor to licence fee reform.

The need for a wider conversation around subscription was also raised in one of the roundtables and the Ofcom Advisory Committee for Scotland also argued for consideration of a subscription model.

### **Concession should be taxed**

In other roundtables there was some discussion around age-related benefits and a suggestion that the concessionary licence be taxable, with the dividend returning to the BBC.

### **Other alternatives or revenue raising suggestions raised**

Alternative forms of revenue raising were discussed in roundtables and there were some suggestions that the BBC should seek to negotiate a relaxation of the regulatory constraints around its commercial activities.

Other suggestions included:

- Proof of licence for access to iPlayer (political roundtable)
- Worldwide iPlayer subscription service (brought up at roundtables)
- BBC should exploit more commercial opportunities such as carrying advertising; partnerships with other PSBs and commercial providers. (roundtables, Welsh Government)
- Paying up-front for concession (political roundtable)
- Offering a life membership scheme (political roundtable)
- An orange [blue] badge style scheme that could assess and identify vulnerable people along with working with GP surgeries (Future Years)
- A levy on streaming services/all Freeview broadcasters which could be administered through a charity to pay for the concession. (Royal Tunbridge Wells & Area Access Group)

Quantitative survey results provided by stakeholders

**38 Degrees-** Of the almost 100,000 38 Degrees respondents who answered a question on their preferred combination, the following options were selected (in descending order):

- Discount and means-test: 16%
- Discount and change the age: 11%
- Discount, change the age and means-test: 4%
- Change the age and means-test: 3%

## 7. Additional / cross-cutting themes

### Summary

This section summarises the additional themes raised by stakeholders in submissions to the consultation and at roundtables.

There were a number of themes which were overarching and, in many cases, they cannot be accurately recorded as comments on a particular option, but were often reflective of stakeholders' approach to the consultation as a whole.

The key additional themes that came through from stakeholder responses were as follows:

- Responsibility – stakeholders felt strongly about who should make decisions on the future of the concession and who should fund it – with many calling for the responsibility to be returned to Government.
- The licence fee settlements and the licence fee model – including calls for reform both of how funding settlements are conducted for the BBC and of how the BBC is funded.
- Intergenerational fairness – where there were differing views on how this should, or should not, be a factor in the BBC's decision making.
- Nations and Regions – comments highlighting different potential impacts and considerations across the UK's Nations and Regions – including the important role BBC investment played in the creative economy across the UK.

### Responsibility

As set out in previous chapters around half of all stakeholders, in expressing their view on the consultation options, often commented that Government should be responsible for the concession. Indeed, many gave their support for copying the current concession on the basis that the BBC should not have a role in setting or funding the concession.

This view was common held across a range of stakeholder groups (media industry, older people's groups, policy experts and political stakeholders). They questioned whether it was right to make the BBC responsible for the concession and whether it was right for the BBC to take a decision on the future of the concession:

***“It is our view that the BBC should not be asked to make judgements about the distribution of income between social groups. We are therefore totally opposed to***

***the changes suggested and believe the Government should reconsider the proposal in its entirety*** – York Older People’s Assembly

Some of these stakeholders said that giving responsibility to the BBC usurps the role of Parliament and confers responsibility for taxation on an unelected body - the BBC Board:

***“Parliament has illegitimately conferred on the BBC responsibility for deciding the exemption to a tax. (...) The licence fee is a tax borne by households meeting the conditions of payment, and it is properly the role of the Government or legislator to decide any departures from its payment. (...) The BBC is not responsible for these matters”*** – Enders Analysis

Gordon Brown, in his response, said that the amendment to Section 365 of the Communications Act was tantamount to ***“taxation without representation”*** as the decision has been conferred to an unelected body. He argued it undermines the consensus on which the welfare state is built. He and others said that the BBC’s role and function is not to make judgements about distribution of income between social groups.

Age UK and others said that that the decision to transfer responsibility to the BBC should have been subject to public consultation:

***“... there should have been opportunities for public dialogue and consultation before the BBC agreed to take on the responsibility for financing the age-related television licence concession”*** - International Broadcasting Trust

***“Had DCMS consulted on the policy, the cost to BBC services from amputating DWP funding would have become clear, and DCMS would have been called out for damaging irrevocably the BBC’s mission as a universally accessible public information and entertainment service.”*** Enders Analysis

A minority of stakeholders from various groups also observed that by giving responsibility for the concession to the BBC, the Government would breach the 2017 Conservative Manifesto commitment to maintain the concession until the end of the current parliamentary term (2022).

