[GB] Licence for Channel 5 awarded

IRIS 1996-1:1/28

Tony Prosser
University of Bristol Law School

On 27 November 1995 the Independent Television Commission awarded the licence for the new (and probably last) terrestrial television channel, Channel 5. It was awarded to the consortium Channel 5 Broadcasting , composed of MAI, a broadcasting and financial services group; Pearson, the media group which ownes the Financial Times and Warburg Pincus, the US investment bank. The consortium had bid £22,002,000 per year for the licence.

Under the Broadcasting Act 1990 the Commission was obliged to award the licence to the highest bidder subject to that bidder meeting a 'quality threshold' based on the quality of programme plans. As in the award on Channel 3 licences in 1991, the quality threshold assumed considerable importance as a higher bid of £ 36,6 million had been made by UKTV, a consortium formed by the Canadian broadcaster CanWest. Virgin Television had also made a bid identical in sum to that of the winner. The final bid, by New Century, a consortium led by British Sky Broadcasting and Granada, was of only £ 2 million per year. The decision not to award the licence to the highest bidder was justified by the Commission's decision that UKTV and Virgin did not offer sufficiently high quality programmes.

Virgin Television has since the decision obtained leave to bring judicial review action challenging its disqualification. IRIS will keep you informed on this review.

The Secretary of State's Proscription Order, contained in the Statutory Instrument S.I. 2917 (1995)

© European Audiovisual Observatory (Council of Europe) 2026

© European Audiovisual Observatory (Council of Europe) 2026