



Briefing for Healthier Communities and Adult Social Care Scrutiny & Policy Development Committee 24 July 2019

Subject: Age-related TV Licence Policy

Author of Briefing: Emily Standbrook-Shaw, Policy and Improvement Officer
Emily.standbrook-shaw@sheffield.gov.uk
0114 27 35065

Summary:

The BBC's recent decision to stop funding free TV licences for all over 75s from June 2020 has been controversial and high profile.

This briefing provides the Committee with information on why the decision has been made, why it has drawn criticism, and an overview of how the changes are likely to affect Sheffield, to enable the Committee to discuss the changes and identify any areas it wishes to investigate further or make recommendations on.

Type of item: The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	x
Other	

The Scrutiny Committee is being asked to:

- discuss the changes to free TV licences for over 75s
 - identify any issues for further investigation or recommendations to decision makers within the Council or external organisations.
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Category of Report: OPEN

1. Introduction

- 1.1 In 2015, the UK Government decided to stop funding free TV licences for those aged over 75. The UK Parliament then gave the BBC the responsibility to decide on the future of the concession from June 2020. Following a consultation, the BBC has decided that from June 2020, any household with someone aged over 75 who receives Pension Credit will be eligible for a free TV licence funded by the BBC.
- 1.2 This decision has been controversial, and a campaign and petition led by Age UK asking that Government takes back responsibility for funding free TV licences for everyone over 75 currently has 591,152 signatures. This is over the threshold to qualify for a Parliamentary debate.
- 1.3 The Committee is asked to consider and discuss the changes, and determine whether it wishes to make any recommendations to decision makers within the Council, or in external organisations.

2. Changes to Age-Related TV Licence Policy

- 2.1 The executive summary of the BBC's decision document on age-related TV Licence policy is attached at appendix 1, and sets out how the BBC came to its decision. The full version is available [here](#). The key points are:
 - Continuing the current concession would cost £745m a year by 2021/22, which is around 18% of the BBC's spend. Finding the resources to fund this would require closure of services equivalent to BBC Two, BBC Four, the BBC News Channel, the BBC Scotland Channel, Radio 5Live, 5live Sports Extra, and a number of local radio stations. The BBC Board felt that these closures would damage the BBC for everyone.
 - The BBC Board felt that the fairest option is to establish a new scheme to focus on the poorest older pensioners, by using the Government's own measure of pensioner poverty – Pension Credit. They deemed this the fairest option to help the poorest pensioners, and for all licence fee payers as this decision will avoid substantial cuts to BBC programmes and services up to 2021/22.
 - The Board recognises that this decision will mean changes for around 4.6 million households, consisting of 2 groups:
 - 1.5 million households could be eligible for a free TV licence, of which 900,000 currently receive Pension Credit.
 - 3.75 million households will need to pay for a TV licence, although this figure would reduce if more over 75s took up Pension Credit.
 - Resources will have to be found to fund the new concession – which will cost £250m a year by 2021/22.
 - The BBC Board considers it important that the BBC and TV Licensing take steps to support people to make the transition to the new system simple.

2.1 Critics have expressed their concern over the proposals. The key issues Age UK is highlighting in its campaign are:

- The Government, not the BBC, should be responsible for funding free TV licences and making what are, in effect, tax and benefit decisions.
- The importance of retaining the free TV licence for people aged over 75 because many have low disposable incomes, high levels of ill health or disability and are particularly reliant on television for companionship, entertainment, news and information.
- Concern over linking the free TV licence to Pension Credit because:
 - this would exclude those with the very lowest incomes – those who are eligible for Pension Credit but have not claimed it – 41% of over 75s who should be getting the benefit are missing out.
 - It creates an unfair position between those who get the benefit and those with an income just above the threshold so do not.
 - A means tested system involves added complexity and older people may not feel comfortable sharing personal information, such as being in receipt of a means-tested benefit, with the BBC

Age UK's response to the BBC consultation is attached as Appendix 2, and a recent press release at Appendix 3.

3 What does this mean for the people of Sheffield?

3.1 According to the Office for National Statistics and the Department for Work and Pensions, there are an estimated 43,819 over 75s in Sheffield, 10,096 of who currently claim Pension Credit. A breakdown of this, and other related indicators, by neighbourhood, has been circulated as background information.

Pension Credit is a benefit administered by the Department for Work and Pensions, and people can claim Pension Credit if they have reached State Pension age and have a weekly income of less than £167.75 for single people, and £255.25 for a couple.

The licence fee changes will mean that from 2020, households in receipt of Pension Credit will be able to continue to claim a free TV licence. Those that aren't will have to pay for a licence, which currently costs £154.50 a year.

