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# Concessionary television licences

This paper seeks to describe and explain the range of concessionary television licences and the problems associated with the Accommodation for Residential care scheme, particularly after 1988. It also discusses the introduction on 1 November 2000 of free television licences for households including a pensioner over 75.

Jane Fiddick

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## Summary of main points

Under the Accommodation for Residential Care concessionary licence scheme, pensioners and disabled people living in residential homes and in qualifying sheltered accommodation are entitled to a £5 television licence. In order to qualify for the concessionary scheme, sheltered accommodation must:

- (a) form part of a group of at least four dwellings within a common and exclusive boundary (though up to 25 per cent. of units in a scheme can be properties purchased under the 'right to buy' legislation);
- (b) be specially provided for occupation by disabled people or retired people aged 60 years or over;
- (c) be provided or managed by a local authority, a housing association or a development corporation; and
- (d) have a person (e.g. a warden) whose function is to care for the needs of the residents and who either lives on site or works there for at least 30 hours a week.

Some of these requirements were introduced in response to the Kirklees judgment in 1988, which had considerably added to the number and types of accommodation which qualified for the concession. However, those who benefited were given preserved rights provided they continued to live in accommodation which would have qualified before the changes. This has been the source of considerable bitterness as next door neighbours can find that one has to pay the full fee of £104, whereas the other pays £5. The requirements for the accommodation are also subject to administrative change beyond the control of the inhabitants – for example, cuts in the hours worked by wardens.

There has been much criticism of the scheme over the years and in the 1980s many Private Members' Bills were presented to give free licences to pensioners. While successive Governments have acknowledged that the scheme is full of anomalies and unsatisfactory, they have resisted extending it to all pensioners irrespective of where they live, or making licences free to all pensioners.

Approximately 650,000 people qualify for the £5 concessionary licence and about 80% of them are over 75. Some of the inconsistencies will be removed by the fact that from 1 November 2000, people aged 75 or over will be entitled to a free television licence. Approximately 3.5 million households will benefit from this concession.

## CONTENTS

<b>I</b>	<b>Background</b>	<b>7</b>
	<b>A. Origin</b>	<b>7</b>
	<b>B. Accommodation which qualifies</b>	<b>7</b>
	<b>C. The Kirklees judgment and the 1988 Regulations</b>	<b>9</b>
	<b>D. Later changes to the rules</b>	<b>10</b>
	<b>E. Anomalies and complaints</b>	<b>12</b>
<b>II</b>	<b>The level of the Licence Fee</b>	<b>16</b>
<b>III</b>	<b>The Davies Panel</b>	<b>17</b>
<b>IV</b>	<b>Free television licences for over 75s</b>	<b>20</b>
	<b>A. Implementation</b>	<b>23</b>
	<b>B. The Cost</b>	<b>24</b>
<b>V</b>	<b>Other Concessions</b>	<b>25</b>
	<b>A. Blind persons</b>	<b>25</b>
	<b>B. Students</b>	<b>26</b>
<b>VI</b>	<b>Easy payments</b>	<b>26</b>
	<b>Appendix 1</b>	<b>29</b>
	<b>Appendix 2</b>	<b>30</b>

# I Background

## A. Origin

The first concessionary scheme for the elderly was put on a statutory basis in 1969, and had grown out of what appear to have been philanthropic gestures by post office officials in the 1950s. Evidence presented by the BBC to the National Heritage Committee in 1993 describes what appears to have been the origin of the scheme:<sup>1</sup>

We understand that during the 1950s individual post office officials decided in certain cases that old people living in old people's homes need not pay a licence fee for radios and televisions used in their private rooms. This practice led in due course to more formal administrative arrangements, and then to a statutory scheme which was established in 1969.

It has been thought that the *Wireless Telegraphy Act 1949* does not permit regulations to be made prescribing different licence fees for different classes of people except for the blind for whom there is express statutory provision (see p.9). It is, however, possible to prescribe different fees for sets defined by reference to the places where they are used - e.g. hotels, where one licence covers the first fifteen sets in bedrooms, a further licence being necessary for every multiple of five rooms after that. Permanent residents, however, need a separate licence.

## B. Accommodation which qualifies

The rules setting out eligibility for the reduced (£5) television licence fee are the *Wireless Telegraphy (Television Licence Fees) Regulations 1997*<sup>2</sup> as amended which, on 1 April 1997, replaced the 1991 Regulations.<sup>3</sup> The concession was extended to disabled and mentally disordered people in 1984, and to registered nursing homes in 1988.

The *Accommodation for Residential Care (ARC)* licence authorises the use of television sets by pensioners, disabled and mentally disordered persons in their own rooms in residential and nursing homes and in certain types of sheltered housing schemes provided or managed specifically for retired, disabled or mentally disordered persons by local housing authorities or housing associations. The phrase "accommodation for residential care" is defined in detail in the Regulations and the list of qualifying dwellings - including, from 1 April 1997, "right to buy dwellings" is reproduced as an appendix to this paper. Otherwise, privately owned or run housing schemes are not, and never have been, eligible for the scheme.

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<sup>1</sup> 1993-94 HC 77-II, p 311

<sup>2</sup> SI 1997/290

<sup>3</sup> SI 1991/436

Not only does the accommodation have to be provided as described above, but it also has to conform to other general requirements as set out in the schedule to the 1997 regulations:<sup>4</sup>

1. In this Schedule-
  - (a) "disabled person" means a person who is blind, deaf or dumb or who is substantially and permanently handicapped by illness, injury or congenital deformity;
  - (b) "a group of specially provided dwellings" means a group of at least four dwellings which fall within a common and exclusive boundary and-
    - (i) which are provided for occupation by disabled persons, mentally disordered persons or retired persons of pensionable age;
    - (ii) which have been erected or converted for the purposes of such occupation; and
    - (iii) for which there is a person whose function is to care for the needs of the persons referred to in sub-section (i) above and who either lives in one of the dwellings within the group or works in that group for at least 30 hours a week;

Provided that the conditions in sub-paragraphs (i) to (iii) do not cease to be satisfied in relation to a group of dwellings because -

- (aa) in England, Wales, Scotland and Northern Ireland, not more than 25 per cent of the dwellings are right to buy dwellings which do not satisfy the condition in sub-paragraph (i); or
  - (bb) any dwelling is also occupied by any member of the family of any person referred to in sub-paragraph (i). or
  - (cc) any dwelling is occupied by the person referred to in sub-paragraph (iii) above or a member of his family;
- (c) a resident" means a disabled person, a mentally disordered person or a retired person of pensionable age who is ordinarily resident in accommodation for residential care; but does not include a person in charge thereof or otherwise employed therein or a member of the family of either of them.

