

# STATES OF JERSEY



## **BUDGET 2006: SECOND AMENDMENTS (P.266/2005) – COMMENTS**

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**Presented to the States on 29th November 2005  
by the Employment and Social Security Committee**

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**STATES GREFFE**

## COMMENTS

The Employment and Social Security Committee would make the following observations on the practicality of the proposals.

- The licence is not free.
- The TV Licence Scheme for all people aged 75 and over was introduced in the U.K. on the basis that “the universal licensing requirement is not undermined”. The BBC and its appointed licensing agency administer the system, the cost of which is reimbursed by the U.K. Government (and, similarly, in Guernsey).
- All administration would have to be carried out by Employment and Social Security.

The U.K. system and that adopted by Guernsey and the Isle of Man, is the universal entitlement for all 75s and over. Senator Vibert’s amendment introduces a form of means-testing to target it to a specific income group.

The administration of the proposed income-tested scheme would not, therefore, be as straightforward as in Guernsey or the U.K. In essence, all that the Guernsey Administration does is “register” new claims and pass details over to the TV Licensing Agency which then makes all the administrative arrangements for what are, in effect, “concessionary licences”. The Guernsey Authority is then only required to make quarterly payments.

It is also important to note that the system in the U.K. is governed by the “Wireless Telegraphy Act 1949” which was amended to accommodate the concept of concessionary licences. During previous discussions with the BBC and their appointed agents in the U.K., it was made clear that they would not be prepared to administer any scheme different to that in the U.K. for legal, enforcement and administrative reasons. In short, any different approach to supporting people with the cost of their TV Licences would have to be administered by the Department in full.

- Method of payment

The simplest mechanism would be a lump sum payment to be made to the household on presentation of the renewed licence. However, there would also have to be some checks carried out on income.

- Costs

Administration costs, therefore, are likely to be in the order of £40,000 and require some additional manpower.

In addition, given the rising demographics, it is very likely that the annual cost of this benefit will grow at a faster rate than normal growth allocation would allow.

- Timeframe

If the States approve the amendment the Minister for Social Security will need to bring a proposition to the States early in the new year setting out the process, method and start date for the scheme.