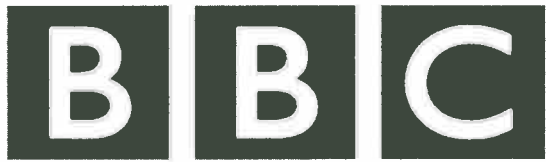
3.2 According to Department of Work and Pensions data, 41% of people who are eligible for pension credit do not claim it. Information on what this means in terms of numbers of people in Sheffield is not available, but we can assume that there will be a significant number of people who are eligible but don't currently claim.

Increasing uptake of Pension Credit will be the key factor in mitigating the impact of the Licence Fee changes. There are a range of services and organisations in the city that help older people understand and claim the benefits they are entitled to – Community Support Workers, Age UK, Carers Centre, Alzheimers Society etc as well as VCF groups working in communities. The Council also funds Citizens Advice through Grant Aid to give information and advice to Sheffield people.

4. Recommendation

4.1 The Committee is asked to:

- discuss the changes to free TV licences for over 75s
- identify any issues for further investigation or recommendations to decision makers within the Council or external organisations.



AGE-RELATED TV LICENCE POLICY

DECISION DOCUMENT

Executive Summary

The BBC Board's decision

In 2015, the UK Government decided to stop funding free TV licences for those aged over 75. The UK Parliament then gave the BBC the responsibility under the Digital Economy Act 2017 to decide on the future of that concession from June 2020.

From June 2020, any concession would be funded by the BBC, not by the Government. The money would have to come from the BBC's budget that goes to pay for programmes and services.

The BBC's decision would have an impact on all licence fee payers, as continuing the current concession would make the BBC significantly worse for everyone, as it would cost £745m a year by 2021/22. This is equivalent to around 18% of the BBC's spend on services today. By the end of the next decade, this would rise to over £1 billion a year.

The BBC consulted on a range of options. The BBC Board fully recognises the feedback from the consultation that there is no easy solution that everyone agrees.

The Board considered the issues very carefully. It has had detailed discussions about the advantages and disadvantages of a range of options using three criteria of fairness, financial impact and feasibility.

The Board also complied with the public sector equality duty by considering the statutory equality needs throughout the decision-making process.

The BBC Board has decided that the fairest decision is to establish a new scheme to focus on the poorest older pensioners. Any household with someone aged over 75 who receives Pension Credit¹ will be eligible for a free TV licence funded by the BBC. The Board believes this is the right policy to implement across the UK from June 2020.

The BBC Board believes that this is the fairest option to help the poorest pensioners; it protects those most in need.

It is also the fairest option for all licence fee payers as this decision will avoid substantial cuts to BBC programmes and services up to 2021/22.

The BBC Board is not making a judgment about poverty. Instead, the BBC Board has decided to use the UK Government's own framework. The Government sets and controls Pension Credit, not the BBC. The BBC Board considers that over 1.5 million households could get free TV licences if a member of that household is over 75 and receives Pension Credit.

The new scheme will cost the BBC around £250 million a year by 2021/22, depending on take-up of the scheme and implementation costs.

¹ Those in receipt of either part of Pension Credit - Guarantee Credit or Savings Credit (or both).

Finding the resources to meet this cost of around 6% of the BBC's budget will mean difficult choices for the BBC, as this money could have been used for BBC programmes and services. Despite the financial impact on the BBC, the Board believes this decision is the right one.

In reaching its decision the Board compared this proposal to copying the current concession. The impact of copying would require unprecedented closures of services, including BBC Two, BBC Four, the BBC News Channel, the BBC Scotland channel, Radio 5live and 5live Sports Extra, and a number of local radio stations.

The Board believes these closures would profoundly damage the BBC for everyone, especially older people who use the BBC the most. They would have a severe impact on the BBC's ability to deliver its mission to serve all audiences. These cuts would damage the creative economy, particularly in the nations and regions and make the BBC much worse value for money for those who do pay for their TV licence.

This is likely to lead some households to choose not to buy a TV licence, reducing BBC income even more. In the Board's view this could potentially risk a downward spiral of the BBC having to cut more services, which could reduce TV licences still further.

The estimated financial impact of the scheme the Board has decided on is that the BBC will be able to keep overall funding for its UK public services broadly in line with general inflation up to 2021/22, though still substantially reduced compared to 2010.

The acute financial pressures on the BBC are growing in a very competitive, global marketplace where costs in key areas are rising much faster than general inflation. The Board believes this is going to be a significant factor in judgements about the level of the licence fee when it next comes up for review in 2021/22.

The BBC Board considers it is vital that the BBC remains independent of Government.

In the discharge of its legal responsibilities under the Digital Economy Act, the Board has taken what it is satisfied is the right decision, on the basis of all the material it considered.

The BBC Board recognises the strong feelings expressed during the consultation about the Government taking back responsibility and funding the existing concession. This is not a matter that the BBC can resolve.

