

[GB] Regulator Fines ITV Companies for Failure to Meet Quotas for Productions Outside London

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The Office of Communications (Ofcom), the UK communications regulator, has fined ITV a total of GBP 220,000 for failure to comply with quotas for expenditure on programmes made outside London in 2006 and 2007.

A condition in each of the regional Channel 3 licences of ITV requires that “at least 50 percent of expenditure on originated Network programmes in each calendar year shall be allocated to the production of programmes produced outside the M25 area” (the M25 is the orbital motorway surrounding London). These are known as the “out of London” requirements. Although ITV had reported initially that the requirements had been met, a subsequent audit revealed that though they had been met for volumes of productions, they had not been met for expenditure and that ITV had allocated to out of London productions only 45.6% of expenditure in 2006 and 44.3% in 2007. Ofcom was immediately notified. After considering written evidence and holding an oral hearing, the regulator decided that this amounted to a serious breach of a very important public service broadcasting requirement. The effect was to reduce the activity of the production sector outside London and potentially to damage it and to decrease diversity of programming for viewers. It had warned ITV in 2006 that any shortfall would be viewed seriously. Although the current quota and definition of an out of London production had only taken effect from 2006, they had been published as early as March 2004, so ITV should have been fully aware of their implications.

In view of the seriousness of the breach, Ofcom decided that it was appropriate to fine ITV GBP 20,000 for each licence, making a total of GBP 220,000.

Adjudication of the Ofcom Content Sanctions Committee: ITV, 16 January 2009

http://www.ofcom.org.uk/tv/obb/ocsc_adjud/itvjan09/itvplc.pdf