The words "of pensionable age" were amended to read "aged sixty years or more" by the Wireless Telegraphy (Television Licence Fees) (Amendment Regulations) 2000, SI 2000/630. The substitution of this gender-neutral phrase was intended to make it clear that

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<sup>4</sup> SI 1997/290

men under pensionable age living in sheltered accommodation would not jeopardise the entitlement to the concessionary licence of the whole scheme<sup>5</sup>

### C. The Kirklees judgment and the 1988 Regulations

The Wireless Telegraphy (Broadcast Licence Charges and Exemption) (Amendment No 2) Regulations 1988<sup>6</sup> made radical changes to the extension of the concession which had come about as a result of the High Court judgment in the case of *R v Secretary of State for the Home Department ex parte Kirklees Borough Council, 1987*.<sup>7</sup> Kirklees had applied for concessionary licences for occupants of three homes specially built under Part V of the Housing Act 1957 for occupation by retired persons of pensionable age. The application was refused on the grounds that not all the criteria for the grant of a concessionary licence had been met, because though the dwellings were provided specifically for the old and the recipients were of pensionable age, there was no common facility for the benefit of the elderly people concerned, as required by the schedule to the Regulations.<sup>8</sup>

Since 1978 a visiting warden had been acceptable to the National TV Licence Records Office at Bristol as a "common facility". What constituted a "common facility" had never been defined, but it was the practice to accept a bona fide warden service under which frequent and regular visits were made to the elderly residents of old people's dwellings.

Kirklees claimed that their housing steward service, established in 1983, did constitute the required shared facility. This service replaced the former rent collectors by stewards who had many more duties and provided an advisory and assistance service for the benefit of tenants, visiting them at least once a week and being on call whenever needed. A letter from the Home Office dated 23 May 1984, quoted in the *Lexis* transcript, acknowledged that what constituted a "facility" was not defined, but stated that it was not the intention of the special licence scheme that "elderly people in specially provided, but unsheltered accommodation would be brought within the scope of the concessionary scheme simply by providing an official service. In the case of the application submission by Kirklees Metropolitan Council we have concluded that visits by officials whose responsibility is primarily the stewardship of the council's housing stock cannot be regarded as the equivalent of a warden's visit and so does not constitute a facility of substance".

The Home Office's contention was that the regulations required some exclusivity of the facility to the elderly and that it should be the prime function, if not the sole function, of the housing steward to provide that facility. In his judgment Mr Justice Taylor said that there was nothing in the Schedule to indicate that the facilities have to be provided exclusively to those who are in the dwellings specifically provided: "There is nothing to suggest that if

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<sup>5</sup> See Janet Anderson, 10 July 2000, HC Deb vol 353 c 617

<sup>6</sup> SI 1988/899

<sup>7</sup> Times, 26 January 1987

<sup>8</sup> The Wireless Telegraphy (Broadcast Licence Charges and Exemption) Regulations 1984, SI 1984/1053

other persons are also accorded some facilities the concessionary rate is ousted. Furthermore, there is nothing to suggest that whoever provides the facilities must do nothing else". He found that the application was well founded.

The result was that groups of local authority provided dwellings which were not in physical proximity could qualify as sheltered housing and that many thousands of people could benefit from the concession. On 18 May 1988, the Home Secretary made a statement on changes which came into force at midnight and which specified that the dwelling had to be one of a group of at least four within a common and exclusive boundary, specifically provided for the physically or mentally disabled, or retired pensioners. It had to have a warden either living within the boundary or working there for at least 30 hours a week and another communal facility such as a common room or alarm system. This has now been relaxed, (see below) but the main object was to define qualifying accommodation so that it would apply only to accommodation which was comparable to residential homes for old people and the original intention behind the scheme when it was first made statutory in 1969. The 1988 changes also increased the fee from 5p to £5 and extended the concession to registered nursing homes. In his statement, Mr Hurd said that the rights of those who benefited from the concession would continue to do so:

The new regulations will apply only to new applications received after today. The position of existing beneficiaries is preserved by a provision in the regulations which will enable them to continue to enjoy the concession. This means that anyone living in accommodation which is now covered by the concessionary licence will continue to have the benefit of that concession for as long as he or she occupies that accommodation. This will include most, if not all, of the outstanding applications made before the new regulations come into force:<sup>9</sup>

The Rules were debated on 12 July 1988.

#### **D. Later changes to the rules**

From time to time, there are reports that the rules have been varied or relaxed following the intervention of an MP and suggestions that a new precedent has been established. Such successes are usually attributable, however, to the fact that TV Licensing has reconsidered a decision because an error had been made, or the information provided in a first application was incorrect or incomplete. There is no discretion to depart from the rules.

In 1991 new Regulations<sup>10</sup> made a change to the definition of qualifying accommodation. Under the previous rules, there had to be both a warden and a communal facility, such as a laundry or common sitting room. This "communal facility" condition was removed as unnecessary because the necessity for a warden and a clearly defined boundary achieves the required resemblance to a residential home.

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<sup>9</sup> HC Deb 133, cc 467-8W

<sup>10</sup> SI 1991/436

On 8 December 1993, the BBC announced a change in the interpretation of the "common and exclusive boundary rule" which was greeted by headlines in some newspapers to the effect that thousands more pensioners would qualify for the concessionary rate. This probably raised rather too many hopes, but the change meant that sheltered accommodation would no longer be disqualified solely because it shared an external boundary wall, such as a party wall, with a non-qualifying dwelling. The change applied retrospectively from when the scheme was introduced on 19 May 1988 and local authorities and housing associations were invited to submit applications for any schemes affected for refunds to be made where the full licence fee had been paid.<sup>11</sup> The existence of a party wall with a building that was not a dwelling (a shop, for example) had not disqualified a scheme since early 1991.

Some changes to the scheme were made as a result of amendments proposed to be made to the *Broadcasting Bill 1995-96*. On 6 March 1996, Ted Rowlands had raised in an adjournment debate<sup>12</sup> the fact that a sheltered scheme in Merthyr Tydfil had failed to qualify for the concession because certain residents had exercised their right to buy before the accommodation was converted. It was not possible under the "common and exclusive boundary" rule for even part of the scheme to qualify.

On 18 June 1996, Mr Rowlands again raised this problem in Standing Committee D on the Broadcasting Bill and proposed new Clause 68, which would in effect have allowed up to 25% of dwellings in a sheltered scheme to be owner-occupied. The new clause was withdrawn after assurances had been given that regulations would be introduced to implement what it proposed.<sup>13</sup> New amending (and consolidating) Regulations were laid on 12 February 1997,<sup>14</sup> and the relevant provisions are reproduced on p.2 of this paper. In a written statement on 12 February 1997, the Secretary of State for National Heritage, Mrs Bottomley, said:<sup>15</sup>

The Government undertaking concerning the impact of the right-to-buy legislation on the concessionary television licence scheme—under which qualifying households pay only £5 for a TV licence—was made during the Commons Committee stage of the Broadcasting Act 1996, on 18 June 1996 columns 749-51. The new regulations will enable residents of sheltered housing schemes which meet all the other qualifying criteria to benefit from the TV licence concession, provided that not more than 25 per cent. of the dwellings in the scheme have been purchased under the right-to-buy provisions.