The BBC Board's view is that it is a matter for Government whether, in the light of the BBC Board's decision, Government would now wish to pay the additional costs to ensure that all over 75s could continue to receive a free TV licence. Or it could take back responsibility for the over-75s concession in its entirety, and pay for it in full. The Board is satisfied that, in summary, the BBC cannot afford to do this without making the BBC substantially worse for audiences. It has done all it can reasonably to protect the poorest over 75s. The Board has made its decision, in the discharge of its statutory functions.

The Board believes strongly that there needs to be a much more transparent public debate about funding settlements in future, rather than a process behind closed doors which does not

involve the public. The BBC will begin to set out its case and consult with audiences in the run-up to the licence fee funding negotiations in 2021/22.

The BBC Board recognises that its decision will now mean changes for around 4.6 million households, consisting of two groups. Around 1.5m of those could be eligible for a free TV licence funded by the BBC, of which 900,000 currently receive Pension Credit. We estimate that up to 3.75 million households will need to pay although this figure would reduce if more people aged over 75 took up Pension Credit.

The Board considers it important that the BBC and TV Licensing take steps to support people to make this transition simple. This is a significant change for everyone over 75.

So far as implementation is concerned, the BBC Board has decided that those aged over 75 that receive Pension Credit will be able to apply for a free TV licence using a self-verification scheme. And those households that will now have to pay for their TV licence will be able to pay by small instalments.

Consultation Response

Age UK's response to the BBC public consultation – Age-related TV licence policy

February 2019

Age UK ref: 4518

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sally.west@ageuk.org.uk

Age UK
Tavis House
1-6 Tavistock Square
London WC1H 9NA
T 0800 169 80 80 F 020 3033 1000
E policy@ageuk.org.uk
www.ageuk.org.uk

Age UK is a charitable company limited by guarantee and registered in England (registered charity number 1128267 and registered company number 6825798). The registered address is Tavis House
1-6 Tavistock Square, London WC1H 9NA.

About this consultation

Since November 2000, households that include someone aged 75 or over have been entitled to a free TV licence. In 2015 the Government announced that it would no longer continue to pay for the free licence and government funding is being abolished in stages. From 2020 responsibility for any age-related concession rests with the BBC. The consultation sets out the BBC's initial views and asks for responses to help the BBC Board decide what, if any, concession should operate from June 2020.

Key points

Age UK believes that the free TV licence for over 75s should remain. Removing or limiting 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.

The Government should take back responsibility for funding the free licence. It is not appropriate for the BBC, as a public sector broadcaster, to make decisions about who should receive concessions or to be responsible for funding what is, in effect, part of our welfare system.

Nearly three in ten (29%) of people aged 75+ live in poverty or only just above the poverty line. However, it's not just about income. More than half of over 75s are disabled, so are likely to have lower disposable incomes after meeting essential disability-related costs including paying for care and support, higher heating bills, extra laundry or having to use taxis.

People aged 75+ are more likely than younger people to live alone which, combined with the high levels of ill health and disability, can make them isolated and dependent on TV for companionship, entertainment, news and information.

We are very concerned that any changes could result in some older people giving up their television even if it is very important to them, while others may cut back on heating and other essential costs in order to buy a licence.

We do not believe that the alternative options are acceptable. The analysis commissioned by the BBC shows that a 50% payment or raising the age above 75 would result in lower income older households losing a higher proportion of their income than richer older households. Means-testing is not a solution either. 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. It would also be very unfair to those with incomes just above the threshold.

1. Introduction

Age UK is a national charity that works with a network of partners, including Age Scotland, Age Cymru, Age NI and local Age UKs across England. In the UK, the Charity helps more than seven million older people each year by providing advice and support. It also researches and campaigns on the issues that matter most to older people. Our work focuses on ensuring that older people: have enough money; enjoy life and feel well; receive high quality health and care; are comfortable, safe and secure at home; and feel valued and able to participate.

Age UK welcomes the opportunity to respond to the consultation. Our response has been informed by polling we have commissioned and views expressed by individuals who have contacted us following the launch of our campaign to save the free TV licence. We have heard from people aged 75+ about how important it is for them, from those approaching 75 who are looking forward to receiving it, from younger people concerned about the position of their older relatives and from many other people who do not benefit directly from the free TV licence but believe it is important that, as a society, we provide this support to older pensioners. The quotes included in this response represent a very small selection of comments we have received.

2. Transfer of support to the BBC

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, and the Government at the time should not have put pressure on the BBC to do so. As set out below, we believe there are continuing strong arguments for keeping the free licence but that it is the role of Government to provide this support for our oldest citizens - not the BBC. 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 could involve disclosure of personal details such as financial information.

