

# **BBC Consultation Age Related TV licence Policy**

Response from the  
Commissioner for Older People  
for Northern Ireland

February 2019

## Role of the Commissioner

The Office of the Commissioner for Older People for Northern Ireland is an independent public body established under the Commissioner for Older People Act (Northern Ireland) 2011 (“the COPNI Act”). This is a statutory role, at arms-length of government which takes an active role in safeguarding and promoting the interests of older people in Northern Ireland.

The Commissioner has an extensive range of general powers and duties which provide the statutory remit for the exercise of the functions of the office. In addition the Commissioner may provide advice or information on any matter concerning the interests of older people. The wide ranging legal powers and duties include amongst others:

- To promote and safeguard the interests of older people (defined as being those aged over 60 years and in exceptional cases, those aged over 50 years);
- To keep under review the adequacy and effectiveness of law and practice relating to the interests of older people;
- To keep under review the adequacy and effectiveness of services provided for older persons by relevant authorities (defined as being local councils and organisations including health and social care trusts, education boards and private and public residential care homes);
- To promote the provision of opportunities for and the elimination of discrimination against older persons;
- To review and where appropriate, investigate advocacy, complaint, inspection and whistle-blowing arrangements of relevant authorities;
- To assist with complaints to and against relevant authorities;
- The power to bring, intervene in or assist in legal proceedings in respect of relevant authorities;
- To issue guidance and make representations about any matter concerning the interests of older people.

The Commissioner has a duty to advise government and the Secretary of State when older people's interests are not being supported and respected by any policy, law or practice. In line with the Commissioner's obligations under this duty, and as a result of ongoing concerns raised with the Commissioner's office, the Commissioner has set out his advice below in response to the BBC's consultation on age related TV licence policy.

## Context & Introduction

- 1.1 The Commissioner (COPNI) acknowledges the cultural and societal importance of the BBC as well as the financial pressures which the organisation is under. However, it is the Commissioner's considered view that the current concession for over 75s should be retained.

The BBC has laid out its thinking under three criteria: **Fairness**, **Financial impact** and **Feasibility**. The response outlined below is addressed against each of these criteria in turn:

### 2.0 **Fairness:**

In its consultation document, the BBC has stated that in 2015 the government took the decision to no longer fund the concession. However, this does not fully represent the events or context in which this consultation has emerged. As part of its negotiations in 2015 the BBC agreed to take on responsibility for the concession as part of a deal reached with the government but does not appear to have made plans on how to fund the concession until now<sup>1</sup>.

As a result, the BBC is now in a position where it cannot afford to provide the concession without it impacting on its ability to maintain current services. This is despite the organisation having had almost four years to attempt to mitigate the cost or to seek input from the public on funding prior to 2019.

It is also noteworthy that despite the BBC being given responsibility for the concession, the current Government's manifesto has still given a commitment to over 75s to maintain the concession for the remainder of the current parliament.

### 2.1 **Loneliness and television**

The BBC and Frontier Economics have acknowledged that television can be a source of companionship for older viewers but have stated that other groups that suffer from social isolation do not receive a concession<sup>2</sup>. However, this ignores the unique circumstances faced by older people which contribute to loneliness and make existing conditions worse, and which in turn increase the likelihood and severity of ill health.

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<sup>1</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/443735/Letter\\_from\\_George\\_Osborne\\_and\\_John\\_Whittingdale\\_to\\_Tony\\_Hall\\_FINAL.PDF](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/443735/Letter_from_George_Osborne_and_John_Whittingdale_to_Tony_Hall_FINAL.PDF)

<sup>2</sup> <https://downloads.bbc.co.uk/mediacentre/frontier-economics-review-of-over-75s-funding.pdf> (p.22)

These effects have been detailed in a number of peer reviewed studies and include but are not limited to a 26% increased likelihood of mortality<sup>3</sup>, dementia, heart disease and depression<sup>4</sup>.