A few stakeholders from older people’s groups thought that the BBC should not have accepted responsibility for the concession as part of the licence fee settlement:

***“Age UK’s starting point in this debate is that the BBC should not have agreed to take over responsibility for free TV licences as part of new funding arrangements announced in July 2015”*** - Age UK

A few stakeholders called explicitly for the BBC Board to renegotiate or reject the 2015 settlement:

***“The BBC must go back to Government and discuss alternatives to these proposals, specifically, Government providing the funding so the BBC does not have to enact any of the options put forward”*** – Rosie Cooper MP

Some did so on the basis that in principle the responsibility should never have been given to the BBC, others said that the political climate and market context had changed and that was a reason to talk to the Government again. Others suggested that as this arrangement had been agreed under the previous governance arrangements for the BBC, the new BBC Board should now re-negotiate with the Government.

A few stakeholders, predominantly media policy experts, said that taking on responsibility for the concession would call into question the BBC’s independence:

***“The BBC is charged with demonstrating impartiality and should not compromise itself by getting involved in what is, essentially, a political decision.”*** – Professor Sylvia Harvey

## **Licence fee settlements and the licence fee**

A minority of stakeholders said that the current system for conducting the licence fee settlement between Government and the BBC needs reform:

***“IBT would like to see a new process for agreeing the BBC’s licence fee settlement, one that models best practice and encourages public engagement. Such decisions, with consequences for millions of ordinary citizens, should never be subject to the whim of individual politicians”*** – International Broadcasting Trust

A few stakeholders go into further detail about how a new process of setting the licence fee could work. For example:

***“VLV proposes a Licence Fee Body should be set up. (...) This body would comprise a Chairman and other members who have the requisite expertise and knowledge, are independent of government, of the BBC and other media organisations; the chair and members would be appointed by the Secretary of State who would have a duty in making these appointments to consult with the BBC, Treasury and Ofcom. The Licence Fee Body would consult with the public and recommend a level for the***

***licence fee. The Secretary of State would have a duty to lay this recommendation before the Parliaments of the UK.*** – Voice of the Listener and Viewer

The Scottish Government also commented that licence fee settlements should be negotiated and decided by an independent body, adding that the concession should also be independently regulated.

BECTU said they would welcome debate about the future funding of the BBC, stating they support ***“Parliamentary oversight of a truly transparent process that involves all stakeholders of the BBC, not just government ministers and the BBC board.”***

A few media policy experts and media industry groups commented that transferring the concession to the BBC undermines support for and the purpose of the licence fee.

***“The licence fee should not be re-directed as a tool of social policy or indeed in support of other government priorities, but should remain as the clear and direct means of funding BBC output and activities.”*** - Cardiff School of Journalism.

Other stakeholders said that the system for setting the licence fee had allowed the direct link between the licence fee and funding of programmes to be steadily eroded over the past decade, pointing to top slicing of the licence fee to fund the World Service, BBC Monitoring, broadband rollout, S4C, and local TV. They called for its primary purpose to be re-established. Audio UK commented that such uses of the licence fee were ***“frequently not understood or appreciated by the public”***.

A few stakeholders from the media industry, media policy experts, political stakeholder groups, as well as one charity and one trade union, suggested that the debate around the concession demonstrates the need for licence fee reform, arguing that changing viewing habits, especially amongst younger audiences, make it less relevant. Declining licence fee take-up was cited as evidence of this. The NUS called for a broader DCMS review of the licence fee, citing its unfair application on students<sup>40</sup>.

## **Intergenerational issues**

There were mixed views on whether intergenerational fairness was a fair or useful lens through which the BBC should consider its decision:

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<sup>40</sup> “Certain types of student accommodation, including purpose-built halls of residence and some shared flats/houses, cannot be covered by a single general licence. Instead, students must purchase individual licences, at significant cost to them given their restricted budgets” - NUS

***“reducing entitlement to the over 75s concession is not a good or fair way to address intergenerational fairness”*** – United for All Ages

***“the debate over the future of free TV licences for the over-75s encapsulates many of the broader issues of intergenerational inequality in contemporary Britain.”*** – Intergenerational Foundation

Around half of media industry stakeholders and a few others, including some media policy experts, said intergenerational fairness should be a tool for considering the future of the concession.