We are very uncomfortable that older people have been drawn into what is essentially a debate between the Government on one hand and the BBC on the other about the future of public service broadcasting and the ability of the BBC to continue to deliver high quality programming. We believe this is inappropriate and unfair on older people, many of whom view their television as not merely 'a box in the corner of the room' but a trusted friend and constant companion.

While the agreement was made under the previous Government, the 2017 Conservative Party manifesto, made a commitment to retain support for the TV licence to the end of the Parliament (which based on a five-year term will last until 2022 - after the current funding arrangements end). Taking back responsibility for the licence (directly or through additional funding to the BBC) is important to make sure this commitment is kept and, more generally, to ensure that the Government maintains responsibility for this important concession. We have also made our views known directly to the Government by writing to the Culture Secretary Jeremy Wright.

Some of those contacting us have also made the point that funding TV licences should be a role for the Government not the BBC.

'It is utterly wrong for the Government to have passed the responsibility for funding TV licences for older people to the BBC and totally unacceptable for the BBC to be forced into making such welfare decisions.'

3. Consultation and background papers

In general, Age UK has been disappointed by the process of consultation, including the lack of public consultation around the original decision that the BBC should take over responsibility for the concession.

The BBC commissioned Frontier Economics to carry out analysis and they produced two papers; *Concessionary TV licences and the landscape of intergenerational fairness* and *Review of over-75s funding*, the latter of which the BBC draws on heavily in the consultation paper. We are concerned that these papers appear to start from the presumption that the current concession is unfair and should be reformed. In producing their review of funding, Frontier Economics were asked to look at the implications of reinstating the existing concession and options for reform and, in particular, to look at financial impact, distributional impact, feasibility and economic rationale. However, while they have produced a detailed economic analysis, these background papers do not consider views of older (or younger) people or look at the impact that removing the concession could have on people's lives.

Furthermore, as we have already commented to the BBC, we question whether the consultation will reach, and receive adequate feedback from, those who could be most affected by changes. The questions are quite complex and the paper gives a lot of weight to different reform options with more limited space to allow people to express their views if they wish to retain the current concession. It is important that the BBC hears the voices of all older people including: those who are not online (about half of those aged 75+); people who have physical health problems or cognitive decline; and those who are less confident at responding to formal consultations. Age UK has been working to help ensure these people are supported to respond to the consultation but believe the BBC should also be proactively seeking views from disadvantaged sections of the older community.

4. Why we should keep the free TV licence

In summary, we believe it is important to retain the free TV licence for people aged over 75 because many have: low disposable incomes (especially after meeting essential costs); high levels of ill health or disability; and are particularly reliant on television for companionship, entertainment, news and information. These inter-related issues are considered further below.

'I am an OAP with a very meagre pension and TV is only source of entertainment that I have. Free TV licence has helped immensely over the past few years.'

Income and affordability

While there have been welcome improvements in the average incomes of people aged 75+ since the concession was introduced in 2000, many in this age group still live on low or modest incomes, and worryingly in recent years pensioner poverty levels have started to rise again.

- Nearly a fifth of people aged 75+ (18 per cent) are in poverty according to the most commonly used definitionⁱ and
- Around three in ten (29 per cent) are in poverty, or just above the poverty line.ⁱⁱ

But standards of living and disposable income are not just about the money coming in. People aged 75+ are more likely than younger age groups to have extra demands on their income due to health and care needs, often with limited formal care support. For example, older people may have higher heating bills because they are at home more and have restricted mobility, may need to pay for taxis if public transport is difficult to use (or not available) and may have to pay for jobs such as cleaning and decorating that they can no longer do themselves. In addition, people can face extra costs due to buying health-related items or having to pay for care services. As a result, even those who, on paper, appear to have reasonable incomes can be very hard pressed after meeting high levels of essential costs. For example, one woman who told us that television provided 'a window on the outside world' for her disabled mother said that because her mother had an occupational pension it was unlikely she would qualify if the concession was means-tested, even though in practice most of this pension went on care charges.

'It was a great relief not to have to pay when reaching 75 this year as I need to save as I am getting older & need more help with things like heating bills, food, diesel as they continually go up & as the weather is so often bad I have to stay in on my own and TV is company.'

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. And all in this age group will have reached State Pension age well before the new State Pension was introduced which particularly benefits those who have had lower lifetime earnings. The combination of incomes falling in real terms and additional costs, can result in financial pressures. Universal benefits such as the winter fuel payment, the bus pass (for those who have a bus service and are able to use it) and, for the over 75s, the free TV licence, provide welcome support to a group who have contributed much to our society over their lifetimes.

'I am 76 and free TV is about the only free thing I get and it saves me just a little money each month to go towards keeping warm.'

Health and disability

Ill health and disability increase with age.