People over 75 are more likely to be, living alone, living with a disability and have less opportunities to remedy the causes of isolation and loneliness. Many older people do not have an alternative should they not be able to pay the licence fee.

## **2.2 A captive audience**

To watch live television or use BBC IPlayer in the UK, users must have a TV license. Unlike younger people, older users often do not have the option or do not use the Internet enough to avail of alternative sources of entertainment such as Netflix, Amazon or Youtube.

## **2.3 Digital Exclusion**

In the UK, 4.8 million adults have never used the Internet while a further 0.9 million have used it, but not in the last 3 months. Most non-users are aged 75 and over. There are 2.6 million people aged 75+ who have never used the Internet<sup>5</sup>.

## **2.4 Universality**

The BBC and the Frontier Economics' analysis argue against a universal free license citing unfairness that some services will be paid for by some and will be enjoyed free by others. However the license fee is for the most part a universal levy where viewers pay for aspects of the service they do not use. These include online services, the World Service and its Radio Services. These services alone represent 32.9 % of the total monthly fee<sup>6</sup>.

Universal concessions such as this also ensure that those on the margins of poverty are not affected or penalised and the BBC and government recognise the previous contribution of older people to the BBC over the years and ensuring that generations to come can enjoy the concession.

## **2.5 BBC pension deficit**

The most recent annual report (2017/18) shows that an additional £1.10 of the monthly licence fee goes toward fee collection the BBC pension deficit. Unlike some organisations, the BBC has not asked staff to pay additional contributions towards the shortfall. COPNI would like the BBC to explain why it has not decided to do this.

## **3.0 Financial impact:**

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<sup>3</sup> <https://www.ahsw.org.uk/userfiles/Research/Perspectives%20on%20Psychological%20Science-2015-Holt-Lunstad-227-37.pdf>

<sup>4</sup> <http://etheses.whiterose.ac.uk/16823/7/NV%20PhD%20thesis%20corrected%20March%202017.pdf>

<sup>5</sup> <https://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/internetusers/20>

<sup>6</sup> <https://www.gov.uk/government/collections/pensioners-incomes-series-statistics--3>

As outlined in Frontier Economics' analysis, in more recent years there has been improvement in the financial situation for older groups in society and that, unlike in the year 2000 when the concession was introduced, it is now younger age groups who are currently most affected by poverty. The reasons behind these changes are complex and relate to a number of different factors.

However, whilst poverty in over 65s decreased between 2000 and 2016, it has been increasing again since then. This is especially apparent among single female pensioners who have experienced an increase in poverty levels from 17% in 2010/11 to 23% in 2016<sup>7</sup>. In Northern Ireland the proportion of pensioners in relative poverty rose from 12% to 15% between 2015 and 2016<sup>8</sup>.

Older women in particular will be most affected by the removal of this concession. The state pension age increase for women will have significant impact on women born in the 1950's who are approaching retirement age. Currently women aged 65 have an average pension pot of £35,000, just one fifth the size of the average man's pension pot at the same age<sup>9</sup>. In addition current 2017 population projections show that just under 58% of people 75 and over are women with this percentage increasing significantly among older age groups with current estimates showing that 69% of 90 years olds are women<sup>10</sup>.

Older people living with a disability will also be particularly affected by any removal of the concession. Almost 50% of over 75s live with a disability and this figure rises to over 60% for those over 80<sup>11</sup>. A recent study by the charity Scope found that on average people with a disability face extra costs of £570 pound a month<sup>12</sup>. Age UK has also undertaken research showing that the removal of the concession could push as many as 50,000 older people into poverty<sup>13</sup>.

