



Broadcasting Act 1981

1981 CHAPTER 68

PART I

THE INDEPENDENT BROADCASTING AUTHORITY

Rental payments

32 Rental payments by programme contractors

- (1) The contracts between the Authority and the various programme contractors for the provision of television programmes shall provide for payments to be made by the programme contractors to the Authority under two heads, namely—
 - (a) payments representing what appear to the Authority, in relation to the branch of their undertaking consisting of the provision of television broadcasting services, to be the appropriate contributions of the respective programme contractors towards meeting the sums which the Authority regard as necessary in order to discharge their duty under section 36(2) in relation to that branch of their undertaking; and
 - (b) additional payments of amounts determined in accordance with this section.
- (2) The contracts between the Authority and the various programme contractors for the provision of local sound broadcasts shall provide for payments to be made by the programme contractors to the Authority under two heads corresponding to those under subsection (1), namely—
 - (a) payments representing what appear to the Authority, in relation to the branch of their undertaking consisting of the provision of local sound broadcasting services, to be the appropriate contributions of the respective programme contractors towards meeting the sums which the Authority regard as necessary in order to discharge their duty under section 36(2) in relation to that branch of their undertaking; and
 - (b) additional payments of amounts determined in accordance with this section.
- (3) The payments mentioned in subsections (1)(b) and (2)(b) (referred to in this and the following sections of this Act as " additional payments ") shall not form part of the

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revenue of the Authority and, when received by the Authority, shall be paid into the Consolidated Fund of the United Kingdom or the Consolidated Fund of Northern Ireland as provided by section 33(3).

- (4) If the accounting period of a programme contractor is a period of 12 months, the amount of the additional payments to be made by him shall be that provided in the following Table.

TABLE
 RATES OF ADDITIONAL PAYMENTS

	<i>Rate for determining amount of additional payments</i>
For so much of the profits for the accounting period as does not exceed £250,000 or does not exceed 2 per cent, of the advertising receipts for the accounting periods	Nil
For so much of the profits for the accounting period as exceeds £250,000 and exceeds 2 per cent, of those advertising receipts	The relevant rate.

In this Table " the relevant rate " means—

- (a) in relation to additional payments payable by virtue of subsection (1)(b), 66.7 per cent.;
- (b) in relation to additional payments payable by virtue of subsection (2)(b), 40 per cent.
- (5) If the accounting period is more or less than 12 months, for the sum of £250,000 in the Table above there shall be substituted that sum multiplied by

$$\frac{X}{52}$$

where X is the number of weeks in the accounting period, counting an odd 4 days or more as a week.

- (6) In the case of a TV programme contractor who is also a teletext contractor, his profits for any accounting period shall be computed for the purposes of this section as if the teletext transmissions provided by him were television programmes provided by him in his capacity as a TV programme contractor.
- (7) Where an order under section 35 applies to the accounting period of the programme contractor, the amount of the additional payments to be made by him by virtue of subsection (1)(b) or (2)(b) (as the case may be) for that accounting period shall be—
- (a) that prescribed by the preceding provisions of this section, or
- (b) the amount prescribed by the order,
- whichever is the greater.
- (8) The Secretary of State may with the approval of the Treasury, and after consultation with the Authority, by order amend subsections (4) and (5) of this section so as to increase or reduce any rate, or the number of different rates, or the amount to which

any rate applies; and the references in this subsection to a rate include the case where the rate is nil.

Any order under this subsection shall be made by statutory instrument; but no such order shall be made unless a draft of it has been laid before Parliament and approved by resolution of each House.

An order under this subsection shall have effect as respects all additional payments for any accounting period beginning on or after the date on which the order comes into force, whether the contracts under which the additional payments are due were executed before or after the making of the order.

- (9) The power of the Secretary of State under subsection (8) to amend subsections (4) and (5) shall include power to amend those subsections as there mentioned—
- (a) only in their application in relation to the additional payments mentioned in subsection (1)(b); or
 - (b) only in their application in relation to the additional payments mentioned in subsection (2)(b); or
 - (c) differently in their application as mentioned in paragraphs (a) and (b) respectively ;

and, in their application in relation to the additional payments mentioned in subsection (1)(b), shall include power to amend those subsections as mentioned in subsection (8)—

- (i) only in relation to persons who are TV programme contractors (including persons who are both TV programme contractors and teletext contractors); or
 - (ii) only in relation to persons who are teletext contractors but are not TV programme contractors ; or
 - (iii) differently in relation to persons within paragraphs (i) and (ii) respectively.
- (10) Schedule 4 shall have effect for supplementing this section, and in that Schedule this section, together with sections 33 to 35, are referred to as " the principal sections ".