- Around a half (49%) of those aged 75+ have a limiting long-standing illnessⁱⁱⁱ and more than half of people aged 75+ are disabled.^{iv}
- 850,000 in the UK have dementia. Incidence increases with age and one in six people aged 80+ have dementia.^v

The high level of ill health and disability among those aged 75+ is important in the debate about free TV licences because, as set out above, this often leads to higher costs. Furthermore, health problems may limit people's ability to get out and about, making socialising harder and the television even more important.

'I am older disabled person I rely on my TV to keep me up to date with current affairs and life in general and on a low income I would struggle to pay for a licence.'

'My father has dementia and cannot drive or leave the house on his own. It is his window to the outside world. He watches quizzes which help keep his mind active. Without TV his quality of life would be sadly greatly reduced.'

Living alone, loneliness

The likelihood of living alone increases with age. Not everyone who lives alone is lonely, and not every lonely person lives alone. However, someone who is living alone is more likely to be isolated, particularly if they are older and disabled with limited mobility.

- 41% of over 75s and 49% of over 80s live alone compared to 13 per cent of all individuals.^{vi}
- Almost 2.5 million people in the UK over 75 live alone; 57% of these are women.^{vii}

Furthermore, for people living alone the cost of the licence will have to come from a single income. The £150.50 licence (£154.50 from April 2019) will therefore take up the best part (92%) of one week's income for an older person receiving the standard rate of Pension Credit guarantee whereas many households with 2 or more adults will often have more than one wage or other type of income coming in.

In recent years we have come to realise how prevalent loneliness is in our society, and we also know that for a sizeable minority of older people, television is seen as their main companion.

- Around a third (32%) of people aged 75+ in England say they are sometimes or often lonely.^{viii}

The importance of television for older people

Any threat to the over 75s free licence is worrying as we know that television plays a very important role in the lives of many, and a substantial minority see it as their main companion.

- A 2016 survey found that nearly two out of five (38%) of people aged 75+ in Great Britain agreed that television was their main form of company (these days).^{ix}
- Around nine out of ten 75+ year olds watch TV every day.^x
- Time spent watching TV increases with age and the profile of TV viewers is getting older.^{xi}

Television is not just a source of company and entertainment, it also provides news and information. This is becoming more and more important to the many older people who do not use the internet given that many public and private organisations increasingly expect people to access their services and information online.

- Just over half (51%) of people aged 75+ (over 2.6 million) in the UK have never used the internet.^{xii}

'I am an 83 yrs old disabled lady my TV is my companion & I could never afford the TV licence don't take away my only pleasure, thank you.'

'I am 77 & 7 months, and a widow alone. the television is important, I get to hear and see human faces, and also watch lovely animal programmes, and its company for me.'

If over 75s have to pay for the TV licence in the future

Worryingly, more than a fifth (22%) of people aged 75+ say they would not be able to afford the cost of the TV licence from their income, while a similar proportion (20%) say they would have to cut back on other things such as heating, food, or socialising in order to meet the cost.^{xiii} Age UK analysis also shows that having to pay an additional £150 for the licence would, have the effect of pushing over 50,000 pensioners in the UK into poverty.^{xiv}

'As a senior citizen, every single penny counts. As we get older, we need more warmth and it would be dreadful to have to choose between staying warm or possibly having to give up my TV, especially as I am on my own.'

'A TV licence represents a large proportion of my pension which may well force me to dispense with my TV.'

'I would be lost without my TV and could not afford the licence. It is my lifeline to the world as I am housebound.'

There is also a question about how, in practice, the BBC will communicate any changes and how those with limited mobility and/or who do not use the internet or online banking will be expected to make payments. 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. This could be a particular issue for those with cognitive decline who may be able to manage their finances day-to-day but find taking on new financial responsibilities difficult.

We are also worried that scammers will be quick to take advantage of any change that means some, or all, 75+ households have to buy a TV licence in the future. There are already reports of TV licence scams^{xv} and it is likely there will be new ones aimed specifically at vulnerable people aged 75+.

5. Proposals for a new concession

The consultation paper sets out three main options for new concessions which the BBC suggests could be ‘appropriate and affordable’. As stated above, we believe the current concession should continue and below we set out the reasons why we reject the proposed alternatives.

Option 1: A 50% discount

The first option suggested is to continue to provide an over-75s concession but at a reduced rate of 50%. While from Age UK’s perspective this is clearly better than having no concession, it still represents a considerable additional claim on an individual’s finances, and as the analysis by Frontier Economics shows, results in a higher proportion of income loss for lower income 75+ households than richer households. The poorest tenth of households would lose 1.1% of their income compared to 0.2% for the richest tenth.

We also note 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.

And, as discussed above, we believe there are considerable practical difficulties in explaining the changes and collecting fees from older people who have been used to a free licence, especially for those with health issues.

