

**EXPLANATORY MEMORANDUM TO THE
COMMUNICATIONS (TELEVISION LICENSING)(AMENDMENT)
REGULATIONS 2006**

2006 No. 619

1. This explanatory memorandum has been prepared by the Department for Culture, Media and Sport and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. **Description**

- 2.1 These Regulations raise the levels of the fees payable for different types of TV licences in line with the settlement that has been in place since 2000.

- 2.2 They also amend the definition of a television set, for the purposes of the dealer notification requirements under the Wireless Telegraphy Act 1967 (as amended).

- 2.3 In addition they amend the Communications (Television Licensing) Regulations 2004, S.I. 2004/692 (“the 2004 Regulations”), to update references to repealed or revoked legislation or to reflect machinery of government changes.

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

The Regulations will introduce licence fee increases of 1.5% above the rate of inflation as measured by the Retail Prices Index (RPI) for the twelve months to September 2005. The policy background to these increases is set out at paragraph 7 below.

4. **Legislative Background**

- 4.1 Section 363 of the Communications Act 2003 (“the 2003 Act”) makes it an offence to install or use a television receiver unless that installation or use is authorised by a licence under Part 4 of that Act (defined by section 364(1) as “a TV licence”). It also makes it an offence for a person to have a television receiver in his possession or under his control either intending to install or use it without having an appropriate TV licence, or knowing (or having reasonable grounds for believing) that another person intends to do this.

- 4.2 The fees payable for TV licences are set by regulations made under Section 365 of the 2003 Act. That section also states that such regulations may include provision for the means by which entitlement to a “concession” (as defined by subsection (5) of that section) must be established and for the payment of relevant sums by means of an instalment scheme.

4.3 In addition, section 365 requires the consent of the Treasury for the making of any regulations under the section. This consent has been obtained.

4.4 These Regulations raise the level of the fees payable for different types of TV licence in line with the licence fee settlement that has been in place since 2000 (see paragraph 7 below for details). They also make amendments to the provisions set out in the 2004 Regulations relating to concessions and to the payment of licence fees by instalments.

4.5 Under the provisions of the Wireless Telegraphy Act 1967 (as amended), television dealers are required to notify sales of television sets to the BBC as television licensing authority. Section 6 of that Act provides that a television set for these purposes means any apparatus of a description specified in regulations made by the Secretary of State. The description is contained in regulation 11 of the 1994 Regulations. These regulations amend that description of a television set to exclude mobile phones, so that the notification requirements will not apply such equipment.

5. Extent

5.1 This instrument applies to all of the United Kingdom.

5.2 Apart from the amendment to the definition of “television set” for the purposes of dealer notification requirements under the Wireless Telegraphy Act 1967 (the relevant sections of which do not extend to the Channel Islands or Isle of Man), these Regulations also apply to the Channel Islands and the Isle of Man whose legislatures have been consulted and have consented to the Regulations, so far as they are applicable.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 The TV licence fee system is the principal source of income for the BBC. In 2000 the Government and the BBC agreed a new licence fee settlement under which the level of the fees charged for TV licences was to rise by RPI plus 1.5% per annum. This settlement is to be in place until 2006 inclusive.

7.2 Licence fee increases are calculated by applying the RPI increase for the year to the preceding September, plus 1.5%, to the previous unrounded licence fees and rounding up the result to the nearest 50 pence. The September 2005 RPI figure was 2.7%, giving a total increase of 4.2%. This means that colour licence fees will go up from £126.50 to £131.50 and black and white licence fees from £42 to £44.

7.3 In the BBC Charter review Green Paper published in March 2005, the Government proposed that the BBC should continue to be funded by the licence fee until 2016. The Government is currently considering the level of the new licence fee settlement, due to come into force in April 2007. In doing so, it will consider the framework set by the new Charter and Agreement. The Government will announce the details of the settlement in due course.

8. Impact

A Regulatory Impact Assessment (RIA) has not been prepared for this instrument. The Department for Culture, Media and Sport has considered the need for an RIA but concluded that, insofar as these Regulations will have an impact on business, charities or voluntary bodies, that impact is entirely deregulatory, namely the exemption of mobile phones from the dealer notification requirements.

9. Contact

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