

NOTICE OF VARIATION

VARIATION NUMBER 7, HAVING EFFECT FROM 29 DECEMBER 2003

TO LICENCE GRANTED TO YORKSHIRE TELEVISION LIMITED (THE “LICENSEE”) TO PROVIDE A REGIONAL CHANNEL 3 SERVICE UNDER PART 1 OF THE BROADCASTING ACT 1990 AND DATED 4 DECEMBER 1991 AS AMENDED BY VARIATION NUMBER 1, DATED 19 MARCH 1997, VARIATION NUMBER 2, DATED 23 MAY 1997, VARIATION NUMBER 3, DATED 29 SEPTEMBER 1998, VARIATION NUMBER 4, DATED 26 FEBRUARY 1999, VARIATION NUMBER 5, DATED 12 APRIL 2001 AND VARIATION NUMBER 6 DATED 28 MARCH 2002 (THE “LICENCE”)

WHEREAS

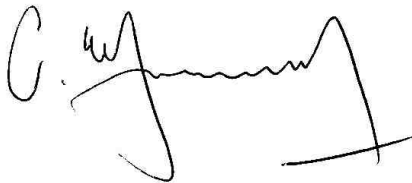
- A. As a result of the enactment of the Communications Act 2003 the Licence requires to be varied to conform with the requirements of that Act.
- B. The Licensee has been given a reasonable opportunity to make representations to Ofcom concerning the proposed variations to the Licence.

NOW THEREFORE the Licence shall be varied with effect from 29 December 2003 in the following manner:

- 1. By deleting the Index, the Schedule and the Annex and replacing them with the Index, the Schedule and the Annex attached in the Appendix to this Notice of Variation.

This document shall be construed as if it formed part of the Licence and shall be governed by English law.

SIGNED 17 DECEMBER 2003 FOR OFCOM BY



Secretary to the Corporation

INDEX

Index (Condition No)

PART 1

DEFINITIONS AND INTERPRETATION

1. Definitions and interpretation

PART 2

GENERAL CONDITIONS

2. Provision of Regional Channel 3 Service by the Licensee
3. Fees
4. Additional payments and contributions to the national television archive
5. VAT
6. Programme service requirements
7. Networking arrangements
8. Regional programme-making
9. Regional programming
10. Commissioning of independent productions
11. Broadcasting of independent productions
12. Original productions
13. General standards and requirements
14. News and current affairs
15. Appointment of news provider
16. Party political broadcasts
17. Listed events
18. Advertising and sponsorship standards and requirements
19. Subtitling, signing and audio-description
20. Provision of additional services
21. Announcements of Channel 4 and S4C programme schedules
22. Transmission arrangements and technical standards and requirements
23. Retention and production of recordings
24. General provision of information to Ofcom
25. Provision of information following a change of control
26. Cessation and replacement of the Licence
27. Fair and effective competition
28. Compliance with ownership restrictions
29. Transferability of the Licence
30. Compliance
31. Government directions and representations
32. Standards complaints
33. Fairness and privacy complaints
34. Publicising Ofcom's functions
35. Power of Ofcom to vary licence conditions
36. Notices and service
37. Equal opportunities and training

PART 3 EXCEPTIONS AND LIMITATIONS ON LICENSEE'S OBLIGATIONS

38. Force majeure

PART 4 CONDITIONS RELATING TO ENFORCEMENT OF THE LICENCE

39. Interest on late payments
40. Sanctions for breach of condition
41. Revocation

ANNEX

ANNEX: PART 1 PROVISION AND CONTENT OF THE REGIONAL CHANNEL 3 SERVICE

1. Definitions and interpretation
2. Compliance with programme proposals

ANNEX: PART 2 REQUIREMENTS FOR REGIONAL CHANNEL 3 LICENSEES ARISING FROM THE COMMUNICATIONS ACT

3. Independent productions
4. Original productions
5. News
6. Current affairs
7. Regional production
8. Regional programmes
9. Programming of European origin
10. Subtitling, sign language and audio description

ANNEX: PART 3 ONGOING REQUIREMENTS FOR REGIONAL CHANNEL 3 LICENSEES

11. Network hours
12. News
13. Evening programme schedule
14. Licensee's commitment

ANNEX: PART 4 DAYS AND TIMES OF BROADCASTING

ANNEX: PART 5 DETAILS OF BROADCASTING STATIONS - MAIN STATIONS AND DEPENDENT RELAYS

ANNEX: PART 6 ADDITIONAL INFORMATION

THE SCHEDULE

PART 1

DEFINITIONS AND INTERPRETATION

1. Definitions and interpretation

(1) In this Licence unless the context otherwise requires:

references to any “**accounting period**” of the Licensee shall be interpreted in accordance with Section 19(9) of the 1990 Act;

the “**1990 Act**” means the Broadcasting Act 1990 (as amended);

the “**1996 Act**” means the Broadcasting Act 1996 (as amended);

references to “**all relevant codes and guidance**” means all codes and guidance referred to in this Licence, the 1990 Act, the 1996 Act or the Communications Act;