They often argued that those under 75 were also living in poverty, and said that younger people should not be required to effectively subsidise the concession for those over 75.

A few stakeholders also commented on the risk that maintaining the concession would have for younger audiences:

***“reducing the BBC’s ability to invest in making high-quality programmes and redesigning its web and radio services to make them more attractive to young people; and (...), it would also send out a strong message that the BBC is more concerned about the wishes of the older section of its audience than it is about the young –***  
Intergenerational Foundation

***“Pact is concerned that the licence fee burden should not be placed unduly on younger generations, whose consumption of BBC content is lower than that of the over-75-year age group. For example, the youngest age group (16-34) consumes as little as 8 hours a week on average of BBC content”*** - Pact

A few older people’s groups also said that it was misleading to suggest that one generation was subsidising another. They commented that many young people were accessing BBC content online and free of charge. The National Pensioners Convention also said that the concession is currently financed through general taxation, to which tax paying pensioners make a contribution. A few stakeholders at the roundtables also set out concerns about setting generations against one another.

A few stakeholders from a range of groups reflected on intra-generational fairness, with some saying that income inequality within generations was greater than that between generations. A few stakeholders highlighted the ability of some over-75s to pay the licence fee.

While not supporting a particular option, the Pensions Policy Institute also reflected on relative poverty in the evidence it submitted, for example that “***since the introduction of the concession the average income of the older pensioner group (aged 75 and over) has risen faster than the cost of the television licence***”, but contrasted this with the fact that some “***individuals within this population will not see their income rise at the same rate as the population as a whole***”.

## **National and regional impacts**

This section considers themes raised by stakeholders in respect of impacts on the UK's Nations and Regions. For Wales and Scotland, views on the impact of changing the concession were mixed.

Stakeholders from a range of groups (including the CBI, the Scottish Government, the Welsh Government, S4C, MG Alba, Ofcom ACS, the TUC, BECTU, NUJ and Screen Scotland) talked about the importance of BBC investment in the development of the national and regional creative sectors in specific nations. For example, Ofcom's Advisory Committee for Scotland highlighted the important role of Scottish TV production - the sector's turnover in 2016 was almost £131 million and the BBC is the largest commissioner of programmes and content in Scotland by a significant margin. Some of these stakeholders, for example the Welsh Government, stated a view that any decision the BBC takes should not lead to a fall in investment in nations specific content, or overall.

A few others (including Age Scotland, Age Cymru, the Commissioner for Older People for Northern Ireland, and the Older People's Commissioner for Wales) raised concerns about the impact on the pensioner populations of the nations which they say include many who live in rural areas, are older and are potentially less able to pay for a reformed or restored concession.

In addition attendees of roundtables in Scotland and Wales pointed to the social and cultural public value that the BBC provides which is absent from streaming services.

A summary of the views expressed are grouped by nation below.

### Wales

Age Cymru, the Older People's Commissioner for Wales, the Welsh Government and others raised various concerns about the impact of any change to the concession on

Wales and Welsh audiences – including that Wales has the oldest and most rapidly ageing population of the UK nations<sup>41</sup>, that Wales has high incidence of pensioner poverty<sup>42</sup>, and that Wales has high numbers of people living alone.<sup>43</sup> The Welsh Government also said that the rural nature of the population in Wales meant that television was particularly important in combatting issues of social isolation, and that there was poor media provision and broadband coverage in Wales which increases the importance of BBC news and information.

A few stakeholders expressed concern about the impact on Wales of a fall in the BBC's budget. Concerns about cuts to funding for S4C were also raised by the Welsh Government, NUJ, NUJ Welsh Executive Committee, MG Alba, a few political roundtable attendees and in confidential responses.