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<sup>11</sup> BBC News Release, 8.12.93

<sup>12</sup> HC Deb. 223 c 316ff

<sup>13</sup> SC Deb. c 751

<sup>14</sup> SI 1997/290

<sup>15</sup> HC Deb 1 May 1996 vol 276 c 527W

## **E. Anomalies and complaints**

There have always been what successive ministers have referred to as anomalies in the system because of the definition of accommodation for residential care which has, since the beginning of the scheme in 1969, specified that the dwellings must be provided exclusively for people of pensionable age. Different leases can mean that of two identical schemes one might qualify while the other does not because the lease admits residents of below pensionable age. This used to disqualify accommodation even if no persons below pensionable age lived there, but this interpretation was relaxed in the summer of 1999, so that it is the actual rather than the potential inhabitants who count.

The Annan Committee's Report on the Future of Broadcasting, which reported in 1977, found that "The concession bore no relation to the needs of the people who received it..... Moreover, other elderly people who were not eligible for the licence considered that it favoured those who were already favoured by living in a home or in accommodation with the services of a warden".<sup>16</sup> They recommended that the concession be phased out.

The Peacock Committee on Financing the BBC which reported in 1986<sup>17</sup> recommended that pensioners drawing supplementary pension (now income support) in households wholly dependent on a pension should be exempt from the licence fee, but the previous Government's refusal to accept the idea was reiterated by Mr Lloyd on 4 July 1991:

**Mr. Lloyd:** The hon. Gentleman makes his usual point, but in slightly different words. As he well knows, the Government believe that the right way to help pensioners is through the social security system, not by complicated and bureaucratic adjustments to the licence fee. That is why pensioner rates for those on income support were increased by an additional £200 million in 1989 and a further £80 million earlier this year, over and above the increase in inflation.<sup>18</sup>

In 1995, the National Heritage Committee, in their report on the future of the BBC, expressed concern about the "impact on those on lower incomes of the licence fee", and made the following recommendation about the concessionary licence fee:<sup>19</sup>

96. One matter of concern to the Committee relates to the concessionary television licence for people in residential homes or sheltered accommodation. The original exemption from the full licence fee was restricted to residential homes for the elderly or disabled. It was then thought equitable to extend the exemption to sheltered housing and an attempt was made to draw up a definition which was as close as possible to the original idea of the residential home. As the BBC acknowledged, what has emerged "is the enormous difficulty which arises with the discretion in making precise the definition and the ill-feeling which can

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<sup>16</sup> Cmnd 6753, para. 10.39

<sup>17</sup> Cmnd 9824

<sup>18</sup> HC Deb 194, c 422

<sup>19</sup> 1993-94 HC 77-I, p xxv

arise over arguments about the definition." The Committee is very aware of these difficulties which result in people in essentially similar accommodation and circumstances paying very different amounts for their television licences. **It therefore recommends that the scheme be reviewed by the BBC together with the local authority ratings and other appropriate bodies. They should present a further report to this Select Committee outlining these anomalies with their recommendations as to future regulation and reframing the definition in order to minimise the number of such anomalies.**

The Conservative Government's response was set out in the White Paper on the future of the BBC as follows:<sup>20</sup>

**5.16** The Government has again considered whether free or reduced television licences should be available for pensioners or less well-off groups; this has often been urged by organisations representing these groups. A licence concession for pensioners would, however, benefit many well-to-do people of pensionable age, who may have less difficulty paying the full fee than many other households. Moreover, if licences were provided free for all pensioners, the standard fee for other licence holders would have to be increased to £120, to make up for lost revenue. The Government believes that the right way to help the less well-off, of all ages, is through the welfare and benefit systems.

**5.17** The concessionary Accommodation for Residential Care licence is only available to retirement pensioners and disabled people living in nursing or residential homes, or in sheltered accommodation provided or managed by a local authority or housing association which is directly comparable to a residential home. The concessionary scheme has been criticised for the anomalies to which it gives rise. The Select Committee recommended that the BBC should review the scheme, with the aim of re-defining its scope to minimise the anomalies (recommendation (xxii)). The Government does not consider that a review of the scheme would be helpful. Any concessionary scheme of this kind is bound to give rise to hard cases from time to time, as well as complaints of unfairness from those who narrowly fail to qualify for the concession. If the scheme were reviewed with a view to removing some of the perceived anomalies, the most likely effect would be to create fresh ones. The scheme was reviewed thoroughly in 1988 when it was decided to restore the underlying intention, which was to benefit retirement pensioners and disabled people living in nursing or residential homes or equivalent sheltered housing. The Government considers that this continues to be the correct approach.

Since the changes of 1988 complaints about perceived anomalies have grown apace, largely because of the transitional arrangements whereby any people who benefited from the scheme before 19 May 1988 were to continue to do so even if their accommodation no longer qualified, whereas others who moved into exactly similar homes after that date are

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<sup>20</sup> Cm 2621 July 1994

not eligible. In an adjournment debate on 6 March 1996, in which a particular case was raised, Ian Sproat (then Minister of State for National Heritage) explained:

It would be unfair to draw to a close without discussing so-called preserved rights. The change in qualifying criteria that followed the Kirklees decision would have meant that many of those qualifying under the old rules would no longer have continued to do so under the new ones. Just as the Government did not wish to abolish the scheme, nor did we want to take the concession away from anyone who had previously held it. The new regulations therefore included a provision to preserve the rights of existing beneficiaries for their lifetime, as long as they continued to reside in accommodation that would have met the old qualifying criteria.

That, I recognise, is a source of much confusion. It leads to positions where neighbours are treated differently due to past and not present circumstances. That is by no means ideal, but it is not logical simply to claim equal treatment with one's neighbour, even if one's first impression is, perhaps understandably, that the position is not fair. That is an inevitable consequence of the saving provision in the regulations and the Government's determination not to take the concession away from anyone who already had it.<sup>21</sup>

A more recent acknowledgement of the difficulties was made by the Parliamentary Under-Secretary of State for Culture, Media and Sport, Janet Anderson, on 29 July 1998 when she answered an adjournment debate and said "... as the Government are very much aware, the system is illogical. It produces a great deal of resentment and a sense of grievance".<sup>22</sup>

Government policy has tended in the past to be to give benefits in cash rather than in kind to enable a choice to be made on how they are spent. It is also argued that not all pensioners have difficulty in paying the licence fee and that to make up lost revenue it would either be necessary to raise the fee for everybody else which would bear particularly hard on the low paid and those in need, or to make up the money to the BBC by a direct payment from the Government, which could affect the "arm's length" principle under which it operates.