“**Analogue Regional Channel 3 Service**” means the regional Channel 3 analogue television broadcasting service for the provision of which this Licence was granted;

“**Appointed News Provider**” means the news provider appointed in accordance with Section 280 or whose appointment has effect subject to paragraph 35 of Schedule 18 to the Communications Act;

the “**Appropriate Percentage**” means, in relation to any year (the “**relevant year**”), the percentage which corresponds to the percentage increase between:

- (a) the retail prices index for the month of November in the year preceding the first complete calendar year falling within the Licence Period; 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**” means the general index of prices (for all items) published by the Office of National Statistics;

“**Cash Bid**” means the amount agreed to by the Licensee in his most recent renewal of the Licence as the amount to be paid by him in accordance with the provisions set out in Condition 4

below;

“Code on Sports and other Listed and Designated Events” means the code giving guidance as to the broadcasting of sports and other listed events as drawn up and from time to time revised by Ofcom in accordance with Section 104 of the 1996 Act (and in the event that such code has not been drawn up by Ofcom or is not yet in force, “Code on Sports and other Listed and Designated Events” shall be interpreted in accordance with paragraph 51 of Schedule 18 to the Communications Act);

“Code on Subtitling, Signing and Audio-Description” means the code giving guidance as to:

- (a) the extent to which regional Channel 3 services but not electronic programme guides should promote the understanding and enjoyment by persons who are deaf or hard of hearing and by persons who are blind or partially sighted and by persons with a dual sensory impairment of the programmes to be included in those services; and
- (b) the means by which such understanding and enjoyment should be promoted;

as drawn up and from time to time revised by Ofcom in accordance with Section 303 of the Communications Act (and in the event that such code has not been drawn up by Ofcom or is not yet in force, “Code on Subtitling, Signing and Audio-Description” shall be interpreted to mean the Independent Television Commission Guidance on Standards for Subtitling, Guidance on Standards for Sign Language on Digital Terrestrial Television and Guidance on Standards for Audio Description and, where applicable, the code drawn up by the Independent Television Commission under section 20 of the 1996 Act that are in force immediately before the commencement of Section 303 of the Communications Act (and shall be deemed to include any determination in force regarding technical standards and the minimum number of hours in a week of programmes with subtitling for the deaf, sign language and audio description), which code and guidance shall continue to have effect (notwithstanding the substitutions made by that section):

- (a) until the code drawn up by Ofcom under that section comes into force; but
- (b) in relation to times before the coming into force of Ofcom’s code, as if references in the code to the Independent Television Commission were references

to Ofcom and as if references in the code to the services to which it applies included regional Channel 3 services);

“Commencement Date” means the date referred to in Clause 2 of the Licence;

the **“Communications Act”** means the Communications Act 2003;

“Distribution” means, in relation to analogue Channel 3 services, the conveyance of those services (by whatever means and whether directly or indirectly) to the broadcasting stations from which they are broadcast so as to be available for reception by members of the public;

references to **“European programming”**, **“European programmes”** or matter of **“European origin”** shall be interpreted in accordance with the definition of **“European Works”**, in Article 6 of the EC Directive 89/552/EEC, as amended by 97/36/EC (the **“Television Without Frontiers Directive”**);

“Fairness Code” means the code giving guidance as to principles to be observed and practices to be followed in connection with the avoidance of unjust or unfair treatment and unwarranted infringement of privacy in the provision of television and radio services as drawn up and from time to time revised by Ofcom in accordance with Section 107 of the 1996 Act and paragraph 53 of Schedule 18 to the Communications Act;

“fairness complaint” shall be interpreted in accordance with Section 110(4) of the 1996 Act;

“Gaelic Television Fund” means the fund established for the purposes of Section 183 of the 1990 Act;

“Independent Productions” means programmes of such description as the Secretary of State shall pursuant to Section 277(2) of the Communications Act from time to time by order specify;

“Initial Broadcasting Period” means such period as the Secretary of State shall by order specify pursuant to Section 66(1) of the 1990 Act and includes any extension of such period pursuant to Section 66(3) thereof;

“Initial Distribution Period” means such period as the Secretary of State shall by order specify pursuant to Section 66(2) of the

