

EXPLANATORY MEMORANDUM TO
THE COMMUNICATIONS (TELEVISION LICENSING) (AMENDMENT) (NO. 2)
REGULATIONS 2018

2018 No. 339

1. Introduction

1.1 This explanatory memorandum has been prepared by 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).

2.2 They amend the 2004 Regulations to introduce a Simple Payment Plan licence (SPP) on a trial basis. The SPP licence costs the same as the standard colour TV licence, will be £150.50 from 1 April 2018, and it can be paid in monthly or fortnightly instalments in a pay-as-you-go model. The SPP licence will be available for a limited period only and for specific groups of TV licence customers.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

Other matters of interest to the House of Commons

3.2 As this instrument is subject to negative resolution procedure and has not been prayed against, consideration as to whether there are other matters of interest to the House of Commons does not arise at this stage.

4. Legislative Context

4.1 The Government committed in its BBC White Paper *A BBC for the Future: a Broadcaster of Distinction* in May 2016 to bring forward regulations to allow the BBC to trial a more flexible payment plans for those facing difficulty in paying the TV licence fee.

5. Extent and Territorial Application

5.1 The extent of this instrument is the United Kingdom.

5.2 The territorial application of this instrument is the United Kingdom.

6. European Convention on Human Rights

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

7. Policy background

What is being done and why

- 7.1 The independent TV licence fee enforcement review undertaken by David Perry QC in 2015 made a recommendation that the Department for Digital, Culture, Media and Sport should, in conjunction with the BBC, explore ways of amending the TV licensing regulations to allow simple and flexible payment plans for those facing difficulty in paying the licence fee. The Government confirmed its intention to bring forward legislation to allow the BBC trial alternative payment plans in its BBC White Paper in May 2016.
- 7.2 These regulations will put in place a six month period during which the BBC (under its TV Licensing trademark) will be able to enrol certain groups of customers to the SPP licence scheme. There are three groups of eligible customers: people who have been questioned under caution for TV licence fee evasion and therefore may face prosecution; people who have sought advice from a debt advice charity about their financial obligations; and people who have recently become unlicensed and missed payments on their previous licence. These groups are being targeted because we believe they contain people who would want to be licensed but face difficulty in paying the current instalment plans which require a customer to pay the cost of their annual licence either in full at the start of the licence, or over the first six months of their licence. (The only exception to this arrangement is the Premium TV licence which is paid quarterly but attracts an additional charge of £5.)
- 7.3 The SPP licences will be available from 1 April to 30 September 2018. After this the licences will not be available for new customers. Those who have SPP licences will be compared against other licence fee payers to see whether the new licence assists customers in becoming, and staying, licensed. The regulations make provision for a SPP licence to be renewed after the first licence expires. Following the renewal cycle finishing at the end of September 2019, the BBC will assess the impact of this new licence and the Government will then decide whether a SPP type licence should be available permanently or what other steps it could take to help customers who face difficulty in paying the licence fee.

Consolidation

- 7.4 There are no plans for consolidation.

8. Consultation outcome

- 8.1 The Government considered the TV licence fee model and BBC funding issues throughout the BBC's Charter Review, which commenced in July 2015 and concluded in December 2016 with the publication of the new Royal Charter.

9. Guidance

- 9.1 The BBC will (through TV Licensing) ensure that relevant customers are made aware of the SPP licence and given the opportunity to pay their licence fee through the scheme.

10. Impact

- 10.1 There is no impact on business, charities or voluntary bodies.

10.2 There is no impact on the public sector.

10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

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

12. Monitoring & review

12.1 The BBC have procured a contractor who will monitor the impact of SPP licence on customer behaviour through a control trial. The BBC will report on its findings to the Secretary of State for Digital, Culture, Media and Sport once the trial has ended and the Government will then decide whether to make a similar licence permanently available or any other changes to help customers. This is expected to happen in 2020.

13. Contact

13.1 Eeva Pellonpera at the Department for Digital, Culture, Media and Sport, telephone: 0207 211 6759 or email: eeva.pellonpera@culture.gov.uk can answer any queries regarding this instrument.