

## SCHEDULES

### SCHEDULE 1

Section 1.

#### THE INDEPENDENT TELEVISION COMMISSION: SUPPLEMENTARY PROVISIONS

##### *Status and capacity*

- 1 (1) The Commission shall be a body corporate.
- (2) The Commission shall not be treated for the purposes of the enactments and rules of law relating to the privileges of the Crown as a body exercising functions on behalf of the Crown.
- (3) It shall be within the capacity of the Commission as a statutory corporation to do such things and enter into such transactions as are incidental or conducive to the discharge of their functions under this Act, including (subject to sub-paragraph (4)) the borrowing of money.
- (4) The power of the Commission to borrow money (otherwise than under paragraph 13) shall not be exercised by them except with the consent of, or in accordance with a general authority given by, the Secretary of State.

##### *Appointment of members*

- 2 (1) A person shall be disqualified for being a member of the Commission so long as he is—
  - (a) a governor or employee of the BBC;
  - (b) a member or employee of the Corporation;
  - (c) a member or employee of the Broadcasting Complaints Commission; or
  - (d) a member or employee of the Broadcasting Standards Council established by this Act.
- (2) The members of the Commission shall not at any time include more than one person who is either a member or an employee of the Welsh Authority.
- (3) Three out of the members of the Commission other than the chairman and deputy chairman shall be persons who appear to the Secretary of State to be suited to make the interests of Scotland, Wales and Northern Ireland, respectively, their special care.
- (4) Before appointing a person to be a member of the Commission, the Secretary of State shall satisfy himself that that person will have no such financial or other interest as is likely to affect prejudicially the discharge by him of his functions as a member of the Commission; and the Secretary of State shall also satisfy himself from time to time with respect to every member of the Commission that he has no such interest.
- (5) Any person who is, or whom the Secretary of State proposes to appoint to be, a member of the Commission shall, whenever requested by the Secretary of State to do

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so, furnish him with such information as the Secretary of State considers necessary for the performance by him of his duties under sub-paragraph (4).

*Tenure of office*

- 3 (1) Subject to the following provisions of this paragraph, each member of the Commission shall hold and vacate office in accordance with the terms of his appointment.
- (2) A person shall not be appointed to be a member of the Commission for more than five years at a time.
- (3) Any member of the Commission may at any time resign his office by notice in writing to the Secretary of State.

*Remuneration and pensions of members*

- 4 (1) The Commission may pay to each member such remuneration and allowances as the Secretary of State may determine.
- (2) The Commission may pay or make provision for paying to or in respect of any member such sums by way of pensions, allowances or gratuities as the Secretary of State may determine.
- (3) Where a person ceases to be a member otherwise than on the expiry of his term of office and it appears to the Secretary of State that there are special circumstances which make it right for him to receive compensation, the Commission may make a payment to him of such amount as the Secretary of State may determine.
- (4) The approval of the Treasury shall be required for any determination under this paragraph.

*Disqualification of members of Commission for  
House of Commons and Northern Ireland Assembly*

- 5 In Part II of Schedule 1 to the House of Commons Disqualification Act 1975 (bodies of which all members are disqualified) there shall be inserted at the appropriate place—

“The Independent Television Commission”;

and a corresponding amendment shall be made in Part II of Schedule 1 to the Northern Ireland Assembly Disqualification Act 1975.

*Proceedings*

- 6 (1) Subject to paragraph 7, the quorum of the Commission and the arrangements relating to their meetings shall be such as the Commission may determine.
- (2) The arrangements may provide for the discharge, under the general direction of the Commission, of any of the Commission’s functions by a committee or by one or more of the members or employees of the Commission.
- 7 (1) A member who is in any way directly or indirectly interested in any matter that is brought up for consideration at a meeting of the Commission shall disclose the nature of his interest to the meeting; and, where such a disclosure is made—

- (a) the disclosure shall be recorded in the minutes of the meeting, and
  - (b) (subject to sub-paragraph (2)) the member shall not take any part in any deliberation or decision of the Commission, or of any of their committees, with respect to that matter.
- (2) Sub-paragraph (1)(b) shall not apply in relation to any meeting of the Commission at which all of the other members present resolve that the member's interest should be disregarded for the purposes of that provision.
- (3) For the purposes of sub-paragraph (1), a general notification given at a meeting of the Commission by a member to the effect that he is a member of a specified company or firm and is to be regarded as interested in any matter involving that company or firm shall be regarded as a sufficient disclosure of his interest in relation to any such matter.
- (4) A member need not attend in person at a meeting of the Commission in order to make a disclosure which he is required to make under this paragraph if he takes reasonable steps to secure that the disclosure is made by a notice which is taken into consideration and read at the meeting.
- (5) In this paragraph references to a meeting of the Commission include references to a meeting of any of their committees.
- 8 The validity of any proceedings of the Commission shall not be affected by any vacancy among the members or by any defect in the appointment of a member or by any failure to comply with the requirements of paragraph 7.