1990 Act and includes any extension of such period pursuant to Section 66(3) thereof;

“Initial Licence Period” means the period of ten years from the Commencement Date or, if shorter, the period from the Commencement Date until such date as the Licence is revoked or renewed in accordance with these Conditions;

“international obligation of the United Kingdom” has the meaning given to it in Section 405 of the Communications Act;

“Licensed Area” means the coverage area achieved when the programmes included in the Regional Channel 3 Service are transmitted from the stations specified in Part 5 of the Annex (as varied from time to time pursuant to the proviso to Condition 2(1)), subject to such stations being operated in accordance with the Television Technical Performance Code and otherwise in accordance with the details set out in Part 5 of the Annex;

“Licence Period” means the Initial Licence Period or any Subsequent Licence Period, as the context shall require;

“listed event” means a sporting or other event of national interest which is for the time being included in the list drawn up and published by the Secretary of State for the purposes of Part IV of the 1996 Act and a **“Group A event”** is a listed event that is for the time being allocated to Group A of that list and a **“Group B event”** is a listed event that is for the time being allocated to Group B of that list;

“Nominated Archive Body” means the body for the time being nominated by Ofcom for the purposes of Section 185(2) of the 1990 Act;

“Ofcom” means the Office of Communications as defined in the Office of Communications Act 2002;

“peak viewing times” means 6pm until 10.30pm each day or such other times as may be determined by Ofcom (and for the purposes of Condition 12, such determination shall be made following consultation with the holders of regional Channel 3 licences);

“prescribed amount” means:-

(a) where:

(i) the Licence is revoked under Section 18 of the

1990 Act; or

- (ii) the first complete accounting period of the Licensee falling within the Licence Period has not yet ended,

seven per cent. of the amount which Ofcom estimate would have been the Licensee's Qualifying Revenue for that accounting period; or

- (b) in any other case, seven per cent. of the Licensee's Qualifying Revenue for his last complete accounting period falling;

“programme” unless otherwise stated includes an advertisement and anything included in the Regional Channel 3 Service;

“qualifying programmes” means programmes of such description as the Secretary of State shall pursuant to Section 277(2) of the Communications Act from time to time by order specify;

“Qualifying Regional Channel 3 Service” means the qualifying television broadcasting service in respect of which the Analogue Channel 3 Service is the corresponding analogue service;

“Qualifying Regional Channel 3 Service Commencement Date” means 19th December, 1998 (or such other date as the Licensee may have agreed with the Independent Television Commission);

“Qualifying Revenue” means, in relation to any accounting period of the Licensee, the aggregate of:

- (a) all payments received or to be received by him or by any connected person:
 - (i) in consideration of the inclusion in the Analogue Regional Channel 3 Service in that period of advertisements or other programmes, or
 - (ii) in respect of charges made by him in that period for the reception of programmes included in the Analogue Regional Channel 3 Service; and
- (b) the amount of any direct or indirect financial benefit

derived by the Licensee or any connected person from payments made by any person by way of sponsorship, for the purpose of defraying or contributing towards costs incurred or to be incurred in connection with any programme included in the Analogue Regional Channel 3 Service,

ascertained in accordance with Section 19(2) to (6) of the 1990 Act and the Ofcom statement of principles (in force pursuant to paragraph 37(1) of Schedule 18 to the Communications Act) as from time to time revised by Ofcom in consultation with the Secretary of State and the Treasury pursuant to Part I of Schedule 7 thereto;

“Regional Channel 3 Service” means, prior to the Qualifying Regional Channel 3 Service Commencement Date, the Analogue Regional Channel 3 Service and thereafter the Analogue Regional Channel 3 Service and the Qualifying Regional Channel 3 Service, or either of them, as the context may require;

“Relevant Percentage of Qualifying Revenue” means such percentage of the Qualifying Revenue in relation to each accounting period of the Licensee during the Licence Period as has been specified by the Independent Television Commission pursuant to Section 19(1)(c) or Section 20(6)(b) of the 1990 Act (as the case may be);

“relevant international obligations” means international obligations of the United Kingdom that are notified to Ofcom by the Secretary of State for the purposes of securing compliance under Condition 30;

“Standards Code” means the code or codes governing standards for the content of programmes, including standards and practice in advertising and in the sponsoring of programmes included in television and radio services as drawn up and from time to time revised by Ofcom in accordance with Section 319 of the Communications Act (and in the event that such code or codes has not or have not been drawn up by Ofcom or is not or are not yet in force, “Standards Code” shall be interpreted in accordance with paragraphs 41 and 43 of Schedule 18 to the Communications Act);

“Standards Complaint” means a complaint about the observance of standards set under Section 319 of the Communications Act;