Option 2: Raising the age threshold to 80

The consultation paper states that raising the threshold to 80 would target those most likely to live alone and who use the BBC most, however, the Frontier Economics paper shows it would still affect lower income households to a greater extent. The poorest tenth of over-75 households would lose 0.8 per cent of income on average, compared to the richest 10 per cent who would lose 0.1 per cent of income.

A higher age would not only delay the age at which the concession starts, but would mean that more people would not live long enough to benefit at all. Of those who reach the age of 75, it is estimated that around a fifth of men (19%) and around one in eight women (13%) of women will have died before the age of 80.^{xvi}

Disadvantaged groups are particularly likely to be affected as life expectancy varies by socio-economic factors and where people live. For example, at age 65, men living in Glasgow City, on average, can only expect to live a further 15 years whereas those in Kensington and Chelsea can expect 22 more years. For women life expectation at 65 varies from 18 years (Glasgow City) to 24 years (Camden).^{xvii}

We also know from the reaction to rises in women's State Pension age, that people feel it is very unfair when there are steep changes to the age at which support is provided, especially if little notice is given. If the age for the concession goes up to 80, someone aged 75 could feel very hard done by when they compare their position to a friend who is 80 and who has already benefited from the concession for the last five years.

Option 3: Means-test through a link to Pension Credit

The consultation paper considers a scenario where the free TV licence would only go to households where someone aged 75+ receives Pension Credit. This would remove the concession from the great majority of people aged 75+. According to the BBC's Equality Impact Assessment, just 900,000 households would receive it and 3.75 million would have to pay.

Although the consultation paper states that this option would be 'targeted at those with the lowest incomes', the analysis shows that on average the poorest tenth of over 75s would lose 2.1% of their income. This may be because, in reality, linking the free licence to Pension Credit would exclude those with the very lowest incomes – namely people who are entitled to Pension Credit but have not claimed it. The latest DWP estimates of benefit take-up indicate that two out of five people aged 75+ should be claiming but have not done so.

- In 2016-17 over 950,000 people 75+ claimed Pension Credit (single people or couples) in Great Britain.^{xviii}
- A further 650,000 people aged 75+ were entitled to claim Pension Credit but were not receiving it. This means that around two out of five (41%) of those aged 75+ who should be getting the benefit are missing out.^{xix}

Other people do not claim their entitlements for a range of inter-related reasons. They may not know what support is available, may feel they are not entitled to any help, may be put off by the process, or feel there is a stigma attached to asking for help.

A second major concern with linking the concession to Pension Credit entitlement is that it creates an unfair position between those who get the benefit, and others whose income is just above the threshold so do not. Take, for example, someone whose income is 20 pence a week too high to receive Pension Credit. They are £10 a year better off in terms of

annual income but, because of this extra additional income, they would lose the TV licence worth £150 in addition to other benefits currently linked to Pension Credit such as the £25 cold weather payment given in weeks when the weather is very cold. So overall they are in a worse financial position than someone receiving Pension Credit. We already hear from older people with modest amounts of private income who miss out on additional support and feel they are penalised for having saved. This situation is likely to be exacerbated if the free TV licence is linked to Pension Credit receipt.

'Our total pension is just over the pension credit threshold so we don't get any extra help and if means tested we would miss out. Us old ones have paid this tax all our lives and for many this is their only form of entertainment and company. Please don't believe all the hype about pensioners being well off. This may be the case for some but for many we are just getting by.'

'My income is a tiny bit above receiving any help, so I pay for everything with a struggle at times. This free TV licence is a welcome help.'

Thirdly, any system of means-testing involves added complexity. There would need to be some form of check or data sharing and regular reassessment as circumstances can change over time. This is recognised in the BBC consultation paper on age-related TV licences which describes the implementation of providing free licences only to those receiving Pension Credit as 'more complex and expensive than other options'. Furthermore, older people may not feel comfortable about sharing personal information, such as being in receipt of a means-tested benefit, with the BBC.

6. Conclusion

Removing or limiting 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. We believe there is considerable opposition to the change from older and younger people. The Government should take back responsibility for funding this support, meeting its manifesto commitments, and helping to meet its stated policy aims to combat loneliness, tackle poverty and support independence.

