Broadcasting Act 1990

1990 CHAPTER 42

PART I

INDEPENDENT TELEVISION SERVICES

CHAPTER II

TELEVISION BROADCASTING ON CHANNELS 3, 4 AND 5

Channel 4

26 Revenue deficits of Corporation to be funded by Channel 3 licensees

(1) The Commission shall, before the beginning of the year 1993 and each subsequent year—

(a) estimate the amount of the Corporation's qualifying revenue for that year;

(b) estimate the amount of the total television revenues for that year; and

(c) estimate the Corporation's prescribed minimum income for that year;

and the Commission may, on one or more occasions, revise any estimate made by them under this subsection.

(2) For the purposes of this section—

(a) the Corporation's prescribed minimum income for any year shall be 14 per cent. of the total television revenues for that year; and

(b) "total television revenues" means, in relation to any year, the aggregate of the qualifying revenues for that year of the following, namely—

(i) all holders of Channel 3 or Channel 5 licences;

(ii) the Welsh Authority; and

(iii) the Corporation itself.

(3) If, in the case of any year, the aggregate of the following amounts, namely—

(a) the amount of the Corporation's qualifying revenue for that year as estimated by the Commission under subsection (1), and

(b) any amount which, at the beginning of that year, is for the time being standing to the credit of any such reserve fund as is mentioned in section 27(3),

is less than the amount of the Corporation's prescribed minimum income for that year as estimated by the Commission under subsection (1), then (subject to subsection (4)) the amount of the difference shall be raised by the Commission by means of a levy imposed on all persons who are for the time being holders of Channel 3 licences.

(4) The aggregate amount payable by virtue of any levy under subsection (3) shall not exceed 2 per cent. of the amount estimated by the Commission for the year in question under subsection (1)(b); and the amount to be paid by each of the persons subject to the levy shall be such proportion of that aggregate amount as is determined by the Commission in relation to him (and different proportions may be so determined in relation to different persons).

(5) Every Channel 3 licence shall include conditions—

(a) requiring the holder of the licence to pay to the Commission, by monthly instalments, any amount which he is liable to pay by virtue of subsections (3) and (4);

(b) authorising the Commission to adjust the instalments payable by the holder of the licence to take account of any revised estimate made by them under subsection (1); and

(c) providing for the adjustment of any overpayment or underpayment.

(6) Any amount received by the Commission by virtue of subsection (5)(a) shall be transmitted by them to the Corporation.

(7) Where, in respect of any year—

(a) the Commission have imposed a levy under subsection (3), and

(b) the aggregate amount transmitted by them to the Corporation under subsection (6) exceeds the relevant amount,

the Commission shall notify the Corporation of that fact; and the Corporation shall, as soon as reasonably practicable after receiving such a notification, repay to the Commission the amount of that excess.

(8) In subsection (7) "the relevant amount" means the amount by which the aggregate of the following amounts, namely—

(a) the Corporation's qualifying revenue for the year in question, and

(b) any such amount as is mentioned in subsection (3)(b),

is less than the Corporation's prescribed minimum income for that year.

(9) Section 19(2) to (6) shall have effect, with any necessary modifications, for the purpose of enabling the Commission to estimate or determine a person's qualifying revenue for any year for the purposes of this section.

(10) The Secretary of State may by order amend subsection (2) or (4) above by substituting a different percentage for the percentage for the time being specified there; but no such order may be made before the end of the year 1997.

(11) An order shall not be made under subsection (10) unless a draft of it has been laid before and approved by a resolution of each House of Parliament.