[GB] Consultation Paper on Channel 3 Renewals

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The Independent Television Commission (ITC) has issued a consultation paper for the procedure it intends to follow when considering applications from ITV licensees to renew their licences. Channel 3 licensees, including GMTV and Teletext, can, if they wish, apply to have their licences renewed with effect from 1 January 1999. This is despite the fact that existing licences do not expire until 2002, but section 20 of the Broadcasting Act 1990 states that it is up to the ITC to decide whether to renew the existing licences or to advertise new ones. Setting the financial terms for renewal is the key part of the consultation paper. There is no bidding process (in contrast with the previous procedure) and a licensee has to accept the terms offered by the ITC. If these terms are not agreed to then the ITC has to put the licence out to open tender. The ITC can also refuse to renew a licence if the licensee does not appear to be honouring licence commitments. When considering a licence, the ITC will consider the amount, which, in its view, the licence would be worth if it were open to competitive tender. A fundamental factor in the financial modelling is the nature and composition of the programme service. The range, quality and diversity of programmes offered, their sources and originality, are considered to have an influence on the audience level of the Channel 3 services and the advertising revenue which they will attract, as well as the cost of programmes. Applications to renew a licence with effect from January 1999 must be received by the ITC by 31 December 1998 at the latest.

ITC: Consultation Paper On Channel 3 Licence Renewals

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