“Subsequent Licence Period” means any period of ten years from the date on which the Licence has been renewed in

accordance with Section 20 of the 1990 Act (before its repeal pursuant to Schedule 19 of the Communications Act) Condition 19 or, if shorter, the period from the date on which the Licence is renewed until such date as it is revoked in accordance with these conditions or ceases to have effect and is replaced in accordance with Condition 26;

“Television Technical Performance Code” means the code governing technical standards and practice in:

- (a) programme production and acquisition;
- (b) broadcasting available for reception by members of the public; and
- (c) Distribution,

in the provision of regional Channel 3 services as drawn up and from time to time revised by Ofcom (and in the event that such code has not been drawn up by Ofcom “Television Technical Performance Code” shall be interpreted to mean the Technical Performance Code drawn up by the Independent Television Commission);

“Transmission Operator” means the provider of a transmission service generally authorised under Part 2 of the Communications Act;

- (2) The Interpretation Act 1978 shall apply for the purpose of interpreting this Licence as if it was an Act of Parliament.
- (3) Any word or expression used in this Licence shall unless otherwise defined herein and/or the context otherwise requires has the same meaning as it has in the 1990 Act, the 1996 Act or the Communications Act, as the case may be.
- (4) For the purposes of interpreting this Licence headings and titles shall be disregarded.
- (5) The statutory references in the margins are for purposes purely of convenience and shall not affect the interpretation or construction of the Licence or limit the statutory basis for the inclusion of the relevant Condition in the Licence.
- (6) Where an order is made under the Deregulation and Contracting Out Act 1994 which authorises a person to exercise any functions of Ofcom, the relevant references in the Licence to Ofcom shall include a reference to that person.

- (7) This Licence shall remain in force until it is surrendered by the Licensee or revoked by Ofcom in accordance with the Conditions of the Licence.
- (8) The Schedule and Annex to this Licence form part of it.
- (9) This Licence shall be governed by English law.

PART 2

GENERAL CONDITIONS

2.

Provision of regional Channel 3 service by the Licensee

Section 211 of the
Communications Act

*(see paragraph 47 of
Schedule 18 to the
Communications Act)*

- (1) The Licensee shall provide the Analogue Regional Channel 3 Service for the Licence Period and in the Licensed Area by procuring that the programmes to be included in the Analogue Regional Channel 3 Service are broadcast from the stations specified in, and otherwise in accordance with Part 5 of the Annex, and on the days and not outside the hours specified in Part 4 thereof.
- (2) The Licensee shall provide the Qualifying Regional Channel 3 Service for broadcast by the holder of the C3/C4 multiplex licence as defined in the Independent Analogue Broadcasters (Reservation of Digital Capacity) Order 1996 (SI 1996/2760) from the Qualifying Regional Channel 3 Service Commencement Date to the end of the Licence Period.
- (3) Nothing in this Licence shall constitute or imply any warranty, representation or obligation on the part of Ofcom as to the size or location of the areas actually capable of receiving the programmes provided by the Licensee pursuant to the Licence or that programme services provided by the holder of any other licence (including a Channel 3 licence) shall not be capable of reception in the whole or any part of the Licensed Area.
- (4) The Licensee shall not be authorised by or under the Licence to broadcast or procure the broadcasting of anything other than the Analogue Regional Channel 3 Service, subtitling in accordance with Condition 12, and services (other than subtitling) which are ancillary to programmes included in the Analogue Regional Channel 3 Service and directly related to their contents or relate to the promotion or listing of such programmes.

3.

Fees

Section 4(1)(b), (3) and
(4) of the 1990 Act

- (1) The Licensee shall pay to Ofcom such fees as Ofcom may determine in accordance with the tariff fixed by it and for the time being in force under Section 4(3) of the 1990 Act, details of which, and of any revision thereof, Ofcom shall

from time to time publish in such manner as it considers appropriate.

(2) Payment of the fees referred to in Condition 4(1) shall be made in such manner and at such times as Ofcom shall specify.

Section 4(1)(c)
of the 1990 Act

(3) The Licensee shall within 28 days of a request therefor provide Ofcom with such information as it may require for the purposes of determining or revising the tariff referred to in Condition 4(1) above.

4. Additional payments and contributions to the national television archive

Section 19 of the 1990
Act

(1) The Licensee shall pay to Ofcom:-

(a) in respect of the first complete calendar year falling within the Licence Period, the amount of the Cash Bid, which shall be payable by equal instalments on the penultimate business day of each calendar month throughout that calendar year unless the amount of the Cash Bid is equal to or less than £100,000, in which case it shall be payable in full on the penultimate business day of the first month of that calendar year; and

(b) in respect of each subsequent year falling wholly or partly in the Licence Period, the amount of the Cash Bid as increased by the Appropriate Percentage, which shall be payable by equal instalments on the penultimate business day of each calendar month throughout the relevant year or part thereof, unless the amount of the Cash Bid as increased by the Appropriate Percentage is equal to or less than £100,000 in which case it shall be payable in full on the penultimate business day of the first month of the relevant year or part thereof.

