

EXPLANATORY MEMORANDUM TO
THE COMMUNICATIONS (TELEVISION LICENSING) (AMENDMENT)
REGULATIONS 2021

2021 No. 124

1. Introduction

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

2. Purpose of the instrument

- 2.1 These Regulations amend the Communications (Television Licensing) Regulations 2004 (“the 2004 Regulations”) (S.I. 2004/692). They amend the 2004 Regulations to increase the level of the television licence fee in line with the Consumer Price Index from £157.50 to £159.00 for a colour licence, and from £53.00 to £53.50 for a black and white licence, and increase the sums payable by way of instalments under instalment schemes set out in the 2004 Regulations.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 None.

Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)

- 3.2 As the instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

4. Extent and Territorial Application

- 4.1 The extent of this instrument is the United Kingdom, the Channel Islands and the Isle of Man. As these Regulations contain only amendments to the 2004 Regulations, the extent of the amendments is governed by the 2004 Regulations.
- 4.2 The territorial application of this instrument is the United Kingdom, the Channel Islands, and the Isle of Man, save for Regulations 4(35) and (36) which apply to the United Kingdom only. As these Regulations contain only amendments to the 2004 Regulations, the territorial application of the amendments is governed by the 2004 Regulations.

5. European Convention on Human Rights

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

6. Legislative Context

- 6.1 The Secretary of State for Digital, Culture, Media and Sport has powers to make regulations to set fees for television licences in the United Kingdom, under the

sections of the Communications Act 2003 ("the 2003 Act") cited in the preamble to these Regulations. The relevant sections of the 2003 Act have been extended, with modifications, to the Crown Dependencies (the Isle of Man, the Bailiwick of Jersey and the Bailiwick of Guernsey), by the Orders cited in the preamble to these Regulations. The 2004 Regulations were made in exercise of the relevant powers and extend, in part, to the Crown Dependencies. These Regulations amend the 2004 Regulations.

7. Policy background

What is being done and why?

- 7.1 Section 365 of the 2003 Act grants the Secretary of State for Digital, Culture, Media and Sport the power to determine the level of the television licence fee, though in practice the licence fee level is agreed between the government and the BBC in negotiations, as is set out in the BBC Charter.
- 7.2 During the last licence fee funding settlement negotiations in 2015, the government guaranteed the BBC that the television licence fee level would increase in line with inflation until 2021/2022. This followed a six-year freeze in the level of the television licence fee at £145.50 from 2010 – 2016. This was agreed as part of a wider deal in which the BBC accepted responsibility for the Over 75s television licence fee concession from June 2020, and assented to licence fee revenue being used to fund the Welsh language broadcaster, S4C and the BBC World Service.
- 7.3 This decision was committed in writing in a letter to Lord Hall, Director-General of the BBC, on 3 July 2015; it was then included in the Summer Budget, delivered 8 July 2015; and it was detailed in the 2016 White Paper 'A BBC for the future: a broadcaster of distinction'.
- 7.4 Consequently, from 2017 onwards, the government has used secondary legislation to increase the cost of the licence fee in line with inflation on an annual basis. These Regulations uphold the government's commitment, as made in 2015, and will increase the level of the television licence fee with effect from 1 April 2021 to £159.00 for a colour licence and to £53.50 for a black and white licence.
- 7.5 As with many issues relating to the BBC, the level of the television licence fee usually attracts some public interest and media attention as it is licence fee payers who will provide the additional £1.50 in funding. However, this is the last year the government has committed to increasing the television licence fee in line with inflation. Future decisions will be made as part of the upcoming 2022 licence fee settlement.

8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union

- 8.1 This instrument does not relate to withdrawal from the European Union / trigger the statement requirements under the European Union (Withdrawal) Act.

9. Consolidation

- 9.1 There are no plans for consolidation.

10. Consultation outcome

- 10.1 There are no plans for consultations on this legislation. The licence fee funding model itself was considered as part of the BBC Charter Review in 2015, <https://www.gov.uk/government/consultations/bbc-charter-review-public-consultation>. The consultation found that the majority of respondents did not want to see a change in the way the BBC is funded: 60% thought the current licence fee model did not need to be changed. The government committed to maintain the current model for the duration of the Charter (until 2027) and guaranteed that the licence fee would increase with inflation each year for the first five years.

11. Guidance

- 11.1 The government is not intending to produce guidance alongside this SI. As with previous years, the TV Licensing will ensure that licence fee payers are made aware of the increase to the television licence fee and methods of payments. Existing guidance on the TV Licensing website (<https://www.tvlicensing.co.uk/pay-for-your-tv-licence/ways-to-pay>) will be updated by the time the increase comes into effect on 1 April 2021.

12. Impact

- 12.1 The impact on business, charities or voluntary bodies is that the new level of the licence fee will be payable where a new television licence is required on or after 1 April 2021.
- 12.2 The impact on the public sector is that the new level of the television licence fee will be payable where a new television licence is required on or after 1 April 2021.
- 12.3 An Impact Assessment has not been prepared for this instrument because it is expected that there will be a low level of impact per business. Where a new television licence is required on or after 1 April 2021, the new level of the television licence fee payable reflects the level of inflation. Therefore the cost for any business requiring a television licence will rise by £1.50 per business.

13. Regulating small business

- 13.1 The legislation does not apply to activities that are undertaken by small businesses.

14. Monitoring & review

- 14.1 The approach to monitoring of this legislation is to not review or monitor the instrument. The BBC and its agents using the 'TV Licensing' trademark owned by the BBC are responsible for the collection and enforcement of the television licensing regime.

15. Contact

- 15.1 Rachel Walsham at the Department for Digital, Culture, Media and Sport, telephone: 020 7211 6931 or email: rachel.walsham@dcms.gov.uk can be contacted with any queries regarding the instrument.
- 15.2 Simon Blake, Deputy Director for Media Policy, at the Department for Digital, Culture, Media and Sport can confirm that this Explanatory Memorandum meets the required standard.

15.3 The Secretary of State for Digital, Culture, Media and Sport, Oliver Dowden can confirm that this Explanatory Memorandum meets the required standard.