

# PETER GIBSON MP



HOUSE OF COMMONS

LONDON SW1A 0AA

Friday 25 September 2020

*Dear Constituent.*

Thank you for your letter about the TV Licence fee for over 75s.

I understand your unhappiness that the BBC has decided that from 2020 the TV Licence fee concession will be restricted to those aged over 75 who are in receipt of Pension Credit. I recognise the value of free TV licences for over-75s and believe they should be funded by the BBC.

The concessionary TV licence for over-75s was never a fundamental pillar of the welfare state. It was introduced in 2000 to address an anomaly that elderly people living in sheltered housing did not have to pay the full licence fee whereas others did. At the time of this change, the cost to Government was £365 million. It is important to realise that that money was not removed from the BBC—it was given to the BBC by the Department for Work and Pensions. The cost to the Government of doing this has risen steadily, so that by last year it had already reached £660 million and it is forecast to reach over £1 billion in ten years.

When the new BBC charter and the licence fee settlement was negotiated, we were in very difficult financial circumstances thanks to the profligacy of the previous Labour Government, and had to take a lot of very difficult decisions. The then Chancellor was clear that we should seek to achieve savings from the BBC, as a publicly owned institution funded by the Government, in the same way that all other public institutions were being asked to find savings. So we agreed with the BBC that it would take over the cost of funding the licence fee concession. However, we were also clear that we had given a pledge that the concession would be maintained until 2020, and therefore the agreement with the BBC was that it would take it over in 2020. Given the huge cost of maintaining it beyond 2020, it was always recognised that it was likely that the BBC would have to limit it.

By restricting the concession to those in receipt of pension credit, the BBC have ensured that those over 75, who will struggle to afford the television licence, do not have to do so. This will introduce an element of targeting assistance which I believe is justified. One of my criticisms of the licence fee is that there is no help available to those under 75 as it is a flat rate charge which all are required to pay.

*Member of Parliament for Darlington*

Constituency Office: 34 Duke Street, Darlington, Co. Durham, DL3 7AQ Telephone: 01325 711711

Email: [peter.gibson.mp@parliament.uk](mailto:peter.gibson.mp@parliament.uk) Website: [www.petergibson.org](http://www.petergibson.org)





However, I also understand the concern that take-up of Pension Credit is not as high as it should be and that some on low incomes fail to claim it. I hope that by publicising this decision, it will result in a significant increase in take-up which will be of far greater benefit to many of those over 75 on low incomes than maintaining the concession for all.

In the longer term, I believe that we will need to look at the future of the licence fee. Viewing habits are changing and evasion of the TV licence is rising. The old argument that every household needs to pay the licence fee because everybody watches the BBC is beginning to break down due to the huge increase in on-demand viewing, much from new services like Netflix, Amazon and Apple. At the moment, there is no alternative to the licence fee because we do not have a system where people who choose not to pay it can be cut off; that was why we reached the conclusion that the licence fee had to be maintained. However, I am sure that this will need to be looked at again when the licence fee settlement comes up for renewal.

Once again, thank you for taking the time to contact me and if I can ever be any further assistance to you then please do not hesitate to contact me again.

Yours Sincerely  
Peter Gibson

PETER GIBSON MP