These points were made by Mrs Anderson in the debate of 29 July 1998:<sup>23</sup>

It is sometimes suggested that the solution is for the Government to make good from public funds the cost of any concessionary arrangements. However, for good reason, the arrangements for funding the BBC have always been kept separate from Government spending. In addition to providing the BBC with a secure source of revenue, licence fee funding of the BBC grant preserves the traditional arm's length relationship between the corporation and the Government.

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<sup>21</sup> HC Deb 273, c 323-4

<sup>22</sup> HC Deb 317, c 343

<sup>23</sup> *ibid* c 344

To abandon that arrangement might be regarded as prejudicing the corporation's independence.

She also pointed out the cost of extending the concession and how it would affect all those on a low income

I give a few examples. The provision of concessionary television licences for all pensioner-only households would lead to an estimated loss of £489 million in licence fee revenue, and would require an increase of approximately £29 in the standard licence fee. Free licences for all pensioner-only households with at least one member in receipt of income support would cost an estimated £112 million, and would require an increase of about £5 in the full licence fee—an increase that would also fall on non-qualifying pensioners.

Many non-pensioners may be thought to have an equally good case for a concessionary licence, as my hon. Friend the Member for The Wrekin eloquently argued. An estimated 19 per cent. of households with television have one or more members in receipt of income support, more than 5 per cent. have a member in receipt of disability living allowance and nearly 4 per cent. a member in receipt of attendance allowance. It would be very difficult to justify to a non-pensioner in such circumstances an increase of as much as 30 per cent. in his or her licence fee to provide a general concession for pensioners.<sup>24</sup>

In a letter to Alex Salmond MP, placed in the House of Commons Library on 14 June 2000, Janet Anderson wrote that the total cost of providing free licences to households containing someone aged 65 or over in 2001-2 for the UK would be £780 million.

Complaints are also made that administrative changes by local authorities for example, which are beyond the control of the recipients of concessionary licences can result in disqualification of the accommodation. This can happen if the hours of wardens are cut to below the minimum 30 hours stipulated by the regulations or if a person of below 60 is housed there for whatever reason. In a written answer of 14 April 2000 Janet Anderson said that it was not possible to provide figures for numbers of concessionary licences which have been withdrawn:

No records are kept of the number of concessionary licences withdrawn, nor can such information be extracted from existing data, as it is not possible to distinguish between withdrawal of the concession and other reasons for non-renewal.<sup>25</sup>

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<sup>24</sup> *ibid* c 344

<sup>25</sup> HC Deb vol 348 c 287W

## II The level of the Licence Fee

The fee for a television licence for accommodation for residential care is £5 for each dwelling or unit of accommodation which qualifies. Television sets in common rooms or for the use of resident wardens have to be licensed at the full rate - £104.00 for colour and £34.50 for monochrome until 31 March 2001.<sup>26</sup>

From 1988 until 1997, licence fees were calculated in accordance with changes in the retail prices index (RPI), which determines the rate of increase of state pensions. In December 1996, following a report by independent consultants, Braxton Associates, on the BBC's expenditure needs, the Conservative government announced a new formula for the five years from April 1997. Under this formula, licence fee increases for the period as a whole were set just below inflation, but the increase from April 1998 was set at RPI plus 3 per cent, reflecting the additional costs faced by the BBC in launching its new digital services.

The formula, which was accepted as appropriate by the new Government, was intended to work as follows;

Year one	(1997-98)	RPI
Year two	(1998-99)	RPI plus 3 per cent
Year three	(1999-2000)	RPI plus 0.5 per cent
Year four	(2000-2001)	RPI minus 1 per cent
Year five	(2001-2002)	RPI minus 2.5 per cent

This would have equated to a change in the level of the licence fee over the five year period of RPI minus 0.08%.<sup>27</sup>

The fees for 1999-2000 were announced on 15 December 1998:<sup>28</sup>

Application of the RPI figure of **3.2** per cent. for the year to September 1998, plus **0.5** per cent., to the current unrounded licence fees produces new rounded totals of **£101.00** for a colour licence and **£33.50** for a black and white licence. The necessary regulations to bring these fees into force will be laid before the House in due course.

The Davies Panel on the future funding of the BBC<sup>29</sup> recommended that in future, the licence fee and any digital supplement should be expressed in monthly form and that the main (analogue) licence fee should be uprated in line with inflation after 2002. They also suggested that a digital licence supplement be introduced for those households with a digital receiver or set top box from 1 April 2000 at a level of £1.99 a month reducing to

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<sup>26</sup> The Wireless Telegraphy (Television Licence Fees) (Amendment) Regulations 2000; SI 2000/630

<sup>27</sup> HC Deb 18 December 1996 vol 287, c 591W

<sup>28</sup> HC Deb 322 c 421W

<sup>29</sup> Reported in August 1999, DCMS

99p a month by 2006. Revenue from the supplement was to cover the costs of services to digital licence fee payers; the report states that “it is unfair to charge analogue households for the development of digital services which they cannot receive.” (Chairman’s foreword, p6).

On 21 February 2000, the Secretary of State, Chris Smith, announced his rejection of the digital supplement, his decision on the level of the licence fee from 1 April and a departure from the 1996 formula:

Following my announcement in September, it is now clear that digital switch-over can happen sooner than was envisaged by the Davies panel. Against my belief that digital television brings benefits to all, it would be wrong to signal that it is something special and only for the few. I am therefore going for the general licence fee option, and an increase of 1.5 per cent. over the retail prices index in each year starting in April this year. That means an increase of 3p per week above inflation each year. On 1 April this year, the licence fee will therefore rise by £3. It also means that for each pound that the BBC receives from the licence fee, it is expected to generate almost the equivalent through self-help. I shall shortly be laying regulations before the House in relation to the licence fee from 1 April.<sup>30</sup>

Current licence fees are, therefore, **£104** for colour and **£34.50** for black and white.

### III The Davies Panel

On 14 October 1998 the Secretary of State for Culture, Media and Sport, Chris Smith, announced the terms of a wide-ranging review of the future of the television licence fee after 2002. This was to start from the position that the licence fee is sustainable at least until the review of the BBC’s Charter due in the run up to 2006 and to consider the role of the BBC as a public service broadcaster and the balance between this and its commercial activities. It was also specifically charged to "consider the current structure of the concessionary licence scheme and whether a suitable alternative structure could be available".<sup>31</sup> Membership of the panel was announced on 12 January.<sup>32</sup> It was chaired by Gavyn Davies, chief international economist at Goldman Sachs International and co-head of London Investment Research; the other members were Lord Newton of Braintree, Lord Gordon of Strathblane, Sir Alan Budd, Rabbi Julia Neuberger, Helen Black, Ruth Evans, David Lipsey and Heather Rabbatts. The report was published on 5 August 1999 and is available on the Internet at [www.culture.gov.uk/creative/index\\_flash.html](http://www.culture.gov.uk/creative/index_flash.html).