(2) The Licensee shall pay to Ofcom in respect of each accounting period of the Licensee falling within the Licence Period an amount representing the Relevant Percentage of Qualifying Revenue.

(3) Ofcom may:-

- (a) before the beginning of any accounting period of the Licensee, estimate the amount representing the Relevant Percentage of Qualifying Revenue for that accounting period (and the Licensee shall pay such estimated amount (the “**Estimated Amount**”) by instalments on the penultimate business day of each calendar month throughout that accounting period);
 - (b) at such times as it shall think fit revise the Estimated Amount and adjust the instalments payable by the Licensee to take account of any such revision; and
 - (c) determine that the part of the Licensee’s additional payments calculated using the Relevant Percentage of Qualifying Revenue and payable monthly will be based on the preceding month’s actual Qualifying Revenue.
- (4) (a) The Licensee shall pay to Ofcom a sum equal to the amount (if any) by which the amount of the Relevant Percentage of Qualifying Revenue in respect of any accounting period of his exceeds the Estimated Amount actually paid by him to Ofcom in respect of that period; and
- (b) Ofcom shall pay or procure the payment to the Licensee of a sum equal to the amount (if any) by which the amount of the Relevant Percentage of Qualifying Revenue in respect of any accounting period of the Licensee is less than the Estimated Amount actually paid by the Licensee to Ofcom in respect of that period,

and the sum payable by the Licensee shall be paid within 14 days of the date on which Ofcom shall notify the Licensee of the amount of the Relevant Percentage of Qualifying Revenue in respect of such accounting period.

- (5) The Licensee shall pay to Ofcom on the Commencement Date and on each anniversary thereof throughout the Licence Period or on such other date in each year of the Licence Period as Ofcom may specify such amount as Ofcom shall notify to the Licensee, being the Licensee's contribution towards the expenses incurred by the Nominated Archive Body in connection with the maintenance by it of a national television archive.
- (6) Payments under this Condition 4 shall be made in such

manner as Ofcom may from time to time specify.

5.

V.A.T.

Section 4(1)(b) and (d)
of the 1990 Act

- (1) The Licensee shall pay any V.A.T. on any supply for V.A.T. purposes by Ofcom under this Licence on presentation of a valid VAT invoice.
- (2) Without limitation to Condition 5(1) above, all sums payable by the Licensee are exclusive of V.A.T. which shall be paid by the Licensee in addition to such sums.
- (3) In this Condition 5 “**V.A.T.**” means value added tax chargeable under or pursuant to the Value Added Tax Act 1994, including any amendment to or replacement of that Act, and/or any similar tax.

6.

Programme service requirements

Paragraph 32 of
Schedule 18 to the
Communications Act

The Licensee shall, in the provision of the Regional Channel 3 Service, comply with the provisions of Parts 1 to 3 of the Annex (as varied from time to time by Ofcom in accordance with Condition 35 below).

7.

Networking arrangements

Section 291(1) of the
Communications Act

- (1) The Licensee shall do all he can to ensure that approved networking arrangements are in force whenever:
 - (a) the Licensee is providing the Regional Channel 3 Service; and
 - (b) no networking arrangements imposed by Ofcom under Section 292 of the Communications Act are in force.

Sections 292 of the
Communications Act

- (2) If:-
 - (a) no suitable networking arrangements exist by the date Ofcom shall determine in accordance with Section 292 of the Communications Act that such arrangements must have been entered into (the “**networking date**”); or
 - (b) any such arrangements that exist at the networking date cease to apply to all regional Channel 3

providers on or after that date,

the Licensee shall comply with the provisions of any networking arrangements imposed by Ofcom under that Section and in accordance with paragraphs 6, 7 and 8 of Schedule 11 to the Communications Act.

(3) Where:-

- (a) networking arrangements are imposed in accordance with Condition 7(2); and
- (b) other networking arrangements are entered into by the holders of regional Channel 3 licences bound by the imposed arrangements; and
- (c) the other arrangements entered into are approved by Ofcom after having taken into account the matters set out in paragraphs 6, 7 and 8 of Schedule 11 to the Communications Act,

the arrangements referred to in Condition 7(2) shall cease to have effect on the coming into force of the arrangements referred to in paragraph (b) above as approved networking arrangements.