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- ⁱ DWP (2018) Households below average income 1994/95-2016/17. Poverty defined as income below 60% of median household income after housing costs.
- ⁱⁱ As above – ‘just above the poverty line’ defined as income below 70% average median household income after housing costs.
- ⁱⁱⁱ English Longitudinal Study of Ageing (ELSA), Wave 8 (2018), Age UK Analysis of LLSI variable and using ONS 2017 England, Mid-Year Estimates (Released 2018)
- ^{iv} DWP (2018) Family Resources Survey 2016/17, shows that 49% of those aged 75-79 and 61% of those aged 80+ are disabled.
- ^v <https://www.alzheimers.org.uk/about-us/news-and-media/facts-media>
- ^{vi} Frontier Economics (2018) Review of over-75s funding. Frontier Economics.
<https://downloads.bbc.co.uk/mediacentre/frontier-economics-review-of-over-75s-funding.pdf>
- ^{vii} Understanding Society (USoc), Wave 8, 2018, Age UK Analysis based on ONS 2017, United Kingdom Mid-Year Estimates (Released 2018)
- ^{viii} Age UK calculation based on Wave 8 (2016-17) of the English Survey of Ageing (ELSA) data.
- ^{ix} TNS polling for Age UK, 2016.
- ^x ONS, Mid-Year Estimates (2017), Released June 2018
- ^{xi} Ofcom (2018), Media Nations Report, Accessed via:
[\[https://www.ofcom.org.uk/_data/assets/pdf_file/0014/116006/media-nations-2018-uk.pdf\]](https://www.ofcom.org.uk/_data/assets/pdf_file/0014/116006/media-nations-2018-uk.pdf)
- ^{xii} ONS (2018) Internet Users 2018, (Tables:1A & 1B)
- ^{xiii} <https://www.ageuk.org.uk/latest-press/articles/2019/february/over-two-million-over-75s-would-have-to-go-without-tv-or-cut-back-on-essentials-such-as-heating-or-eating-if-free-tv-licences-are-scrapped/>
- ^{xiv} <https://www.ageuk.org.uk/latest-press/articles/2019/january/scrapping-the-free-tv-licence-could-push-more-than-50000-pensioners-into-poverty-warns-age-uk/>
- ^{xv} <https://www.bbc.co.uk/news/uk-46745298>
- ^{xvi}
<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/lifeexpectancies/datasets/nationallifetablesunitedkingdomreferencetables>
- ^{xvii}
<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandlifeexpectancies/datasets/lifeexpectancyatbirthandage65bylocalareasuk>
- ^{xviii} DWP (2018). Income-related benefits: estimates of take-up: financial year 2016 to 2017.
- ^{xix} DWP (2018). Income-related benefits: estimates of take-up: financial year 2016 to 2017.

**DECISION TO AXE FREE TV DEVASTATING FOR WELL OVER A MILLION OVER-75S
LARGELY CONFINED TO THEIR HOMES**

Half of all over-75s – 2.2 million – have a limiting long-standing illness^[i] which means in many cases they are largely confined to home, making TV their precious window on the world and constant companion, according to the Charity Age UK as it continues to campaign for the continuation of free TV licences for the over-75s.

New figures show that 1.3 million over-75s (29 per cent) have difficulty with at least one daily activity such as dressing, bathing or showering, or getting in and out of bed. Of that number, 700,000 (15 per cent of over-75s) have difficulty with at least two daily activities and 390,000 (9 per cent) have difficulty with at least three. An additional 23,000 over-75s are bedbound.^[ii]

The Charity is warning that these are the older people who will be among the hardest hit by the BBC's decision to scrap free TV licences for all over-75s. A big extra bill on top of the other challenges and health costs that many in this group are facing will be a bitter blow and a source of huge anxiety and some will be unable to engage with any new system.

Since its introduction in 2000, the free licence has been a highly valued, universal entitlement for the over-75s which has helped millions to sustain their quality of life into late old age. Research for the Charity shows that television is the main form of company for two in every five (38 per cent) people aged 75+ and nine out of 10 in this age group watch TV every day.^[iii] It is particularly important for many of the 2 million over-75s who live alone^[iv] – many of whom may struggle to bear the additional cost of a TV licence on a single income – and the 1.5 million over-75s who are sometimes or often lonely.^[v]

Following the launch of the Government's new loneliness campaign, *Let's Talk Loneliness*^[vi], on Monday, the Charity's analysis is a stark reminder of the high numbers of vulnerable and lonely over-75s for whom free TV access provides not just companionship but indispensable and, for some, almost their only link to the outside world.

That's why Age UK is calling on all the Conservative leadership candidates to commit to honouring the party's manifesto pledge to keep free TV licences for the over-75s. It argues that whilst the cost of the entitlement accounts for less than 0.1% of public spending^[vii], the benefit to the over-75s is immeasurable.

Over the past few weeks and months, Age UK has received tens of thousands of responses from people across the country who are worried about losing their free TV licence, or concerned for others who may be affected. Their words are a powerful reminder that, for many people, TV is so much more than just 'background noise':

"In my advancing years I have to spend longer hours at home, so watching TV is not just a pastime but a necessity. TV is my life support machine!"

"I am an OAP with a very meagre pension and TV is the only source of entertainment that I have. The free TV licence has helped immensely over the past few years."

“This is the first year I have received a free TV licence, it is greatly appreciated. I don’t have my hand out with a begging bowl and never have. My income is only a tiny bit above receiving any help, so I pay for everything with a struggle at times. This TV licence is a welcome help.”

