[GB] Proposed legislation to modify the functions of the BBC and privatise Channel 4

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Currently, there are before the UK Parliament three proposed items of legislation which, if enacted, will affect the BBC and, in one instance, another public sector broadcaster (PSB): Channel 4.

The BBC Licence Fee (Civil Penalty) Bill proposes to decriminalise the non-payment of the BBC licence fee. The prime source of annual revenue for the BBC is a fee that users of its terrestrial, streaming and downland TV services have to pay. There are a limited number of licence fee exemptions, otherwise users are liable to criminal prosecution if caught using the BBC services without a licence. The current maximum fine is GBP 1 000 plus court costs. The proposed bill would make using the services without a licence a civil matter and not a criminal offence. A non-payer would be sued for the fee plus costs.

A Department for Digital, Culture, Media and Sport (DCMS) consultation report of February 2020 invited comment on proposals to decriminalise for not having a TV licence. One of the arguments put forward for decriminalising the non-payment of the licence is that it would remove a considerable resource burden from the courts and prosecution services. Also, decriminalisation would protect the most vulnerable, who were more likely not to pay the licence fee. Responses to the consultation were to be submitted by April 2020. Various parties, including the BBC, have submitted their responses, but the DCMS has yet to publish its conclusions. Meanwhile, a private member bill (introduced by a member of parliament rather than the government) has been introduced.

Another proposed item of legislation which affects the BBC is the British Broadcasting Corporation (Oversight) Bill, which proposes to create an independent body to monitor broadcasting impartiality at the BBC. Under the current BBC Charter and Agreement, the broadcaster is regulated by the media regulator Ofcom in accordance with their general duties, as set out in section 3 of the Communications Act 2003.

The Public Services Broadcasters (Privatisation) Bill proposes privatising the BBC and Channel 4. The BBC, ITV, Channel 4 and Channel 5 have, pursuant to the Communications Act 2003, their own PSB remits. Ofcom has responsibilities to monitor and enforce each channel's public service broadcasting obligations. In the

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case of Channel 4, the broadcaster is owned by the public but its income is derived principally from advertising revenue.

In the case of Channel 4, the then government mooted in 2015 that the channel should be privatised, but this was withdrawn when the DCMS's Culture Secretary, Karen Bradley, said that the government regarded Channel 4 as a "precious public service asset." However, some still consider that it could be privatised and still offer a PSB objective.

Under the prevailing Royal Charter for the continuance of the British Broadcasting Corporation 2016 (the Charter), the Corporation can form commercial partnerships through subsidiary companies, although the main corporation cannot enter into commercial activities. This is stipulated at section 23(4) of the 2016 framework Agreement between Her Majesty's Secretary of State for Culture, Media and Sport and the British Broadcasting Corporation (the Agreement) which accompanies the Charter. Section 23(4) of the Agreement is supported by clause 13 of the Charter. Furthermore, Ofcom can undertake a competition review of the BBC, pursuant to section 12 of the Agreement.

The three bills are due to have their second reading on 13 November 2020. All three bills have yet to have their terms fully drafted. The second reading is normally the first opportunity for a bill to be discussed either in the House of Commons or the House of Lords. It is at this stage that the overall principles are discussed. If a bill passes the second reading stage, it then moves to a committee process where it is considered line by line. It is an opportunity for changes to be made to the wording or for new clauses to be added.

British Broadcasting (Oversight) Bill 2017-2019- UK Parliament

https://services.parliament.uk/Bills/2017-19/britishbroadcastingcorporationoversight.html

Public Service Broadcasters (Privatisation) Bill 2017-2019- UK Parliament

https://services.parliament.uk/Bills/2017-19/publicservicebroadcasterprivatisation/documents.html

BBC Licence Fee (Civil Penalty) Bill 2019-21- UK Parliament

https://services.parliament.uk/bills/2019-21/bbclicencefeecivilpenalty.html

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