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Provide for BBC licence fees to be determined by an independent process; and to prevent the imposition on the BBC of non-budgeted costs.

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows: –

BBC Funding

1 Independent body to set licence fees

After section 365 of the Communications Act 2003 (TV licence fees) insert—

“365A Licence Fee Body: establishment

- (1) There shall be a body corporate to be known as the Licence Fee Body, to carry out the functions conferred by section 365B.
- (2) The chair and other members of the Licence Fee Body shall be appointed by the Secretary of State; and in appointing the chair or another member of the Licence Fee Body the Secretary of State must aim—
 - (a) to appoint only persons who appear to be independent (of central government, devolved government and local government, of the BBC and of other media organisations); and
 - (b) to secure an appropriate balance of experience and knowledge.
- (3) Before appointing the chair or another member the Secretary of State must consult—
 - (a) the BBC;
 - (b) the Treasury;

- (c) persons appearing to represent the interests of users of services provided by the BBC; and
 - (d) any other person the Secretary of State thinks appropriate.
- (4) The Secretary of State must make regulations about the constitution and proceedings of the Licence Fee Body; and the regulations may, in particular—
- (a) determine the number of members;
 - (b) make provision about procedure (including a quorum);
 - (c) make provision about the process to be followed in consulting on determinations under section 365B;
 - (d) provide for the payment of remuneration, allowances or other sums out of money provided by Parliament;
 - (e) confer a discretionary power on a specified person (including the Secretary of State);
 - (f) amend an enactment.
- (5) Before making regulations under subsection (4) the Secretary of State must consult the persons listed in subsection (3).

365B Licence Fee Body: functions

- (1) The Licence Fee Body may publish determinations about—
- (a) the amount of sums to be specified in regulations under section 365, and
 - (b) any other matter that may be included in regulations under section 365.
- (2) Where the Licence Fee Body publishes a determination, the Secretary of State must as soon as reasonably practicable—
- (a) lay the determination before Parliament, the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly, and
 - (b) make regulations under section 365 to give effect to the determination.
- (3) Before publishing a determination the Licence Fee Body must consult—
- (a) the Treasury,

- (b) the BBC,
 - (c) persons appearing to the Licence Fee Body to represent the interests of users of services provided by the BBC, and
 - (d) any other person the Licence Fee Body thinks appropriate.
- (4) A determination of the Licence Fee Body must be accompanied by an explanation of the assumptions by reference to which it is made (which may refer to the BBC Charter and Agreement, or any other document).
- (5) If in the opinion of the Licence Fee Body a new or revised requirement or expense is imposed on the BBC (whether or not by an enactment) which falsifies the assumptions on which a determination was based, the Licence Fee Body must—
- (a) review the determination, and
 - (b) issue a revised determination, unless the review concludes that no revision is required.
- (6) Regulations made in accordance with this section do not require the consent of the Treasury (despite section 365(6)).”

Technical provision

2 Commencement, extent and citation

- (1) This Act comes into force at the end of the period of two months beginning with the date of Royal Assent.
- (2) This Act extends to the whole of the United Kingdom.
- (3) This Act may be cited as the BBC Funding Act 2015.