“My husband is 85, I am 80. We rely on our TV for our main contact with the outside world. We both have chronic, limiting health problems.”

The Charity is extremely concerned about the BBC’s plan to link free TV licences to Pension Credit, a state benefit for the poorest pensioners, as many are missing out on the benefit or are just over the limit so would lose their free licence and would struggle to afford to buy one. Over 40 per cent of those entitled to Pension Credit aren’t receiving it,^[viii] often because they don’t know they are eligible, find the claiming process too complicated or intrusive, or feel embarrassed about needing help. But even those who are in receipt of Pension Credit may be reluctant to tell an ‘outside body’, the BBC, and some will undoubtedly struggle to ‘self-validate’ that they are in receipt of Pension Credit because they are living with some loss of cognitive function or chronic illness.

Caroline Abrahams, Charity Director at Age UK said: *“If you go into the home of an older person who is coping with serious health problems and care needs, nine times out of ten their TV has pride of place. For this significant group of over-75s getting out and about is hard or impossible and many live alone and spend most or all of the day on their own. In these circumstances the TV plays an incredibly important role – informer, entertainer and friend. This is what many thousands of older people have contacted Age UK to say – it is clear that the TV means a lot more to greater numbers of older people than the Government or the BBC have understood.*

“In this of all weeks, ‘Loneliness Awareness week’, we are calling on our policymakers, the candidates for the leadership of the Conservative Party above all, to try to understand what it is like to be of an advanced age, in fragile or declining health, confined largely to your own home or even to one room or your bed, and dependent on your TV for stimulation and comfort. This is the reality for hundreds of thousands and I don’t think it is unreasonable for the State to pay so that they can at least watch the TV for free, without the hassle and expense of buying a licence or having to self-validate their entitlement to Pension Credit to get a free licence.

“For less than 0.1% of total public spending the new Prime Minister, whoever they may be, can end this madness at the stroke of a pen. We call on him to commit to continuing to fund free TV licences for all over-75s until 2022 when the issue can be looked at in the round as part of the next BBC funding settlement, or earlier as part of a comprehensive spending review if we get one before then.”

-Ends-

Notes to editors

- To date, more than 570,000 people of all ages have signed Age UK’s petition^[ix] to save free TV licences for the over-75s, showing mounting support for the continuation of this important social welfare policy. Check here for the latest figure: www.ageuk.org.uk/tvpetition
- Through its Switched Off campaign, Age UK is calling on all leadership candidates of the Conservative Party to take back responsibility for the funding of free TV licences for the over-75s if they become Prime Minister. The Charity is also urging older people, their friends, neighbours, families and grandchildren to support its [petition](#) on social media using #SwitchedOff.
- Save the TV Licence demos, organised by the National Pensioners’ Convention (NPC), are taking place nationwide this Friday, 21st June. The NPC is calling on local pensioner groups, trade unions, community groups, students, members of the public, MPs and councillors to make a

stand on Friday 21 June against 1) the BBC's decision to means-test the TV licence for older people and 2) the Government's decision to make the BBC pay for the concession. For further information please visit: <https://www.npcuk.org/events>.

- Any older person who is worried about money and/or think they may be entitled to claim Pension Credit should contact Age UK by calling its national advice line free of charge on 0800 169 65 65, visiting www.ageuk.org.uk/money or contact their local Age UK for free information and advice.

^[i] Age UK analysis of wave 8 of the English Longitudinal Study of Ageing (ELSA), collected in 2016-17 and released in 2018. Estimates have been scaled up to the England 75+ population using Office for National Statistics mid-year population estimates for 2017, released in June 2018.

^[ii] Ibid

^[iii] TNS polling for Age UK, 2016.

^[iv] Age UK analysis of wave 8 of Understanding Society, the UK Household Longitudinal Study, collected in 2016-17 and released in 2018. Analysis was restricted to participants living in England and aged 75+. Estimates have been scaled up to the England 75+ population using Office for National Statistics mid-year population estimates for 2017, released in June 2018.

^[v] Age UK analysis of wave 8 of the English Longitudinal Study of Ageing (ELSA), collected in 2016-17 and released in 2018. Estimates have been scaled up to the England 75+ population using Office for National Statistics mid-year population estimates for 2017, released in June 2018.

^[vi] <https://www.gov.uk/government/news/lets-talk-loneliness-campaign-launched-to-tackle-stigma-of-feeling-alone>

^[vii] Age UK calculation based on table 4.12 - <https://obr.uk/download/march-2019-economic-and-fiscal-outlook-charts-and-tables-fiscal/>

^[viii] 'Income related benefits: estimates of take-up: financial year 2016 to 2017', DWP, published 15th Nov 2018. <https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-2016-to-2017>

^[ix] Age UK launched its Switched Off campaign petition in January 2019. www.ageuk.org.uk/typetition