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<sup>30</sup> HC Deb vol 344 c 1241

<sup>31</sup> DCMS press notice 256/98

<sup>32</sup> HC Deb vol 323 c 131W

Early press forecasts suggested that the panel would recommend abolition of the scheme because "it fails to target money at the most needy". This resulted in a postcard campaign of protest. At the end of May, a statement from the No. 10 press office said that there was no question of removing the concession from those who qualify for it. The response from the DCMS to the campaign stated that "The Government is well aware that the £5 licence is much appreciated by those fortunate enough to qualify and there is no question that it would take away this concession". On 4 July 1999, the political editor of the *Sunday Times* reported that both main parties would promise in their next election manifestos that cheap television licences would be available to all pensioners. *The Sunday Times* for 18 July 1999 carried a report that the panel would suggest that concessions should be available for people on income support and disability benefit, and that the loss to the BBC should be made up by a grant from the Treasury.

In the event, they concluded that the Accommodation for Residential Care concessionary scheme should be retained, despite its shortcomings:

- The current Accommodation for Residential Care concessionary scheme should be retained, despite its obvious drawbacks, since no superior alternative, funded from the licence fee, has been found; and recommends that:
- Licence fee revenue or broadcasting money generally should not be used to fund an extension to the current concessionary arrangements for pensioners;
- on subtitling for new digital services, including BBC Choice, BBC News 24 and BBC Knowledge, the BBC should aim to achieve 50% of programmes being subtitled in the next five years and 100% by 2009;
- the current discount for blind people should be updated to 50% of the colour licence fee, that the discount be should restricted to registered blind people and that it should not be restricted to blind-only households; and that
- the Cash Easy Entry easy payment scheme should be put on a similar payment schedule to the Monthly Cash Plan, thus reducing the payments for its users during the second six months of the licences.

The panel acknowledged that this was a "thorny subject" and that the controversial nature of the concessionary scheme was reflected by the fact that they received more correspondence on concessions than on any other topic. They denied that they had ever considered removing the benefit from those who qualify, and came down against the option of phasing it out (p 113):

Why did we come to this view? Essentially, because the ARC scheme, for all its faults, does succeed in helping a group of people which is much poorer than the average for the population at large, and is slightly poorer than the rest of the pensioner population. Consequently, phasing out the scheme - with other licence fee payers picking up the benefit - would widen income disparities in this country. This was not something which any of us was willing to do.

They considered various other options which they found would incur heavy costs without reducing anomalies or eliminating a sense of unfairness. A study by the Institute of Fiscal Studies looked at the possibility of extending the licence fee to all pensioners or those over a certain age, and found that if this were funded by an increase in the general licence fee it could have undesirable effects (p 113):

For example, if the licence fee were abolished for all pensioners, the rest of the population would incur a 39% increase in their licence fee levels. This would hit many people in the poorest two income deciles very hard. In fact, according to the IFS, 57% of households in these bottom income groups would lose, while only 32% would gain. Thus there would be many more low-income losers than gainers as a result of this reform.

The Panel accepted that there was a case for alleviating the burden on poor households, but took the view that the licence fee system is not “well suited to solving problems of income distribution and that the BBC should not be used as a benefits agency.”(p112)

Apart from extensions of the scheme, the Panel looked at the possibility of changing the rules:

The majority of complaints relate to the warden rules, with the remainder about social mix (ie there were people not in the eligible groups within the sheltered housing scheme) and boundary issues. A possible reform might consist of four changes:

- to remove the restriction that the scheme must be a group of at least four dwellings within a common and exclusive boundary;
- to remove the hours limit on warden assistance;
- to strengthen the criterion that the property must have been erected or converted for the purpose (eg the Regulations could demand that the properties had been “significantly converted”); and
- to provide that the scheme must be separately managed by the local authority, housing association or development corporation.

NB It would be necessary to ensure that the strengthened criteria of “significant conversion” and “separate management” were carefully defined to ensure that the numbers qualifying and therefore the cost of the scheme were kept within reasonable bounds.

The **advantages** of the proposed reform would be that:

- all warden assisted sheltered housing would qualify;
- the boundary issue would be removed; and

- local authorities would have much greater flexibility to designate which properties (and thus which residents) were part of the scheme for licence fee concessions purposes.

The **disadvantages** would revolve around cost. It is estimated that there are some 785,000 sheltered housing units in the UK for the eligible groups of which around 604,000 are pensioners. 413,000 of that 785,000 are currently eligible and claiming for the £5 concession.

If all the remaining 372,000 claimed the £5 licence, the revenue foregone by the BBC would be £36 million in 1999-2000. This figure would rise yearly thereafter as the gap between the £5 licence and the standard licence fee increased (and would widen still further if a digital licence supplement were introduced and those receiving the concession paid no digital licence supplement - at present both those with mono and colour sets pay the same £5 fee) and as the number of people in sheltered housing increased.

The Secretary of State invited viewers, listeners and broadcasters to put forward their views on the future funding of the BBC and consultation lasted until 1 November. On receiving the report he said that he hoped that there would be a vigorous debate.<sup>33</sup> Its findings were considered by the Culture Media and Sport Select Committee in their report *The future funding of the BBC*.<sup>34</sup>

#### **IV Free television licences for over 75s**

The Chancellor of the Exchequer announced in his pre budget statement of 9 November 1999 that all households with a pensioner over 75 would receive a free television licence from autumn 2000. The decision was explained by Treasury Minister Dawn Primarolo on 21 December 1999:

The Government recognise that the television licence fee can be a source of concern for many elderly people. Older pensioner households are more likely to be on low incomes, which is why additional resources will be directed at the 75-plus group. Free television licences to people aged 75 years and over, nearly 50 per cent. of whom are in the lowest three income deciles, is a significant measure for poorer pensioners and will benefit over three million pensioner households.

This measure builds on a number of significant improvements we have made in respect of provision for pensioners. Pensioners aged 75 and over now have a Minimum Income Guarantee of at least £77.30 plus housing costs for single pensioners and £119.85 plus housing costs for couples. The Government have

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<sup>33</sup> DCMS press notice, 5 August 1999

<sup>34</sup> 1999-2000, HC 25 I and II

committed to uprate the Minimum Income Guarantee by earnings growth during this Parliament.<sup>35</sup>

Further details of the scheme were announced by the Secretary of State on 21 February 2000<sup>36</sup> when he announced that the scheme would begin on 1 November 2000 and that short term licences and refunds would be available to those who needed them. He also confirmed that the £5 scheme would be retained for those not yet 75 living in qualifying accommodation.<sup>37</sup>

On concessions, we have already gone beyond the Davies panel's recommendation on assistance for pensioners with the announcement of free licences for the over-75s. I can now announce that we expect the scheme to start on 1 November, subject to parliamentary approval of the necessary legislation. From 1 April, those who will be over 75 on 1 November, or who will turn 75 after that date but before their licence would expire, will be able to buy a short-term licence, lasting till 1 November. From 1 November, refunds will be available in respect of licences already paid for. I have also asked that the BBC will take steps to ensure that all those reaching their 75th birthday know that they are entitled to a free licence, and how to apply.