### Scotland

A few stakeholders raised concerns about the impact on Scotland and Scottish audiences of changes to the concession. The key reasons given by stakeholders included: demographic differences to the rest of the UK including a higher incidence of older, smaller households in rural and remote rural areas; Scotland has one of the lowest life expectancies in Western Europe with average life expectancy at birth across Scotland at 81 years for women and 77 for men<sup>44</sup>; Scotland has lower levels of access to alternatives, with older households the biggest consumers of BBC television and radio content and those in remote and rural areas having limited alternatives; and Scotland lags behind the rest of the UK in terms of access and coverage of mobile and broadband services.

The Scottish Government and Screen Scotland raised concerns about the damage to the creative economy and employment if the BBC's budget / spend in Scotland were to be reduced. These concerns were shared by Ofcom's Advisory Committee for Scotland and a few media industry and political attendees at Scottish roundtables – who highlighted the need to protect the BBC's new Scottish channel in particular.

MG Alba said that a drop in the amount of licence fee funding would be detrimental to the development of Scottish culture and diversity.

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<sup>41</sup> The Welsh Government cite statistics that 9.2% of people are aged 75 or over (UK average 8.2%). Welsh Government response citing Population estimates - local authority based by age band, ONS Crown Copyright Reserved [from Nomis, February 2019]

<sup>42</sup> 1 in 5 older people in Wales live in persistent poverty and the rate of income poverty for people over age of 65 rose to 20% between 2014/5 and 2015/6 (Older People's Commissioner for Wales). OPCW submission citing [Gov.wales Welsh Government Poverty statistics households below average income] Wales has the highest percentage of older people on a low income outside of London (Age Cymru).

<sup>43</sup> Older People's Commissioner for Wales states more than 50% of over-75s in Wales live alone

<sup>44</sup> Age Scotland submission quoting figures from the Scottish Government's public health priorities <https://www.gov.scot/publications/scotlands-public-health-priorities/pages/2/> and the National Records of Scotland [<https://www.nrscotland.gov.uk/news/2017/variation-in-life-expectancy-between-areas-in-scotland>]

## Northern Ireland

A few stakeholders raised concern about the impact of any change to the concession on Northern Ireland and its audiences – along similar lines to those in Wales and Scotland. Stakeholders (including Sinn Fein, the Commissioner for Older People for Northern Ireland and Age Northern Ireland) specifically referenced poverty rates in Northern Ireland. The Commissioner for Older People for Northern Ireland raised the mixed age couple benefit change and also stated the proportion of pensioners in Northern Ireland in relative poverty rose from 12% to 15% between 2015 and 2016<sup>45</sup>, while Age Northern Ireland estimated the percentage of pensioners in absolute poverty was 10% in 2016/17, comparable to 9% in the previous year.<sup>46</sup> Age Northern Ireland also said that: ***“ in Northern Ireland, despite now enjoying relative peace, many older people continue the habit formed during the years of the ‘The Troubles’ of not socialising outside of their home or immediate locality making TV all the more important to them.”***

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<sup>45</sup> <https://www.communities-ni.gov.uk/news/northern-ireland-households-below-average-income-report-2015-16-released>

<sup>46</sup> Households Below Average Income: Northern Ireland 2016/17, Dept for Communities

## 8. Comments on the Frontier Economics analysis, Equality Impact Assessment and scope of the consultation

### Frontier Economics' Analysis

The BBC commissioned Frontier Economics, an external economics consultancy, to provide detailed analysis on possible ways for the BBC to approach the decision and the implications for different options. This analysis was published alongside the consultation document.

Some stakeholders (including Age UK and Age Northern Ireland) said Frontier Economics' remit was too narrow. They said that while Frontier had produced a detailed economic analysis, the documents did not consider the views of older (or younger) people or look at the impact that removing the concession could have on people's lives. Age UK, said that the analysis appeared to: ***“start from the presumption that the concession is unfair and should be reformed”***.

A few stakeholders said that pensioner poverty and the wider considerations around age-related cost of living were not presented accurately in Frontier's report. A few stakeholders explicitly challenged the narrative presented in the Frontier report around declining pensioner poverty:

***“In their reports they have to admit, however, that pensioner income is 69 per cent of average household income. They have to agree that one third of the over-75s are in the poorest 30 per cent of the population – and indeed that one in every four of the over-75s are eligible for pension credit because their incomes are so low. But they do not admit that pensioner poverty is on the rise again, and will worsen if exemption from the licence fee is removed or restricted.”*** – Gordon Brown

Some stakeholders (including Alzheimer's UK) commented on Frontier's finding that there was a lack of robust evidence that TV improves health outcomes. Alzheimer's UK said: ***“there is substantial evidence of the detrimental health impact of social isolation and loneliness.”***

The Scottish Pensioners Forum criticised the fact that the consultation **“makes no reference to any information which might counter that contained in its commissioned Report”**, stating that this approach does not meet impartiality standards.

