



*The Association has received the following information directly from the BBC following our involvement in their consultation on free TV licences for over 75's. This information will allow you to update members, particularly those aged 75 and over, on the current situation regarding TV licence and the need to obtain one if not on pension credit.*

**Any household with someone aged over 75 who receives Pension Credit will be entitled to a free TV licence paid for by the BBC.**

As you may have heard, the BBC Board has today confirmed it will begin the new scheme covering the over 75s licence fee concession on 1 August this year. The BBC delayed the introduction of the new scheme as a result of the Covid-19 pandemic. The scheme will now move forward, but safety will be at its heart:

- Implementation of the new scheme will be Covid-19 safe. No one needs to take any immediate action, or leave their home, to claim for a free TV licence or pay for one.
- TV Licensing will be writing to all over 75 licence holders with clear guidance. For those who now need to pay, they have a range of options and can choose to pay weekly, fortnightly, or monthly, if they don't want to pay the licence fee all in one go.
- We have set up specialist telephone contact centres to help people. People can also go online.
- The BBC has been working with a range of external organisations to help support people during this time.

The Government took the decision to stop funding for free licences in 2015 and Parliament - through legislation - gave the responsibility to the BBC Board to make the decision on the future of the concession. At the time of the settlement in 2015, both Government Ministers and the BBC were clear that reform of the concession was a possibility; and no pledge was made by the BBC that the concession would be continued.

The BBC Board believes the new scheme - which starts on the 1 August - is the fairest option to help the poorest pensioners. It is also the fairest option for all licence fee payers, as this means everyone will continue to receive the best programmes and services that the BBC can provide.

The new scheme means households - which include someone aged over 75 in receipt of Pension Credit - will be eligible for a free TV licence, funded by the BBC. Around 1.5 million households could be eligible and 450,000 have already applied for a free licence.

The new scheme will cost the BBC around £250 million by 2021/22. The cost of this new scheme will require the BBC to divert some spending on programmes and services, alongside continuing to find new savings while expanding its commercial revenue to cope.

Continuing with the Government scheme would have cost £745 million. In practice, this would have meant closures of BBC Two, BBC Four, the BBC News channel, the BBC

Scotland channel, BBC Radio 5 Live, and a number of local radio stations, as well as other cuts and reductions. These closures would profoundly damage the BBC for everyone, especially older people who use the BBC the most.

Since the original decision was made to introduce a new scheme, the BBC has been subject to further financial pressures as a result of the pandemic, which means it must save an additional £125 million, on top of an existing significant savings programme. Delaying the introduction of the scheme has cost the BBC over £70 million and we cannot afford to delay any further without further impacting programmes and services which are already being cut back due to our savings programmes.

The changes will come into effect on 1 August 2020. People aged 75 or over will remain fully covered by their existing free licence until 31 July. No one will be expected to pay for a new licence until they have been contacted by letter from TV Licensing and claimed a free TV licence or agreed a payment plan.

The Government's current scheme came to an end in June 2020 and Parliament - through legislation in the Digital Economy Act 2017 - gave the responsibility to the BBC Board to make the decision about the future. At the time of the settlement in 2015, both Government Ministers and the BBC were clear that reform of the concession was a possibility; and no pledge was made by the BBC that the concession would be continued.

The full rationale for the BBC's original decision making on over 75's is set out in the BBC's Decision Document. In taking the original decision, the Board was guided by three key principles: Fairness - the potential impact on older age groups and the potential impact on all licence fee payers. Financial impact - the cost of any concession to the BBC, and the possible effect this might have on programmes and services. Feasibility - being able to implement any new concession simply and effectively.

The BBC will continue to work with older people's groups and other support organisations to make claiming the free licence as simple and as straightforward as possible.