



Broadcasting Act 1981

1981 CHAPTER 68

PART I

THE INDEPENDENT BROADCASTING AUTHORITY

Finances of Authority

36 Television and sound broadcasting to be separately financed by Authority

- (1) The provision by the Authority of television broadcasting services, and the provision by them of local sound broadcasting services, shall for financial purposes constitute separate branches of their undertaking; and references in this Act to a branch of the Authority's undertaking shall be construed accordingly.
- (2) For each branch of their undertaking it shall be the duty of the Authority so to conduct their affairs as to secure that their revenues from that branch become at the earliest possible date, and thereafter continue, at least sufficient—
 - (a) to meet all sums properly chargeable to revenue account in respect of that branch of their undertaking (including sums which, for the purposes of that branch, are required for the repayment of loans and interest thereon, for provision for depreciation and for the establishment and maintenance of the reserve fund for that branch); and
 - (b) to make provision towards, and as soon as practicable for, necessary capital expenditure for the purposes of that branch of their undertaking.
- (3) For each branch of their undertaking the Authority shall establish and maintain a reserve fund; and, subject to the following provisions of this section, the management of that fund, the sums to be carried from time to time to the credit of the fund, and the application of the fund, shall be as the Authority may determine.
- (4) No part of either of those funds shall be applied otherwise than for the purposes of the branch of the Authority's undertaking for which the fund was established.
- (5) The Secretary of State may, with the approval of the Treasury, give to the Authority such directions as he may think fit as to any matter relating to the establishment or

management of either of those funds, to the carrying of sums to the credit thereof, or to the application thereof; and the Authority shall comply with the directions.

37 Application of any excess of revenues over expenditure

- (1) In the case of each branch of the Authority's undertaking any excess of the revenues of the Authority for any financial year over the total sums properly chargeable by the Authority to revenue account for that year, including in such sums (without prejudice to the generality of that expression) sums credited under section 36(3) to the reserve fund established for that branch, shall be applied by the Authority in such manner as the Secretary of State, with the approval of the Treasury after consultation with the Chairman (or in his absence the Deputy Chairman) of the Authority, may direct.
- (2) A direction under subsection (1) of this section may require the whole or any part of any excess of the revenues of the Authority to be paid into the Consolidated Fund.
- (3) A direction under subsection (1) of this section shall not require any part of any excess of the revenues of the Authority attributable to one branch of their undertaking to be applied for the purposes of the other branch of their undertaking.

38 Advances to Authority for purposes of local sound broadcasting

- (1) For the purpose of enabling the Authority to defray expenditure properly attributable to capital account in respect of the provision of local sound broadcasting services, and for the purpose of furnishing the Authority with working capital in connection with those services, the Secretary of State may with the consent of the Treasury make advances to the Authority out of money provided by Parliament.
- (2) The aggregate amount outstanding by way of principal in respect of sums advanced to the Authority under this section shall not at any time exceed £2 million.
- (3) Any sums advanced under this section 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.
- (4) All sums received by the Secretary of State in pursuance of subsection (3) shall be paid into the Consolidated Fund.