The Welsh Government stated that developments like the closure of the iPlayer loophole, linkage of the licence fee to inflation, efficiency savings and the increasing

profitability of the BBC's commercial activities should have been considered in presenting the financial impact of the options on the BBC.

A few stakeholders (including the Scottish Pensioners Forum and the Commissioner for Older People for Northern Ireland) challenged the presentation of younger households subsidising older ones, stating that as the licence fee is levied per household it is predicated on an element of cross subsidy with single households subsidising those in multiple occupancy. They made the argument that, as a largely universal levy, many licence fee payers pay for services they don't use.

Finally, the Commissioner for Older People for Northern Ireland said Frontier's report and the BBC did not address how all individuals that qualify for Pension Credit will be communicated with should the decision be made to means-test, and that changes to Pension Credit (such as the mixed age couples rule) had not been properly considered.

### **The Equality Impact Assessment**

The BBC published an initial Equality Impact Assessment (EIA)<sup>47</sup> alongside the consultation document. This explained our initial thinking on the way different options could have an impact on people with particular characteristics, and also addressed the accessibility of the consultation.

Only a few respondents provided specific comments on the EIA. The most frequently raised comments about the scope of the EIA suggested that more consideration should have been given to the impact of any proposed changes on disabled people and women, a point also raised in a couple of roundtable discussions.

Alzheimer's UK said the EIA had not considered "**how people with dementia might be disadvantaged from responding to this proposal.**" The National Association of Deafened People felt that it was not clear from the consultation documentation how the needs of deaf people were being considered, commenting that "**as a result we felt unable to respond in the format requested in the consultation.**" While not linking their concerns directly to the EIA, the Tunbridge Wells and Area Access Group cited the Equality Act 2010 which they quote as stating: "**... disabled and elderly people must be treated more favourably than other groups to enable and empower them to live independently and practice fully in society**".

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<sup>47</sup> BBC, *Application of the public sector equality duty: BBC decision-making in relation to age-related concession for TV licences*, 2018, referred to in this consultation as *Equality Impact Assessment*

More generally, Barry Gardiner MP felt that the BBC had **“paid no regard, in the construction of these proposals, to the wide-ranging social and equality impact on not just those directly affected but those around them”<sup>48</sup>**.

While not specifically referencing the EIA, some stakeholders (including Enders Analysis, the National Pensioners Convention, Scottish Pensioners Forum and the Commissioner for Older People in Northern Ireland) pointed to gender related impacts of the concession. The Commissioner for Older People in Northern Ireland said that there was a greater proportion of women over the age of 75 (c. 58% at 75 rising to 69% at age 90) and that poverty amongst single female pensioners increased from 17% in 2010 to 23% in 2016<sup>49</sup>. In addition, Age UK said 57% of over-75s living alone are women<sup>50</sup>. The National Pensioners Convention stated that there are three times as many single, older women as men.

The Scottish Pensioners Forum also referenced The Joseph Rowntree Foundation’s figures of 300,000 pensioners living in poverty **“with this most likely to affect those who are single, non-white and living in rented accommodation.”**

## Consultation Scope and Accessibility

A few stakeholders representing older people felt that the public consultation documents were too long, complex, or confusing.

Concerns about the structure of the public consultation led a few stakeholders to conduct their own alternative survey formats and questionnaires.

Age UK, the Alzheimer’s Society and Independent Age raised the ability of older people who were not online to engage with the consultation, pointing to the fact key information was supplied online, and TV adverts were only brief and signposted people to the website. Independent Age did acknowledge the availability of paper forms, but raised the: **“lengthy automated phone call process”** and stated the paper copy took three weeks to arrive.

