

STATES OF JERSEY



BUDGET 2004: SECOND AMENDMENT

**Lodged au Greffe on 18th November 2003
by Deputy G.P. Southern of St. Helier**

STATES GREFFE

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To increase the estimate of revenue expenditure of the Employment and Social Security Committee from £80,401,400 to £80,656,400 by adding –

£255,000 to enable a 20% subsidy on the cost of a television licence for those aged 65 and over living in domestic accommodation.

DEPUTY G.P. SOUTHERN OF ST. HELIER

REPORT

Members will be aware of my proposition P.149/2003, which sought to provide a subsidy for television licences for those aged 65 and over by redirecting funding originally designed for that function from the over-65 Health Scheme. At the time, I believe I had identified an underspend in that scheme, which could have been used to deliver additional benefit to the over 65s.

The latest information on the growth of the current membership and the projections for expenditure for the years 2004 and beyond now indicate that funding will be fully used in delivering health services.

Having set out to revive the debate on a subsidy for television licences, which has been ongoing since 1999, I realise that there is an argument that, at a time of scarce resources, this is regarded by some as a non-essential area of spending. Nevertheless, for many of the elderly it is both a large item of annual expense which is not easy to find in one go, and seen as essential to their quality of life.

At every election, it seems to me that politicians pledge support to a subsidy, some more strongly than others, I am introducing this issue into the budget debate partly to test the strength of some of those pledges.

In deciding who should be targeted for concessionary rate of licence, one faces the choice between selecting for age (i.e. over 75s), or by need (some form of means testing) or simply to give a smaller discount to all senior citizens. I have opted for simplicity of administration as my watchword. Any form of means testing will have administration costs attached, and is likely to reduce take-up of the benefit. Selection of those over 75 also seems to me an arbitrary process; the concession should apply to all pensioners. One of the reasons for proposing an across-the-board subsidy many over 65s are ineligible for the health scheme, and the benefit they might have anticipated when a television subsidy was raised in 2000 has not been delivered.

On this basis, according to the 2001 census, there are some 8,000 (7,982) pensioner households which will be eligible to claim the concessionary rate. The allocation of £255,000 would allow a rebate of 20% on the cost of the TV licence (£23 on the current cost of £116).

Financial and manpower considerations

The financial implications of this amendment, if accepted, are self-evident.

I envisage that the simplest form of rebate will be instituted, whereby any pensioner who submits a receipt for payment of the TV licence, will be refunded by the Social Security Department. This will have a minimal impact on staffing requirements.