We accept the Davies panel's other recommendations for achieving fairness, and we shall therefore ensure that there is a half-price television licence for blind people from April this year; that subtitling of programmes is further developed; and that the cash easy-entry easy-payment scheme is simplified and made more equitable.

There remains the issue of what to do about the accommodation for residential care concessionary scheme, which is the main focus of current concessions. Although the majority of the current beneficiaries are over 75 and will receive free licences, about 130,000 pensioners and mentally and physically disabled people will be left in the scheme. Notwithstanding the drop in the number of people benefiting from the scheme, we propose to keep the existing arrangements for concessionary licences. Therefore, on concessions, we are: introducing free television licences for the over-75s from 1 November; introducing half-price television licences for blind people from 1 April; setting new targets for subtitling for new BBC digital services; simplifying and making more equitable one of the key easy-payment schemes; and retaining the current accommodation for residential care concessionary scheme.

Our key aims throughout have been to ensure accountability, choice, quality, and value for money. I hope the House agrees that this package is one from which our constituents will benefit. In return for 3p a week extra on top of the RPI, they will be assured of good programming and good value for money from a BBC that will

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<sup>35</sup> HC Deb vol 341 c 576W

<sup>36</sup> HC Deb vol 344 c 1240ff

<sup>37</sup> *ibid* c 1242

be able to continue to deliver the quality we expect as the new digital world increasingly becomes a reality.

Giving evidence to the Culture Media and Sport Committee on 7 December 1999, the Secretary of State Chris Smith explained why it had been decided to provide free television licences rather than a lump sum in cash:

There are two reasons for that. One, that the payment of £101 for a licence fee is a major lump sum payment which pensioners face at some stage during the course of the year. If simply by an addition to the pension generally you put funds directly into their pockets then you still face the difficulty of a lump sum payment unless, of course, you make it available as a single lump sum but then effectively that is what the present proposal is doing. The second thing to say is that if it becomes part of the general pensioners' income it begins to be taken into account, for example, in matters such as the calculation of Housing Benefit payments and so forth and becomes worth rather less to pensioners than if it is earmarked for a very specific purpose.<sup>38</sup>

He also explained that a mechanism for compensating the BBC for loss of income was being devised so as not to compromise the “arm’s length” principle. He said:

The principle is that this is a payment to and for individuals, it is not a payment handed over to the BBC specifically labelled “broadcasting.”<sup>39</sup>

A Deed of Variation of the Agreement under which the BBC operates dated 3 July 2000<sup>40</sup> states that the DSS is to pay the BBC the cost of the free licences and the administration of the scheme. Thus the Government is buying the licences for the recipients, not making a general grant to the BBC. When the change was debated in the First Standing Committee on Delegated Legislation in 19 July, Janet Anderson sought to allay concerns about the independence of the BBC:

Concerns have been expressed that direct payments by the Government to the BBC could compromise the BBC's independence. We believe that such concerns are unfounded in this case. The amount payable by the DSS to the BBC will not be at the whim of the DSS, but will depend on the number of free licences issued and the costs of administering the free licence scheme. The DSS will effectively take over payment of the licence fee from individuals aged 75 or over, so payments from the DSS will make up part of the BBC's licence fee revenue. However, that provides no opportunity for the Government to influence or attempt to influence the BBC.<sup>41</sup>

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<sup>38</sup> 1999-2000 HC 25-II, p 175

<sup>39</sup> Culture Media and Sport Committee, Third Report 1999-2000. HC 25 II, c 174

<sup>40</sup> Cm 4797

<sup>41</sup> SC Deb, c 4

## A. Implementation

New legislative measures, in addition to the amendment of the Agreement with the BBC, were necessary to implement the Chancellor's decision

The *Television Licences (Disclosure of Information) Act 2000* was passed to enable the Secretary of State - in practice, the Secretary of State for Social Security - and, in Northern Ireland, the Department for Social Development, to supply to the BBC limited descriptions of personal information to help the BBC verify the eligibility of persons for certain kinds of television licence - principally free television licences. The new Act also makes provision to protect such information by making it an offence for a person (e.g. an employee of the BBC) to disclose it without lawful authority.

The Explanatory Notes to the Act set out how it is intended to make it easier for applicants and the BBC alike to make and check on applications:

The Department of Social Security ("DSS") and the Northern Ireland department hold a range of computerised records about individuals, which has been gathered for the purposes of their functions in relation to social security and other benefits. With upwards of three million people potentially eligible for free licences under the Chancellor's proposals, it has become clear that the most effective way for the BBC to verify an applicant's eligibility is for it to set up a data base for the purpose, by receiving an electronic copy of information held on the DSS's and the Northern Ireland department's data bases. The BBC can then check that the information (e.g. age, address and national insurance number) supplied by an applicant matches that on the data base, and in general need make further enquiries only where there is a discrepancy between the two sets of data. Such checks are needed in the interests of detecting mistaken or fraudulent applications for licences. The chosen system would relieve most applicants of the need to submit documentary proof of entitlement, making the application process less burdensome for them and removing a significant administrative burden from the BBC. However, neither the DSS nor the Northern Ireland department would have legal authority to disclose the necessary information without the new powers contained in this Act.

The decision to give free licences to over 75 year olds does not mean that they are exempt: they will still have to have a licence even if they have not paid for it. The *Wireless Telegraphy (Television Licence Fees) (Amendment) Regulations 2000*<sup>42</sup> enable transitional licences to be issued to those who are 75 on 1 November 2000 and whose licence expires before that date and interim licences to be issued to those who will become 75 after 31 October 2000 to cover them for any period of time between expiry of their current licence and their birthday. The cost for colour is £8.666 for each month or part of a month, the amount being rounded down to the nearest penny where necessary.

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<sup>42</sup> SI 2000/630

TV Licensing, on behalf of the BBC, has written to every household to publicise the scheme and to invite applications. The purchase of a short term licence ensures that the holder will receive a free one when the scheme comes into force, or he or she becomes eligible.

Those who had a full licence before it was possible to buy a short term one (before 1 April 2000) and this licence runs beyond 1 November, can claim a refund. Similarly, holders of licence savings stamps can cash them by sending them to TV Licensing, Bristol BS98 1TL. They should be sent by registered post. Post Offices cannot cash them.