A few stakeholders were concerned about the structure of the questions. Later Life Ambitions rejected proposals in the consultation as: **“unhelpful and misleading”**. A few stakeholders at roundtables and in formal submissions (mainly those who argued that Government funding of the concession should continue) criticised the fact that there

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<sup>48</sup> This comment was not made specifically in relation to the EIA

<sup>49</sup> Age UK – Report April 2018

<sup>50</sup> ONS (2017)

was no option of the BBC 'rejecting' or handing back the decision to Government. Other stakeholders said they wanted to see additional options for funding the concession explored:

***“[The BBC consultation is a] flawed Hobson’s choice which fails to address the real issues at hand” - BECTU***

***“I am more than disappointed to see none of the suggested options looked into raising revenue elsewhere to cover this cost” – Mark Menzies MP***

A few stakeholders felt that the consultation should have set out more clearly what a 'stripped back' BBC would look like, and sought views from the public on this. Professor Patrick Barwise recommended that the BBC carry out research ***“to establish the public’s preferences for the different options - and for each option, which (combinations of) services they would cut or save - once they understand the trade-off.”***

## Annex 1 – Stakeholders submitting a formal response

	Stakeholder
1	38 Degrees
2	Advice UK
3	Age Cymru
4	Age NI
5	Age Scotland
6	Age Sector Platform
7	Age UK
8	Alison Thewliss MP
9	Alzheimer’s Society
10	Andrew Bridgen MP
11	Audio UK
12	Baroness Neville-Rolfe
13	Barry Gardiner MP
14	BECTU
15	British Geriatrics Society
16	Campaign to End Loneliness
17	Christians Against Poverty
18	Cardiff University School of Journalism
19	CBI
20	Civil Service Pensioners Association (Crawley Branch)
21	Commissioner for Older People for Northern Ireland
22	Confidential
23	Confidential
24	Confidential
25	Confidential
26	Confidential
27	Confidential
28	Confidential
29	Confidential
30	Confidential
31	Dame Cheryl Gillan MP
32	Danny Cohen
33	David Drew MP
34	Diane Coyle
35	Directors UK
36	Dundee Older Peoples Services Network
37	Dundee Pensioners Forum
38	Edwin Poots MLA
39	Enders Analysis
40	Entitledto
41	Faisal Rashid MP
42	Future Years
43	Gerald Jones MP
44	Giles Watling MP
45	GMB

46	Gordon Brown
47	Gransnet
48	Hannah Bardell MP
49	Hartswood Films
50	Hornsey Pensioners Action Group
51	Huw Merriman MP
52	International Broadcasting Trust (IBT)
53	Independent Age
54	Intergenerational Foundation
55	James Frith MP
56	John Grogan MP
57	Kate Hoey MP
58	Kevan Jones MP
59	Later Life Ambitions
60	Liberal Democrats
61	Lilian Greenwood MP
62	Lisa Cameron MP
63	Lisa Nandy MP
64	Lord Blunkett
65	Lord Lipsey
66	Lord Mackay of Clashfern
67	Lord Marland
68	Lord Patel
69	Lord Rennard
70	Lord Soley
71	Mark Menzies MP
72	Martyn Day MP
73	Media Reform Coalition
74	MG ALBA
75	Money Advice Trust
76	National Association of Deafened People
77	NASUWT Retired Members Association
78	North Ayrshire Council
79	National Pensioners Convention (NPC)
80	National Union of Journalists (NUJ)
81	NUJ – Welsh Executive
82	National Union of Students (NUS)
83	Ofcom Advisory Committee for Scotland
84	Older People's Commissioner for Wales
85	Pact
86	Parkinsons UK
87	Patrick Barwise
88	Pensions Policy Institute
89	Peter Heaton-Jones MP
90	Public Service Pensioners' Council
91	Richard Hooper
92	Robert Beveridge
93	Rosie Cooper MP
94	Royal Tunbridge Wells Access Group

95	S4C
96	Scottish Govt
97	Scottish Pensioners Forum
98	Screen Scotland
99	Sharon Hodgson MP
100	Silver Line
101	Silver Voices
102	Sinn Fein
103	Solihull Ratepayers Association
104	Steve McCabe MP
105	Steven Barnett
106	Sylvia Harvey
107	TUC
108	University of the Third Age (U3A)
109	United for All Ages
110	Voice of Listener & Viewer
111	WaveLength
112	Wayne Garvie
113	Welsh Govt
114	Writers' Guild of Great Britain
115	York Older People's Assembly