



Independent Age's response to the BBC Annual Report 2018-19 and TV licences for over-75s inquiry

About Independent Age

We are here to transform the lives of older people, providing timely personalised support and fearlessly campaigning for equality and fairness, and putting older people at the heart of what we do. We work to put independence in later life at the forefront of the work and activities of all influencers and decision-makers who are responsible for improving the lives of older people, particularly the most vulnerable.

We offer regular contact, a strong campaigning voice, and free, impartial advice on the issues that matter to older people: care and support, money and benefits, health and mobility. Our mission is to enable older people to stay independent and live well with dignity, choice and control.

For more information, visit our website www.independentage.org

Registered charity number 210729. For more information about the submission please contact:

natasha.jetha@independentage.org or shelley.hopkinson@independentage.org

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It is inappropriate for the BBC to determine the future eligibility criteria for free TV licences for over 75s. **The Government must take back responsibility for this decision and ensure that the poorest older people are protected.**

Independent Age is extremely concerned about the BBC's decision to link free TV licences for over 75s to Pension Credit. Currently, an estimated two in five older people who are eligible for Pension Credit are missing out on a total of £3.5 billion every year – these are funds allocated to eradicating pensioner poverty.

Receipt of Pension Credit is not currently an adequate marker of being on a low income given the low take-up, and is therefore not a suitable policy by which to means-test the free TV licence. Not only will thousands of over 75s continue to miss out on this vital support, but they will now be hit by a bill of at least £154.50.

The Government must also commit to ensuring that everyone who is entitled to Pension Credit receives it and set out an ambitious action plan to achieve this.

Introduction

1. Independent Age welcomes the opportunity to submit our views to the Digital, Culture, Media and Sport Committee on the BBC's decision to link free TV licences for over 75s to Pension Credit. Our response has focused on this aspect of the inquiry.
2. We oppose the decision taken by the Government in 2015 to end the funding of free TV licences for over 75s, and to transfer this scheme to the BBC from 2020. This has resulted in the BBC making a decision on an issue that goes far beyond its normal remit as a broadcaster.
3. With an estimated two out of five older people who are eligible for Pension Credit not receiving it, linking free TV licences to Pension Credit simply does not work. Many of the older people missing out on Pension Credit could be housebound or entitled to a higher amount of this benefit, if they are a carer or have a long-term health condition or disability. Almost two million pensioners are living in poverty in the UK, but one of the most important safety nets is failing them.
4. We know from our research that the likelihood of missing out on Pension Credit rises with age. If the BBC's proposal to means test free TV licences for over 75s goes ahead, not only will thousands of pensioner households continue to miss out on Pension Credit, they will also be hit by an additional cost of at least £154.50 a year.

The Government must take back responsibility for policy on free TV licences

5. In our view, it is inappropriate for the BBC to determine the future eligibility criteria for free TV licences for over 75s. It is the Government's responsibility to ensure that older people are

receiving the financial support they need, and these are not decisions that should be ‘out-sourced’.

- Changes to benefits should be made with an understanding of the overall context and impact on those affected, and should not be made in isolation or on a piecemeal basis. It is up to the Government to carry out this assessment and decide the future of free TV licences for over 75s. We would not expect reforms to universal benefits, such as Winter Fuel Payments and concessionary bus travel, to be determined by anyone other than the Government. The same should be expected for free TV licences.

Issues with linking free TV Licences to Pension Credit

- We are extremely concerned about the BBC’s decision to link free TV licences to Pension Credit. Receipt of Pension Credit is not currently an adequate marker of being on a low income, given that the Government’s own figures highlight the high proportion of older people who should be receiving this benefit but aren’t. Despite Pension Credit being a safety net to help lift older people out of poverty, it is failing to reach those who need it most, as highlighted in our recent report - [Credit where it’s due: Ending the £3.5 billion Pension Credit scandal](#). It is estimated that as few as 58% of those eligible for Pension Credit actually receive it. As a result, up to 1.3 million pensioner households (couples or single people) are living on an income below the acceptable amount set by the Government.¹ This has been an ongoing issue for many years, as set out in the table below.