Further information is provided in a DCMS Press Notice of 21 February:

- The new licence will come into effect on 1 November of this year. Current licences will need to be held normally until that date. Following 1 November people aged 75 and over will still have to apply for a licence, but will receive the new free licence.
- The measures allow for only one free licence per household.
- The free licence applies to the principal residence only.
- Anyone who qualifies for the concession and whose last paid-for licence expires after 1 November will be entitled to a refund for complete months between 1 November and the expiry date. Refunds will be issued as soon as possible but, in view of the large number of claims that will need to be processed in the first year of the scheme, this process may take some time. The BBC will aim to have processed all claims by the end of March. People who turn 75 after 1 November this year will likewise be entitled to a refund for complete months between their 75th birthday and the expiry of their last paid-for television licence.

A question and answer sheet attached to the press notice is reproduced as Appendix II to this paper.

## **B. The Cost**

The cost of the concession for households with someone over 75 is estimated to be £334 million with an additional £23.4 million in administration costs in the first year.<sup>43</sup> Approximately 3.5 million households will benefit from the concession<sup>44</sup> About 650,000 people qualify for the £5 concessionary licence and of these, around 80% are over 75 and

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<sup>43</sup> 2 May 2000; HC Deb vol 349 c 20W

<sup>44</sup> 23 June 2000, HC Deb 352 c 323W

will therefore pay nothing when the scheme is in force.<sup>45</sup> There are no refunds in these circumstances.

## V Other Concessions

### A. Blind persons

Under S.2(2) of the *Wireless Telegraphy Act 1949* the BBC shall "to such extent as the Secretary of State may determine, dispense with the payment of any sum which would otherwise be payable on the issue or renewal of the licence" when application is made by a registered blind person not resident in an institution or school. The television licence itself stated that registered blind persons pay £1.25 less on production of a local authority certificate.

Until the radio licence was abolished in 1971, blind people had, through a long standing concession, received free radio licences and their combined radio/television licence fees were reduced by the amount of the radio licence. When the radio-only licence, which had cost £1 5 shillings since August 1965 ( the equivalent before decimalisation of £1.25 ) was abandoned, the reduction for the blind on the television licence remained. The colour television licence fee was £11 in January 1969 and £12 in July 1971, and for monochrome £6 and £7, respectively. Answering a PQ on 13 April 1999, Janet Anderson stated that if the reduction had been increased in line with the All Items Retail Prices Index, it would then have been £10.17.<sup>46</sup>

A sound-only television monitor, available from the Royal National Institute for the Blind, may be operated without a licence.

The Davies Panel recommended a significant increase in the reduction for blind people (p 129):

The Panel understand the disappointment and frustration people with a serious sight problem face at not being able to get as full access as possible to television. It is also clear that even when blind people are able to benefit from audio description technology, which is some years away, they will not derive anything like the full benefit of television. We therefore support the RNIB's case for an increase in the discount available to blind people. We recommend that the current discount of £1.25 is increased to the equivalent to 50% of the full colour (or digital) licence fee, thus allowing automatic uprating. We also recommend that the discount should be restricted to registered blind people and that it should not be restricted to households with blind-only people.

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<sup>45</sup> 10 July 2000, HC Deb 353 c 617W

<sup>46</sup> HC Deb vol 329 c 89W

This recommendation was accepted and implemented from 1 April by a determination under section 2(2) of the Wireless Telegraphy Act 1949 (as amended).

There is no concession for deaf people, although those living in qualifying sheltered accommodation can, of course, benefit from the concessionary television licence scheme. The Davies Panel did not advocate the introduction of any new concession, but were critical of current targets for the provision of subtitles in new digital services (p 127):

Digital needs to be inclusive of all members of society and it has huge potential for improving services to those with sensory disabilities. The BBC must, therefore, take the lead in ensuring that the potential for digital to increase accessibility is maximised. Our view is that the above targets for subtitling the new services are wholly inadequate - only 50% ten years from now -and we recommend that the BBC aims to achieve 50% by year five and 100% by year ten. We recognise that this will have cost implications, but the BBC, as the nation's primary public service broadcaster, should not simply be aiming to match the targets set in the Broadcasting Act 1996, but to surpass them. We would hope that the other public service broadcasters would follow the BBC's lead.

## **B. Students**

Students who have a television set at their college, hall of residence, etc., need a full separate television licence, unless the television receiver is powered solely by its own internal batteries. Schedule 2 of the 1997 Regulations provides that a television licence will permit the use anywhere of such a receiver by the licensee or by a person normally living with the licensee at the address shown on the licence.

## **VI Easy payments**

In the response to the National Heritage Committee's report of 1993-94 on the BBC, the Government welcomed the BBC's introduction of a monthly instalment scheme and encouraged the BBC to take further steps to develop easy payment schemes.<sup>47</sup>

The Davies Report sets out the various schemes which have become available (p 129-30):

- the **Quarterly Budget Scheme** (used by around 23% of licence fee payers and involves four quarterly payments by direct debit with a £1.25 surcharge each quarter since payments are all in arrears);
- the **Monthly Budget Plan** (used by 16% of licence fee payers and involves six monthly direct debit payments of 1/6 of the full fee initially but then 12 payments of 1/12) of the full fee thereafter. No surcharge is payable since the scheme involves six payments in advance of the renewal date balancing six payments in arrears);

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<sup>47</sup> The future of the BBC, Cm 2621, July 1994, p 54

- **Cash Easy Entry** (Introduced in 1998 and is available to licence fee payers on income related benefits. It involves licence fee payers making weekly cash payments - £3.90 for the first 25 weeks then one week at £3.50 for the £101 fee - designed to pay for the first licence in six months. They then pay for their second licence over the next 26 weeks. Then, in the second year of the scheme, they have a full 52 weeks to pay for their third licence. After the first six months, all payments are therefore being made in advance);
- **Monthly Cash Plan** (currently being piloted - licence fee payers make cash payments on the same basis as the Monthly Budget Plan above);
- **Savings Stamps Scheme** (allows licence fee payers to save up for their licences in advance and the stamps are then accepted effectively as cash in whole or part payment for the full fee).

The Panel commented (p 130):

Take up of Cash Easy Entry has been particularly rapid (from about 75,000 in April 1998 to 273,000 in March 1999), helped by the fact that there is no longer an insistence that those who use the scheme must be unable to use direct debit facilities.

The Panel has noted, however, that although Cash Easy Entry is in some ways more generous than other schemes, in that it allows for weekly and fortnightly payments, it does require its users to pay for two licences in the first year of operation, whereas the Monthly Cash Plan scheme only requires the user to pay for one licence in six months and then allows the user twelve months to pay for their second licence. Moving the Cash Easy Entry scheme on to a similar payment schedule to the Monthly Cash Plan scheme would therefore reduce payments for its users during the second six months of their licences. This would put the scheme on a par with the monthly instalment schemes and be of real benefit to households paying via the scheme.

**The Panel** recommends therefore that the Cash Easy Entry Scheme should be put on a similar payment schedule to the Monthly Cash Plan.