## **4.0 Feasibility:**

### **4.1 Using Pension Credit to means test**

Data from the Department of Work and Pensions (DWP) for 2014 to 2015 shows that for the UK only 62% per cent of those eligible for Pension Credit are in receipt of this benefit<sup>14</sup>. Benefit uptake is also a particular problem in NI and

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<sup>7</sup> [http://bbc.co.uk/aboutthebbc/insidethebbc/reports/pdf/bbc\\_annualreport\\_201718.pdf](http://bbc.co.uk/aboutthebbc/insidethebbc/reports/pdf/bbc_annualreport_201718.pdf)

<sup>8</sup> <https://www.communities-ni.gov.uk/sites/default/files/publications/communities/hbai-2016-17.pdf>

<sup>9</sup> <https://www.cii.co.uk/media/10120355/moments-that-matter-pensions-life-journey-for-women.pdf>

<sup>10</sup> <https://www.gov.uk/government/statistics/family-resources-survey-financial-year-201617>

<sup>11</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/disability>

<sup>12</sup> <https://www.scope.org.uk/Scope/media/Documents/Publication%20Directory/The-disability-price-tag-Policy-report.pdf?ext=.pdf>

<sup>13</sup> <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/#>

<sup>14</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/535362/ir-benefits-take-up-main-report-2014-15.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/535362/ir-benefits-take-up-main-report-2014-15.pdf)

across the UK with over £3.5 billion a year in unclaimed pension Credits<sup>15</sup>. In its economic analysis and consultation document the BBC makes no reference to how it might ensure that all qualifying individuals receive the concession. COPNI could not support the implementation of means tested benefit that fails to help as much 38% of those who are entitled to it.

The BBC and Frontier Economics' Analysis also fail to take account of proposed changes to the Pension Credit benefit due to be introduced in May 2019, which will mean that pensioners who have a partner below pension age, will no longer qualify. This will not only cost some older couples as much as £7320 per year but also means that if Pension Credit is used as a qualifier that those affected will also potentially lose out on the concession<sup>16</sup>.

#### **4.2 Enforcement and collection**

The current cost for licence fee collection and enforcement was quoted as being £101 million in 2017/18<sup>17</sup>. It would be reasonable to assume that there would be a likely increase in these costs if over 75s began to be charged. CAPITA who operate the scheme on behalf of the BBC would also have to consider the implications of potentially taking enforcement action against older members of society many of whom may not be aware of this change or may not be able to afford the additional expense.

Current payment plans offered by CAPITA are also unsuitable for older customers who might be experiencing financial difficulties. Current payment options such as the TV Licensing payment card requires viewers to pay weekly in instalments within 26 weeks rather than 52, direct debit options are the same with viewers having to pay within 6 months.

Reductions in poverty among pensioners referred to in the BBC's and Frontier Economics' analysis did not occur in a vacuum and were achieved only by interventions such as the TV licence concession. Furthermore to ensure that the current increases in poverty do not lead to a return to the unacceptable levels of poverty which prompted the introduction of the concession, then the concession needs to remain.

COPNI remains concerned that the reduction to concessions for older people are becoming more normalised as a result of ongoing policy changes and that such a move by an organisation such as the BBC would contribute further to this.

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<sup>15</sup> <https://www.moneywise.co.uk/news/2018-11-16/are-you-owed-state-pension-boost-credits-worth-35-billion-are-going-unclaimed-new>

<sup>16</sup> <https://www.moneysavingexpert.com/news/2019/01/pensioners-with-younger-partners-won-t-be-able-to-claim-pension/>

<sup>17</sup> <https://www.tvlicensing.co.uk/about/our-performance-AB6>

## 5.0 Conclusion

- 5.1 COPNI appreciates that the BBC is in a difficult situation. However it is COPNI's strongly held view that the universal concession should continue given the many benefits it brings to older people.
- 5.2 COPNI believes that both the Government and the BBC have not fully considered the needs of over 75s in the UK by not giving due consideration to the continuation of or the funding of this concession. Giving the length of time that the corporation has been aware of its responsibilities, COPNI believes it ought to have ensured that plans were developed, consulted upon with relevant groups and / or further options explored for continued funding or revisions.
- 5.3 COPNI cannot support the current option as laid out in the BBC consultation and believes that the BBC needs to consult with Government to establish how they can continue to honour its promise to maintain the concession.