

Dear Mr Colburn,

Thank you for getting in touch regarding TV licences for the over 75s.

You'll be aware of the background to this. Five years ago the government decided to stop funding free TV licences for people over 75 and handed responsibility to the BBC to decide on and pay for any new scheme. Last year, following the largest consultation we've ever done, the Board took what we believe is the fairest decision we could - one that's fair for the poorest older pensioners but also fair for all licence fee payers.

This new scheme will cost the BBC £250 million per annum. To fund the concession in its entirety would have cost around £750 million, rising to £1 billion by the end of the decade. This would have meant the closure of BBC Two, BBC Four, the BBC News Channel, the BBC Scotland channel, Radio 5live and 5live Sports Extra and a number of local radio stations, resulting in a poorer BBC for everyone.

The BBC is delivering a tough savings programme of £800 million in the first half of the Charter, and is now having to find an additional £125 million this year due to the costs of Covid. The BBC already operates from a very lean base, in the top quarter of media organisations, where only 5% of our costs are spent on overheads. As you'll be aware, as part of our savings programmes we are having to cut more jobs.

It was absolutely right for the BBC to defer implementation when the Covid crisis started. We absolutely recognise that this has been a tough time for everyone and hope that the services we have provided have helped support our audiences. Our decision to start the new scheme in August has not been easy but we could not continue delaying without cutting programmes and services. We have set out an implementation plan for the new scheme that is Covid safe and means that no one will need to leave their house. 450,000 households have already claimed for their free TV licence.

We believe that we have taken the fairest decision for the poorest oldest pensioners and all licence fee payers so the BBC can continue to deliver the programmes and services for all our audiences.

Best wishes,

Tony Hall  
Director-General