Public Service Pensioners' Council

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Clair Sumner
Director of Policy
BBC
New Broadcasting House
Portland Place
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15 February 2019

Dear Clare

TV License concession for over-75's

I have recently taken over as General Secretary of the Public Services Pensioners' Council (PSPC). You wrote to my predecessor, Lisa Ray, at the beginning of October in response to her representations regarding the transfer of responsibility for the TV Licence concession for over-75s to the BBC, and indicated you would be back in touch following the consultation exercise on this issue.

I am writing express the views of our affiliate organisations on this issue, as set out below:-

- It is our firm view that decisions on the provision of social welfare benefits should remain the
 responsibility of the Government and not delegated to the BBC governors to decide the future of
 this welfare concession.
- Unfortunately the consultation exercise run by the BBC did not provide the opportunity for this
 view to be included in the options set out in the consultation, but instead focussed on options
 for changes to the concession linked to pension age and pension credits, all of which should be a
 matter for the sponsoring department, DCMS, in conjunction with the DWP, not for the BBC
 governors to determine.
- The Secretary of State for Culture and Media stated in the House of Commons on 31 January that the BBC had agreed to take on this concession from June 2020 as part of the comprehensive licence fee settlement in 2015, and that this transfer of responsibility was then agreed by Parliament in the passage of The Digital Economy Act 2017. The Secretary of State also confirmed the Government's view that it would "want and expect" the BBC to continue with the concession of free TV licences for the over-75s beyond 2020.
- PSPC understands that acceptance of the responsibility by the BBC has resulted in the BBC governors having to decide whether to retain this concession for the over 75s; modify the concession; or scrap it; and that if the concession is retained then this would result in a massive 18% reduction in the budget for all BBC programming, equivalent to the entire budget for its radio broadcasting.

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- We would urge the governors to press for a re-negotiation of the 2015 Agreement, with a
 consequential change to The Digital Economy Act 2017 so that the Government can continue to
 fulfil its stated commitment to retaining the concession without a significant cut in the BBC
 operational budget, which, in the context of the current debate of Intergenerational Fairness,
 would lead to significant job losses in the strong digital and media economy, in which the UK
 plays a leading role.
- Research by Age Concern has shown that 2 million pensioners consistently feel lonely and view TV as their main form of companionship, and as such plays a part in tackling loneliness in old age.
- The Rowntree Foundation estimate that there are 1.9 million pensioners living below the official poverty line, many of whom would struggle to find the £155 licence fee if it were abolished for the over 75s.

On behalf of the Public Service Pensioners Council and its affiliated organisations, we would urge the BBC governors to retain the free TV licence for the over-75's, and seek a renegotiation of the 2015 licence fee settlement in order that this significant issue of public policy and cost is transferred back to central government.

We would welcome the opportunity for meeting with you to discuss these points.

Kind regards

Yours sincerely

David Luxton

General Secretary