Paragraph 2 of Schedule 11 to the Communications Act

(4) Where any networking arrangements have been approved by Ofcom under Condition 7(1) or 7(2), the Licensee shall not agree to any modification of those arrangements by the holders of licences to provide regional Channel 3 services unless such modification has been approved by Ofcom in accordance with Schedule 11 to the Communications Act.

Section 293(7) of the Communications Act

(5) The Licensee shall do all he can to ensure that he gives effect to any modifications that are proposed by Ofcom (Ofcom having taken account of the matters set out in paragraphs 6, 7 and 8 of Schedule 11 to the Communications Act) to the networking arrangements that are in force (whether approved or imposed by Ofcom) following any general review that Ofcom carries out in accordance with Section 293 of the Communications Act.

(6) For the purposes of this Condition 7, **“approved networking arrangements”** has the meaning given to it in Section 291(2) of the Communications Act.

Section 294(2) of the Communications Act

(7) The Licensee’s obligations under paragraphs (1), (2) and (5) of this Condition 7 are subject to the Licensee’s rights of

appeal conferred by paragraphs 9 and 11 of Schedule 11 to the Communications Act.

- | | |
|--|---|
| Sections 291(1) and 292(7) of the Communications Act | (8) The Licensee shall at all times during the Licence Period use his best endeavours to give effect to the networking arrangements referred to in this Condition 7. |
| Section 290(2) of the Communications Act | (9) The Licensee shall do all he can to ensure that, except to the extent that Ofcom shall otherwise determine, the networking arrangements referred to in Condition 7(1) above comply with the proposals submitted by him in his application for the Licence in response to Question A.11 (in Part I of Section A of the Attachment to Part III of the Invitation to Apply for Regional Channel 3 Licences) and with the general guidance published by Ofcom pursuant to Section 290(2) of the Communications Act. |
| Section 4(1)(d) of the 1990 Act | (10) The Licensee shall contribute to the network programme budget. Subject to the requirements of the Communications Act, his contribution shall be determined by reference to the Licensee's share of Qualifying Revenue on such basis as may be agreed between all the holders of regional Channel 3 licences, and shall be an amount which is adequate, when aggregated with the contributions of all such holders of regional Channel 3 licences, to sustain the quality of the network service. |

8.

Regional programme-making

- | | |
|--|---|
| Section 286(1) and (6) of the Communications Act | (1) The Licensee shall include in the Regional Channel 3 Service programmes made in the United Kingdom outside the M25 area: <ul style="list-style-type: none">(a) in the proportions specified in Part 2 of the Annex; and(b) which, taken together, constitute a range of programmes as specified in Part 2 of the Annex. |
| | (2) The Licensee shall ensure that the proportion of expenditure specified in Part 2 of the Annex (determined by reference to the expenditure of the holders of Channel 3 licences on Channel 3 programmes made in the United Kingdom) is referable to programme production at what appears to Ofcom to constitute a suitable range of different production centres outside the M25 area. |

- (3) In complying with this Condition 8, the Licensee shall have regard to any guidance that may be issued by Ofcom.
- (4) In this Condition 8, “**programme**” does not include and advertisement, and “**expenditure**”, in relation to a programme, and “**Channel 3 programmes**” each have the meaning given to them in Section 286(7) of the Communications Act.

9.

Regional programming

Section 287 of the
Communications Act

- (1) Subject to Condition 9(3) below, the Licensee shall ensure, in relation to programmes included in the Regional Channel 3 Service, that:
 - (a) the amount of time set out in Part 2 of the Annex is given to programmes as specified (including regional news programmes) which are of particular interest to persons living within the area for which the service is provided;
 - (b) the regional programmes included in the Regional Channel 3 Service are of high quality;
 - (c) the proportion specified in Part 2 of the Annex of the regional programmes that are included in the Regional Channel 3 Service consists of programmes made in that area;
 - (d) the regional news programmes included in the Regional Channel 3 Service are broadcast for viewing at intervals throughout the period for which the Regional Channel 3 Service is provided and, in particular, at peak viewing times;
 - (e) the proportion specified in Part 2 of the Annex of the other regional programmes that are included in the Regional Channel 3 Service consists of programmes broadcast for viewing at peak viewing times and at times immediately preceding or following those times.
- (2) Where in relation to the Regional Channel 3 Service a determination has been made pursuant to Section 14(3) of the 1990 Act, the Licensee shall ensure, in relation to programmes included in the Regional Channel 3 Service, that:

