

# Annex 6

Possible reform of the Accommodation for Residential  
Care concessionary scheme

## Possible reform of the Accommodation for Residential Care Concessionary Scheme

This scheme allows pensioners, people with disabilities, mental illnesses or learning difficulties to pay a £5 licence fee provided they live in one of two categories of accommodation:

- registered residential or nursing homes (whether run by the private or public sector); or
- certain categories of sheltered housing schemes run by local authorities, housing associations or development corporations.

Most complaints about the current scheme come from those in sheltered housing. These complaints fall into two categories:

- those deriving from the criteria for sheltered housing; and
- the time taken to evaluate (against complex criteria) whether an individual scheme qualifies or not.

Under the current criteria, sheltered housing must be:

- a group of at least four dwellings within a “common and exclusive boundary” provided for occupation by the “eligible groups”;
- erected or converted for that purpose;
- provided with a warden who lives or works there for at least 30 hours per week; and
- run by a local authority, housing association or development corporation.

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 important 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.