*Employees of the Commission*

- 9 (1) The Commission shall appoint a secretary and may appoint such other employees as they may determine.
- (2) If the Commission determine to do so in the case of any of their employees, the Commission shall pay to or in respect of those employees such pensions, allowances or gratuities, or provide and maintain for them such pension schemes (whether contributory or not), as the Commission may determine.
- (3) If any employee of the Commission—
- (a) is a participant in any pension scheme applicable to his employment, and
  - (b) becomes a member of the Commission,
- he may, if the Secretary of State so determines, be treated for the purposes of the pension scheme as if his service as a member of the Commission were service as an employee of the Commission.

*Authentication of Commission's seal*

- 10 The application of the seal of the Commission shall be authenticated by the signature of the chairman or of some other person authorised for the purpose.

*Presumption of authenticity of documents issued by Commission*

- 11 Any document purporting to be an instrument issued by the Commission and to be duly executed under the seal of the Commission or to be signed on behalf of

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the Commission shall be received in evidence and shall be deemed to be such an instrument unless the contrary is shown.

*Finances of Commission*

- 12 (1) It shall be the duty of the Commission so to conduct their affairs as to secure that their revenues become at the earliest possible date, and continue thereafter, at least sufficient to enable them to meet their obligations and to discharge their functions under this Act.
- (2) Any excess of the Commission's revenues for any financial year over the sums required by them for that year for meeting their obligations and discharging their functions under this Act shall be applied by the Commission in such manner as the Secretary of State may direct with the approval of the Treasury and after consultation with the Commission.
- (3) A direction under sub-paragraph (2) may require the whole or any part of any excess of the revenues of the Commission to be paid into the Consolidated Fund.

*Advances to Commission*

- 13 (1) For the purpose of—
- (a) furnishing the Commission with working capital, or
  - (b) enabling them to meet any capital expenditure,
- the Secretary of State may, with the consent of the Treasury, make advances to the Commission out of money provided by Parliament.
- (2) The aggregate amount outstanding by way of principal in respect of sums advanced to the Commission under this paragraph shall not at any time exceed £5 million.
- (3) Any sums advanced under this paragraph shall be repaid to the Secretary of State at such times and by such methods, and interest on those sums shall be paid to him at such times and at such rates, as he may from time to time direct with the consent of the Treasury.

*Accounts and audit*

- 14 (1) The Commission shall keep proper accounts and proper records in relation to the accounts, and shall prepare in respect of each financial year a statement of accounts in such form as the Secretary of State may direct with the approval of the Treasury.
- (2) The accounts of the Commission shall be audited by auditors to be appointed by the Commission with the approval of the Secretary of State.
- (3) A person shall not be qualified to be appointed as an auditor in pursuance of sub-paragraph (2) unless he is a member of one or more of the following bodies—
- the Institute of Chartered Accountants in England and Wales;
  - the Institute of Chartered Accountants of Scotland;
  - the Chartered Association of Certified Accountants;
  - the Institute of Chartered Accountants in Ireland;
  - any other body of accountants established in the United Kingdom and for the time being recognised for the purposes of section 389(1)(a) of the Companies Act 1985 by the Secretary of State,

but a Scottish firm may be so appointed if each of the partners in the firm is qualified to be so appointed.

- (4) The Commission shall at all reasonable times upon demand made by the Secretary of State or by any persons authorised by him in that behalf—
- (a) afford to him or them full liberty to examine the accounts of the Commission; and
  - (b) furnish him or them with all forecasts, estimates, information and documents which he or they may require with respect to the financial transactions and commitments of the Commission.

#### *Annual reports*

- 15 (1) As soon as possible after the end of every financial year, the Commission shall prepare a general report of their proceedings during that year, and transmit it to the Secretary of State who shall lay copies of it before each House of Parliament.
- (2) The report shall include a report by the Commission on the extent to which holders of Channel 3 or Channel 5 licences have failed to comply with the conditions included in their licences in pursuance of section 33(1)(a).
- (3) The report shall have attached to it the statement of accounts for the year and a copy of any report made by the auditors on that statement, and shall include such information (including information relating to the financial position of the Commission) as the Secretary of State may from time to time direct.

#### *Advisory committees*

- 16 The Commission may appoint, or arrange for the assistance of, advisory committees to give advice to them on such matters relating to the Commission's functions as the Commission may determine.