- (a) the amount of time set out in Part 2 of the Annex is given to local programmes as specified;
 - (b) in the case of each part of an area or each community for which the Regional Channel 3 Service is provided, the range of local programmes is a range of programmes (including news programmes) which are of particular interest to persons living within that part of that area or to that community;
 - (c) the local programmes included in the Regional Channel 3 Service are of high quality;
 - (d) a suitable proportion, as set out in Part 2 of the Annex, of the local programmes that are included in the Regional Channel 3 Service consists of programmes made in the area for which the Regional Channel 3 Service is provided;
 - (e) the local news programmes included in the Regional Channel 3 Service are broadcast for viewing at intervals throughout the period for which the Regional Channel 3 Service is provided and, in particular, at peak viewing times;
 - (f) the proportion specified in Part 2 of the Annex of the other local programmes that are included in the Regional Channel 3 Service consists of programmes broadcast for viewing at peak times and at times immediately preceding or following those times.
- (3) Where Condition 9(2) above applies, Condition 9(1) shall be applicable to the extent only that it appears to Ofcom that the requirements of that Condition are not adequately met by Condition 9(2).
- (4) In complying with this Condition 9, the Licensee shall have regard to any guidance that may be issued by Ofcom.
- (5) In this Condition 9 “**programme**” does not include an advertisement and “**local programme**” and “**regional programme**” have the meanings given to them in Section 287(8) of the Communications Act.

Section 285 of the
Communications Act

- (1) The Licensee shall draw up and from time to time revise a code of practice setting out the principles he will apply when agreeing terms for the commissioning of independent productions, such code in particular to secure in the manner described in guidance issued by Ofcom that:
 - (a) a reasonable timetable is applied to negotiations for the commissioning of an independent production and for the conclusion of a binding agreement;
 - (b) there is what appears to Ofcom to be sufficient clarity, when an independent production is commissioned, about the different categories of rights to broadcast or otherwise to make use of or exploit the commissioned production, that are being disposed of;
 - (c) there is what appears to Ofcom to be sufficient transparency about the amounts to be paid in respect of each category of rights;
 - (d) what appears to Ofcom to be satisfactory arrangements are made about the duration and exclusivity of those rights;
 - (e) procedures exist for reviewing the arrangements adopted in accordance with the code and for demonstrating compliance with it, such procedures to include requirements for the monitoring of the application of the code and for the making of reports to Ofcom;
 - (f) provision is made for resolving disputes arising in respect of the provisions of the code (by independent arbitration or otherwise) in a manner that appears to Ofcom to be appropriate.
- (2) The Licensee shall ensure that the drawing up or revision of a code made pursuant Condition 10(1) above is in accordance with guidance issued by Ofcom as to:
 - (a) the times when it is to be drawn up or reviewed with a view to revision;
 - (b) the consultation to be undertaken before it is drawn up or revised; and
 - (c) its publication and publication of any revision or

replacement of it,

and such code and any revision to it shall be submitted to Ofcom for approval and have effect subject to that approval and such modifications as Ofcom may require.

- (3) The Licensee shall from time to time make any revisions that are necessary to take account of revisions of the guidance issued by Ofcom referred to in Condition 10(2) above.
- (4) The Licensee shall ensure that he complies at all times with any code drawn up and for the time being in force pursuant to this Condition 10.

11.

Broadcasting of independent productions

Section 277 of the
Communications Act

- (1) The Licensee shall ensure that in each calendar year of the Licence Period not less than the percentage amount specified in Part 2 of the Annex (or such other percentage that the Secretary of State may from time to time by order specify pursuant to Section 277(3) of the Communications Act) of the total amount of time allocated to the broadcasting of qualifying programmes in the Regional Channel 3 Service is allocated to the broadcasting of a range and diversity of Independent Productions.
- (2) For the purposes of Condition 11(1) above, the reference to a range of Independent Productions is a reference to a range of such productions in terms of cost of acquisition and the types of programmes involved.
- (3) The Licensee shall comply with any further requirements that Ofcom may from time to time impose pursuant to Section 277(4) of the Communications Act in relation to the percentage of programming budget that is applied in the acquisition (which includes commissioning and acquisition of a right to include a programme in the Regional Channel 3 Service or to have it broadcast) of Independent Productions (determined in accordance with Section 277(9) of the Communications Act).
- (4) The Licensee shall comply with any direction of Ofcom for the purpose of carrying forward to one or more subsequent years any shortfall for any year in his compliance with the requirements of Condition 11(1) and (3) above and thereby increasing the percentage applicable for the purposes of

those Conditions to the subsequent year or years.

- (5) In complying with this Condition 11, the Licensee shall have regard to any guidance that may be issued by Ofcom.
- (6) In this Condition 11 “**programme**” does not include an advertisement.