Table one: Estimated number of pensioner households missing out on Pension Credit

Year	Number receiving Pension Credit	Number missing out	Take-up rate
2009/10	2,590,000	1,730,000	60%
2012/13	2,370,000	1,540,000	61%
2013/14	2,260,000	1,430,000	61%
2014/15	2,110,000	1,370,000	61%
2015/16	1,950,000	1,350,000	59%
2016/2017	1,810,000	1,300,000	58%

- Looking specifically at those aged 75 and over, it is estimated that as few as 56% of pensioner households actually receive Pension Credit. This means up to 730,000 pensioner households aged 75 and over may be missing out on this vital benefit.

Table two: Estimated number of pensioner households over the age of 75 missing out on Pension Credit

Year	Number of over 75s receiving Pension Credit	Number of over 75s missing out	Take-up rate for over 75s
2009/10	1,300,000	940,000	58%
2012/13	1,190,000	770,000	61%
2013/14	1,150,000	810,000	59%

¹ All figures on Pension Credit are taken from Department for Work and Pensions data, including: Income-Related Benefits: Estimates of Take-up (November 2018) and associated tables. Where DWP provides a low, central and high estimate, the high estimates have been used.

2014/15	1,080,000	790,000	58%
2015/16	1,010,000	770,000	57%
2016/2017	950,000	730,000	56%

9. Due to the very low uptake of Pension Credit, many older people are struggling to pay for essential costs, such as a weekly food shop or household bills. Under the BBC's planned changes, these people will also have to bear the additional cost of a TV licence - a cost which could be unmanageable for the poorest pensioners.

How the change will affect older people

Every day our Helpline takes calls from older people who are struggling financially. Last year we dealt with 30,000 enquiries about money and benefits.

Violet, who is 89 and from London, is one of the many callers to our Helpline. She is on a low income and is not currently receiving Pension Credit, although she may be eligible.

Violet has been using her savings and her State Pension to pay for her rent and other household bills. She is concerned about her shrinking funds and is anxious about the future. Violet is worried that paying for a TV licence will put an additional strain on her finances. She told us:

"I am getting anxious with my money going down, and paying for a TV licence will put an edge on things. It is a lot of money when you don't have very much. I use the TV for company, especially in the evenings."

"The TV licence fee is too much money. It is a big blow when you have to pay that out - especially when you didn't think you would need to."

With our help Violet is currently making a claim for Pension Credit.

10. The BBC is confident that those over the age of 75, in receipt of Pension Credit, will apply for a free TV licence.² In order to help reach those over the age of 75 who are entitled to but not receiving Pension Credit, the BBC plans to work with older people's groups and charities to help raise awareness of Pension Credit.³ While the BBC's plans in this regard are well-meaning and may make a positive difference in the short-term, we know that awareness-raising measures have not been effective in addressing the scale of the problem in the past. Successive governments have failed to increase take-up for Pension Credit beyond 64%, at best, in almost ten years, with the take-up rate essentially flat-lining since 2009/10.

11. It is the Government's responsibility to ensure that there is a comprehensive action plan in place to ensure Pension Credit reaches everyone who is entitled to it. As highlighted in our report, there is currently no clear strategy to achieve this.

The impact of losing a TV licence on older people's emotional wellbeing

12. We know from talking with older people that, for many, having access to a TV can provide a vital source of entertainment and stimulation in the home when spending time alone. Older

² Age-related TV licence policy. Decision document (June 2019): BBC

³ Updated Equality Impact Assessment (June 2019): BBC

people tell us how the television can be their main source of company for much of the day, particularly for those who are housebound.

13. One of the most consistent findings in research about loneliness is its relationship to low incomes.⁴ Losing access to television could mean the poorest older people feel less connected, and more isolated and lonely.

Recommendations

14. As a result of the BBC's decision to link the free TV licence for over 75s to Pension Credit, the poorest older people will not only continue to miss out on this vital benefit, but they will also have to pay the additional cost of a TV licence.
- 15. The Government must take back responsibility for decision-making around the free TV licence for over 75s and ensure that the poorest older people are protected.**
16. The BBC decision to link the concession to Pension Credit has highlighted a wider failure of government policy aimed at reducing pensioner poverty. It is shocking that two in five older people are not receiving the Pension Credit they're entitled to.
- 17. The Government must ensure that everyone who is entitled to Pension Credit receives it. To achieve this, we want to see a commitment to:**
 - **at least 75% of eligible people receiving Pension Credit by the end of 2020, at least 95% by the end of 2022, and 100% by 2025; and**
 - **a comprehensive action plan including immediate steps and long term actions.**

⁴ Robin Hewings, How we can tackle loneliness through Pension Credit (July, 2019): Independent Age.