This too was agreed to and implemented by the Wireless Telegraphy (Television Licence Fees) (Amendment) Regulations 2000<sup>48</sup>, the schedule to which sets out the costs for each method of payment to take account of the general increase to £104 for a colour licence:

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<sup>48</sup> SI 2000/630

These Regulations increase the amount of the basic fee for television licences from £33.50 to £34.50 in the case of black and white and from £101.00 to £104.00 in the case of colour. In the case of instalment licences -

- (a) the issue fee for the premium instalment licence (which is not available in the Channel Islands) is increased from £26.50 to £27.25 with instalments increased from £26.50 to £27.25, the total amount payable being £109.00;
- (b) amendments are made in relation to the budget instalment licence so that provision is made for seventeen specified issue fees and a number of instalments thereafter but in each case the total amount payable is £104.00;
- (c) the issue fee for the easy entry licence (which is not available in the Channel Islands or the Isle of Man) is increased from £3.90 to £4.00 with 25 weekly instalments of £4.00, the total amount payable being £104.00;
- (d) the easy entry licence is further amended by the introduction of an alternative issue fee of £52.00 with 13 fortnightly instalments of £4.00, the total amount payable being £104.00.

## Appendix 1

Schedule 2 Part II of the Wireless Telegraphy (Television Licence Fees) Regulations 1997 defines "accommodation for residential care" as follows for England and Wales:

### England and Wales

#### 2. In this Schedule in relation to England and Wales-

"accommodation for residential care" means, subject to paragraph 8 below, either-

- (a) any establishment the sole or main object of which is, or is held out to be, the provision of accommodation, whether for reward or not, for disabled persons, mentally disordered persons or retired persons of pensionable age and which-
  - (i) is provided by a local authority under section 21(1)(a) of the National Assistance Act 1948(a); or
  - (ii) is carried on by a person who is duly registered in respect thereof under Part I of the Registered Homes Act 1984(b) or who would be so registered but for section 1(4) or 1 (5)(j) of that Act; or
  - (iii) is carried on by a person who is duly registered in respect thereof under Part II of the Registered Homes Act 1984 or who would be so registered but for section 21(3)(a) of that Act; or
  - (iv) is an almshouse established as such before 1st November 1949; or
- (b) a group of specially provided dwellings in which the dwellings which satisfy the requirements of paragraph 1(b)(i) to (iii) are dwellings which are provided or managed-
  - (i) under Part II of the Housing Act 1985(a); or
  - (ii) by a housing association within the meaning of the Housing Associations Act 1985(b); or
  - (iii) by a development corporation within the meaning of the New Towns Act 1981 (c) or by the Development Board for Rural Wales in accordance with section 3(2) of the Development of Rural Wales Act 1976(d);

"mentally disordered person" means a person who is suffering from any mental disorder within the meaning of the Mental Health Act 1983(e);

"Pensionable age" has the same meaning as in Schedule 4 to the Pensions Act 1995(f); and

"a right to buy dwelling" is a dwelling owned by a person who bought it in exercise of his right to buy under Part V of the Housing Act 1985 or any successor in title of such a person.

Other parts of the Schedule describe legislation applicable in Scotland, Northern Ireland and the Channel Islands and the Isle of Man.

## Appendix 2

FREE TELEVISION LICENCES FOR PEOPLE AGED 75 OR OVER - A QUESTION AND ANSWER GUIDE. (Taken from DCMS press notice 21 February 2000).

- When does this concession come into force?
- On 1 November this year.
  
- Who will get a free television licence?
- Everyone who is aged 75 or over will be entitled to a free television licence for their principal address.
  
- I am over 75, but there are younger people living at the same address. Do I still qualify for a free licence?
- Yes. Entitlement to the concession will not be affected by the age of other members of the same household.
  
- There is a person over 75 at this address, but the TV licence is in the name of a younger member of the household. Can the older person get the concession, and will the licence need to be transferred to their name?
- The person aged 75 is entitled to a free television licence, but the licence will need to be in their name. The application forms to be sent out by TV Licensing will cover cases of this kind.
  
- How do I apply for a free licence?
- The application process will be kept as simple as possible. TV Licensing will write to all households in good time before 1 November, with an application form to be completed and returned if a member of the household is 75 or over. For most valid claims, a free licence will be issued on the basis of this application, but in some cases TV Licensing may need to ask for additional supporting evidence.
  
- My licence expires before 1 November. Do I need to renew it? If so, do I have to pay the full licence fee?
- If your TV licence expires before the concession comes into force, you will need to renew it, even if you are 75 or over. However, from 1 April short term licences will be available for people aged 75 or over whose licences expire between 1 April and 1 November. The fee payable will be based on the number of months between the date on which the licence should have been renewed and the month when you become entitled to the concession.
  
- I have already renewed my licence, and it doesn't expire until after 1 November. Will I get a refund?
- Anyone who qualifies for a free licence and whose existing licence expires after 1 November will be entitled to a refund for complete months between 1 November and

the expiry date. The majority of refund claims will be processed by Christmas and TV Licensing will aim to have processed all claims by the end of March.

- I buy television licence savings stamps. Can I get a refund?
- Any TV licence savings stamps that are not needed to purchase a new licence can be redeemed by post from TV Licensing at Barton House, Bond Street, Bristol, BS98 1TL. TV Licensing recommends that stamps are sent by registered mail, as they are a cash equivalent. If your current licence expires after 1 April this year, you will have the option of purchasing a short term licence, as described above.
- I will not be 75 until after 1 November this year. Will I still get a free licence? If so, when?  
Yes. People who turn 75 after 1 November this year will become entitled to a free television licence from their 75th birthday. They, too, will be able to purchase a short term licence if they need to renew their licence in the months before they become entitled to the concession. Or, if their last licence extends beyond their 75th birthday, they will be eligible for a refund; details will be available later this year from TV Licensing.
- There are two people aged 75 or over living at this address. Can one of us get a cash payment instead of a free licence? If not, can we get a free licence for a friend or relative, or for a second home?
- Just as a second or third person living in the same household does not need a separate television licence, so only one free licence will be available to each household. No cash payments will be made in place of the free licence, since the purpose of the concession is to ensure access to television for older people and not to provide a cash benefit. Free licences will be issued only for a person's principal address; they will not be available for second homes.
- Why should I bother to get a licence after 1 November, since I am over 75 and it will be free anyway?
- This concession is not an exemption from the television licensing requirements. People aged 75 or over will still need a television licence if they install or use television, but they will not need to pay a fee. For each free television licence issued, the BBC will be able to claim a corresponding payment from the Government. This preserves the principle that everyone who uses television has to have a TV licence, and that the fee goes to fund the BBC
- Where can I get further information?- Further information is available from TV Licensing's information helpline. The helpline number is: 0845 602 3334 (calls will be charged at local rates). You will hear a recorded message with all of the details of how the scheme will operate, and you will then have the opportunity to leave your name and address on an ansaphone so TV licensing can send out leaflets as soon as they become available. Ceefax and BBC Online will also carry the detail for anyone wanting to look it up.