



# Broadcasting Act 1996

## 1996 CHAPTER 55

### PART III

#### AMENDMENTS OF THE BROADCASTING ACT 1990

##### *Channel 4 and S4C*

#### **80 Funding of Sianel Pedwar Cymru**

(1) For section 61 of the 1990 Act there is substituted—

##### **“61 Funding of Welsh Authority**

- (1) The Secretary of State shall, in the year 1998 and in each subsequent year, pay to the Welsh Authority the prescribed amount as increased by the appropriate percentage.
- (2) In this section “the prescribed amount” means the 1997 amount or such amount as may from time to time be prescribed under subsection (4).
- (3) In this section “the 1997 amount” means the amount paid by the Secretary of State to the Welsh Authority by way of interim payment for the year 1997 (under this section as originally enacted).
- (4) The Secretary of State may, if he is satisfied that it is appropriate to do so having regard to the cost to the Welsh Authority of transmitting S4C and the service referred to in section 57(1A)(a), by order provide that the prescribed amount is to be an amount which is greater than the 1997 amount and is specified in the order.
- (5) Before making an order under subsection (4) the Secretary of State shall consult the Welsh Authority.

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*Status: This is the original version (as it was originally enacted).*

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- (6) In this section “the appropriate percentage”, in relation to any year (“the relevant year”), means the percentage which corresponds to the percentage increase between—
  - (a) the retail prices index for November 1996, and
  - (b) the retail prices index for the month of November in the year preceding the relevant year;
 and for this purpose “the retail prices index” has the same meaning as in section 19(10).
- (7) Any sums required by the Secretary of State under this section shall be paid out of money provided by Parliament.
- (8) An order shall not be made under subsection (4) unless a draft of the order has been laid before and approved by a resolution of each House of Parliament.”
- (2) In section 62 of the 1990 Act for “sections 26 and 61” there is substituted “section 26”.
- (3) Subsections (1) and (2) shall not have effect in relation to payments for any year before 1998.
- (4) No payment shall be made to or by the Welsh Authority under subsection (3) or (4) of section 61 of the 1990 Act (as originally enacted) for the year 1997; and in this subsection “the Welsh Authority” has the same meaning as in the 1990 Act.

## **81 Public service fund of Sianel Pedwar Cymru**

- (1) After section 61 of the 1990 Act there is inserted—

### **“61A Welsh Authority public service fund**

- (1) The Welsh Authority shall not exercise their powers under section 57(1A)(b) before such date (in this section referred to as “the notified date”) as they may notify to the Secretary of State for the purposes of this section.
- (2) All amounts received by the Welsh Authority under section 61 on or after the notified date shall be kept by the Authority in a separate fund (in this section referred to as “the public service fund”) which may be applied only for the purposes of their functions under section 57(1) or (1A)(a).
- (3) No S4C company shall receive any direct or indirect subsidy from the public service fund.
- (4) The Welsh Authority shall secure that no television programme which has been wholly or partly financed out of the public service fund is included in a television programme service provided by an S4C company before it is first broadcast on S4C or in the service referred to in section 57(1A)(a).
- (5) On the notified date—
  - (a) all the assets then held by the Welsh Authority other than cash, together with the appropriate proportion of any cash then held by them, shall be taken to be comprised in the public service fund, and
  - (b) the remainder of any cash then held by the Authority shall be taken to be comprised in a general fund.

- (6) In subsection (5)(a) “the appropriate proportion” means the proportion which, in the last financial year in respect of which a statement of accounts has been prepared under paragraph 12(1) of Schedule 6 before the notified date, the total amount received by the Welsh Authority under section 61 bears to the total amount of its income from all sources.”
- (2) In paragraph 12 of Schedule 6 of the 1990 Act (accounts and audit) after subparagraph (1) there is inserted—
- “(1A) The statement of accounts must deal separately with the public service fund referred to in section 61A of this Act and with the general fund referred to in subsection (5)(b) of that section.”.

