



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 [^{F1}in respect of profits and in respect of advertising revenue] 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 [^{F2}in respect of profits] determined in accordance with this section.

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- (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 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 [^{F3}Tables].

[^{F3}Table A

RATES OF ADDITIONAL PAYMENTS IN
RESPECT OF ADVERTISING REVENUE

	<i>Rate for determining amount of additional payments</i>
For so much of the advertising revenue for the accounting period as does not exceed the free slice for advertising revenue.	Nil
For so much of the advertising revenue for the accounting period as exceeds the free slice for advertising revenue.	The relevant revenue rate except where the rate is nil

For the purposes of this Table—

- (a) a nil rate, instead of the relevant revenue rate, is applicable in the case of persons who are DBS programme contractors or DBS teletext contractors;
- (b) the relevant revenue rate is [^{F4}2.5 per cent]; and
- (c) the free slice for advertising revenue is [^{F5}£25 million] or, in the case of a TV programme contractor, that amount with the addition of the payments payable by him in pursuance of section 13(2).

Table B

RATES OF ADDITIONAL PAYMENTS IN RESPECT OF PROFITS

	<i>Rate for determining amount of additional payments</i>
For so much of the profits for the accounting period after deducting any amount payable under Table A as does not exceed the free slice for profits.	Nil
For so much of the profits for the accounting period after deducting any amount payable under Table A as exceeds the free slice for profits.	The relevant profits rate except where the rate is nil.

For the purposes of this Table—

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- (a) a nil rate, instead of the relevant profits rate, is applicable in the case of—
 - (i) programme contractors who provide local sound broadcasts, and
 - (ii) DBS programme contractors or DBS teletext contractors;
- (b) the relevant profits rate is 25 per cent; and
- (c) the free slice for profits £2 million.]

[(4A)^{F6}]

- (5) If the accounting period is more or less than 12 months, for the [^{F7}relevant sum mentioned in the Tables 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 [^{F8}TV or DBS 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 [^{F8}TV or DBS programme contractor]
- (7) Where an order under section 35 applies to the accounting period of the programme contractor, the amount of the additional payments [^{F9}in respect of profits] 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 [^{F10}any of the provisions of 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.

- [^{F11}(9) The power of the Secretary of State under subsection (8) shall include power to amend the provisions in question 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

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- (c) differently in their application as mentioned in paragraphs (a) and (b) respectively; or
 - (d) only in their application in relation to additional payments in respect of advertising revenue; or
 - (e) only in their application in relation to additional payments in respect of profits; or
 - (f) differently in their application as mentioned in paragraphs (d) and (e) respectively.
- (9A) In the application of the provisions mentioned in subsection (8) in relation to the additional payments mentioned in subsection (1)(b), the power of the Secretary of State under subsection (8) shall also include power to amend those provisions as mentioned in subsection (8)—
- (a) only in relation to persons who are TV programme contractors (including persons who are both TV programme contractors and teletext contractors); or
 - (b) only in relation to persons who are DBS programme contractors (including persons who are both DBS programme contractors and teletext contractors); or
 - (c) only in relation to persons who are teletext contractors (other than DBS teletext contractors) but are not TV or DBS programme contractors; or
 - (d) only in relation to persons who are DBS teletext contractors but are not TV or DBS programme contractors; or
 - (e) differently in relation to persons within paragraphs (a), (b), (c) and (d) 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”.

Subordinate Legislation Made

- P1** S. 32: power previously exercised by S.I. 1982/1522 and 1986/629.
- P2** S. 32(8)(9)(d): s. 32(8) (with s. 32(9)(d)) power exercised (18.12 1991) by S.I. 1991/2868.

Textual Amendments

- F1** Words inserted by Finance Act 1989 (c. 26, SIF 96), s. 181(1), Sch. 16 Pt. I para. 1(2)
- F2** Words inserted by Finance Act 1989 (c. 26, SIF 96), s. 181(1), Sch. 16 Pt. I para. 1(3)
- F3** Word “Tables” and Tables A and B substituted by virtue of Finance Act 1986 (c. 41, SIF 96), s. 111, Sch. 22 Pt. I para. 1(2) and Finance Act 1989 (c. 26, SIF 96), s. 181(1), Sch. 16 Pt. I para. 1(4)
- F4** Words in s. 32(4) substituted (1.1.1992) by S.I. 1991/2868, art. 2(a) for the purposes of Table A.
- F5** Words in s. 32(4) substituted (1.1.1992) by 1991/2868, art. 2(b) for the purposes of Table A.
- F6** S. 32(4A) inserted by Finance Act 1986 (c. 41, SIF 96), s. 111, Sch. 22 Pt. I para. 1(3) and repealed by Finance Act 1989 (c. 26, SIF 96), ss. 181(1), 187, Sch. 16 Pt. I para. 1(5), Sch. 17 Pt. XI
- F7** Words substituted by virtue of Finance Act 1986 (c. 41, SIF 96), s. 111, Sch. 22 Pt. I para. 1(4) and Finance Act 1989 (c. 26, SIF 96), s. 181(1), Sch. 16 Pt. I para. 1(6)
- F8** Words substituted by Cable and Broadcasting Act 1984 (c. 46, SIF 96), s. 40(1)
- F9** Words inserted by Finance Act 1989 (c. 26, SIF 96), s. 181(1), Sch. 16 Pt. I para. 1(7)
- F10** Words substituted by virtue of Finance Act 1986 (c. 41, SIF 96), s. 111, Sch. 22 Pt. I para. 1(5) and Finance Act 1989 (c. 26, SIF 96), s. 181(1), Sch. 16 Pt. I para. 1(8)
- F11** S. 32(9)(9A) substituted for s. 32(9) by Finance Act 1989 (c. 26, SIF 96), s. 181(1), Sch. 16 Pt. I para. 1(9)

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Modifications etc. (not altering text)

- C1** Ss. 32–35 modified (*temp.* ending with 31.12.1992) by Broadcasting Act 1990 (c. 42, SIF 96), s. 129, Sch. 11 Pt. II paras. 2(2)(c), 4, 5, **8(2)(3)**
- C2** Power to modify ss. 32–35 conferred by Broadcasting Act 1990 (c. 42, SIF 96), s. 129, **Sch. 11 Pt. III para. 2**
- C3** Ss. 32–35 modified by Broadcasting Act 1990 (c. 42, SIF 96), s. 129, **Sch. 11 Pt. IV para. 2(3)(c)(4)**
- C4** Finance Act 1986 (c. 41, SIF 96), s. 111, **Sch. 22 Pt. I** and Finance Act 1989 (c. 26, SIF 96), s. 181(1), **Sch. 16 Pt. I**, provide that the Broadcasting Act 1981 shall have effect with respect to additional payments payable by programme contractors as therein mentioned.
- C5** S. 32(4) modified (*temp.* in relation to any time before the making under subsection (8) of section 32 of the 1981 Act of an order amending subsection (4) of that section) by Cable and Broadcasting Act 1984 (c. 46, SIF 96), s. **40(3)**

Changes to legislation:

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