## **82 Multiplex revenue to be taken into account in connection with funding of Channel Four Television Corporation**

- (1) Section 26 of the 1990 Act (revenue deficits of Channel Four Television Corporation to be funded by Channel 3 licensees) is amended as follows.
- (2) For subsection (2) there is substituted—
- “(2) For the purposes of this section the Corporation’s prescribed minimum income for any year shall be 14 per cent. of the total television revenues for that year.
- (2A) For the purposes of this section “total television revenues” means, in relation to any year, the aggregate of—
- (a) 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; and
- (b) the multiplex revenues for that year in respect of all holders of multiplex licences (within the meaning of Part I of the Broadcasting Act 1996).”
- (3) After subsection (9) there is inserted—
- “(9A) Sections 13(4) to (6) and 14 of, and Schedule 1 to, the Broadcasting Act 1996 shall have effect, with any necessary modifications, for the purpose of enabling the Commission to estimate or determine the multiplex revenue in respect of any person for any year for the purposes of this section.”

## **83 Application of excess revenues of Channel Four Television Corporation**

- (1) Section 27 of the 1990 Act (application of excess revenues of Channel Four Television Corporation) is amended as follows.
- (2) In subsection (1)—
- (a) in paragraph (a), for “one half” there is substituted “50 per cent.”, and
- (b) in paragraph (b), for “the other half” there is substituted “the remainder of the excess”.
- (3) In subsection (3)—
- (a) in paragraph (a), for “half” there is substituted “50 per cent.”, and

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(b) in paragraph (b), for “the other half” there is substituted “the remainder of that amount”.

(4) After subsection (6) there is inserted—

“(7) The Secretary of State may by order—

- (a) amend subsection (1)(a) by substituting for the percentage for the time being specified there a percentage specified in the order, which may be nil but must not be more than 50 per cent., and
- (b) amend subsection (3)(a) by substituting for the percentage for the time being specified there a percentage specified in the order, which may be nil.

(8) An order shall not be made under subsection (7) unless a draft of it has been laid before and approved by a resolution of each House of Parliament.”

#### **84 Extension of powers of Channel Four Television Corporation and Sianel Pedwar Cymru**

(1) In section 24 of the 1990 Act (Channel 4 to be provided as licensed service) after subsection (4) there is inserted—

“(5) The Corporation shall also have power—

- (a) (subject to and in accordance with Part I of the Broadcasting Act 1996) to arrange for the broadcasting of Channel 4 in digital form in any part of the United Kingdom as a qualifying service (within the meaning of that Part), and
- (b) to establish qualifying companies, to purchase or otherwise acquire shares, stocks or other securities of qualifying companies and to assist any qualifying company.

(6) In subsection (5)(b) “qualifying company” means any company (whether incorporated under the law of the United Kingdom or of any other country) which is or will be wholly or mainly engaged in one or more of the following activities—

- (a) the provision of one or more services which are licensed by the Commission or by the Radio Authority or which, if provided in the United Kingdom, would be required to be so licensed,
- (b) activities incidental to such provision, and
- (c) the holding of shares in any other company which is wholly or mainly engaged in such provision or in activities incidental to such provision.”

(2) In paragraph 1 of Schedule 3 to the 1990 Act (status and capacity of Channel Four Television Corporation) after sub-paragraph (3) there is inserted—

“(4) Section 24(5)(b) of this Act shall not be taken to limit the Corporation’s power by virtue of sub-paragraph (3) to do such things and enter into such transactions as are incidental or conducive to the discharge of their functions under section 24(1) or (5)(a).”

(3) In section 57 of the 1990 Act (functions and duties of Welsh Authority) after subsection (1) there is inserted—

“(1A) The Welsh Authority shall also have power—

- (a) (subject to and in accordance with Part I of the Broadcasting Act 1996) to provide a further service as a qualifying service (within the meaning of that Part), and to arrange for the broadcasting of that service in digital form, and
- (b) to establish qualifying companies, to purchase or otherwise acquire shares, stocks or other securities of qualifying companies and to assist any qualifying company.

(1B) In subsection (1A)(b) “qualifying company” means any company (whether incorporated under the law of the United Kingdom or of any other country) which is or will be wholly or mainly engaged in one or more of the following activities—

- (a) the provision of one or more services which are licensed by the Commission or by the Radio Authority or which, if provided in the United Kingdom, would be required to be so licensed,
- (b) activities incidental to such provision, and
- (c) the holding of shares in any other company which is wholly or mainly engaged in such provision or in activities incidental to such provision.”

(4) In paragraph 1 of Schedule 6 to the 1990 Act (status and capacity of Welsh Authority) after sub-paragraph (2) there is inserted—

“(3) Section 57(1A)(b) of this Act shall not be taken to limit the Authority’s power by virtue of sub-paragraph (2) to do such things and enter into such transactions as are incidental or conducive to the discharge of their functions under section 57(1) or (1A)(a).”