12. Original productions

Section 278 of the Communications Act

- (1) The Licensee shall ensure that in each calendar year of the Licence Period:
 - (a) not less than the percentage amount specified in Part 2 of the Annex by time of the programmes included in the Regional Channel 3 Service are original productions or commissions for any or all of the regional Channel 3 services; and
 - (b) the time allocated to the broadcasting of original productions is split between peak viewing times and other times in the manner specified in Part 2 of the Annex.
- (2) In determining the programmes of which a proportion is to consist of original programmes, there may be excluded such descriptions of programmes as may be specified in guidance prepared, and from time to time, revised by Ofcom pursuant to Section 278(3) of the Communications Act.
- (3) For the purposes of this Condition 12 “**programme**” does not include an advertisement; and “**original productions**” shall be determined in accordance with Section 278(6) of the Communications Act.

13. General standards and requirements

Sections 319, 320 and 325(1) of the Communications Act

The Licensee shall ensure that the provisions of the Standards Code are observed in the provision of the Regional Channel 3 Service.

14. News and current affairs

Sections 279 and 280 of the Communications

- (1) The Licensee shall include news programmes and current affairs programmes in the Regional Channel 3 Service that:

Act

- (a) are of high quality and deal with both national and international matters; and
 - (b) (in relation to news programmes only) are broadcast for viewing at intervals (including those stipulated in Part 2 of the Annex) throughout the period for which the Regional Channel 3 Service is provided and (taken together with news programmes included in other regional channel 3 services) are able to compete effectively with other television news programmes broadcast nationwide in the United Kingdom.
- (2) The Licensee shall ensure that the time allocated to news programmes included in the Regional Channel 3 Service and current affairs programmes included in the Regional Channel 3 Service:
- (a) constitutes in each case no less than the total amount of time specified in Part 2 in the Annex (such time being an appropriate proportion of the time allocated to the broadcasting of all the programmes included in the Regional Channel 3 Service); and
 - (b) is, in each case, split between peak viewing times and other times in the manner specified in Part 2 in the Annex.
- (3) In complying with this Condition 14, the Licensee shall have regard to any guidance that may be issued by Ofcom.

15.

Appointment of news provider

Section 280 of the
Communications Act

- (1) The Licensee shall do all he can to ensure that arrangements made in accordance with Section 280(3) of the Communications Act for the appointment of a single body corporate as the Appointed News Provider are maintained between all the holders of regional Channel 3 licences and, in particular, ensure that subject to Condition 15(4) below such arrangements provide:
- (a) for the terms on which such appointment is made to include the terms appearing to Ofcom to be appropriate and in accordance with any guidance that Ofcom may issue under Section 280(7)(a) of the

Communications Act for securing that, throughout the period of its appointment, the finances of the body appointed are adequate to ensure that the news obligations under Condition 14 above are capable of being met;

- (b) for the approval of Ofcom to be required for the purposes of paragraph (a) to this Condition 15(1) to the terms on which an appointment is made; and
 - (c) for the Appointed News Provider to be subject to an obligation, enforceable by Ofcom, to provide Ofcom with all such information as it may require for the purpose of carrying out its functions.
- (2) The Licensee shall do all he can to ensure that at all times while the Licensee is providing the Regional Channel 3 Service there is in force an appointment made in accordance with the arrangements referred to in Condition 15(1) above.
- (3) The Licensee shall:
- (a) ensure that news programmes included in the Regional Channel 3 Service in compliance with Condition 15(1) and provided by the Appointed News Provider which are news programmes that are presented live and broadcast simultaneously with the broadcasting of news programmes provided in other regional Channel 3 services are in compliance with the relevant conditions imposed in their respective licences in accordance with Section 280(5) and (6) of the Communications Act; and
 - (b) give prior notice in writing to Ofcom when the appointment of the Appointed News Provider is due to expire, or is to be renewed or terminated in accordance with the terms of the appointment.

*Section 4(1)(c) of the
1990 Act*

- (4) The requirements set out in paragraphs (a), (b) and (c) of Condition 15(1) above shall not apply in relation to any appointment made before the commencement of Section 280 of the Communications Act.

Section 281 of the
Communications Act

- (5) The Licensee shall ensure that a body is not appointed as the Appointed News Provider if:
- (a) it is a disqualified person under Part II of Schedule 2 to the 1990 Act in relation to a Channel 3 licence; or

- (b) there would be a contravention of Part 1 of Schedule 14 to the Communications Act (whether by that body or by another person) if that body held a licence to provide a Channel 3 service, or held a licence to provide such a service for a particular area for which such a service is provided;

and the Licensee shall ensure that the appointment of a body as Appointed News Provider shall cease to have effect if it becomes a body falling within paragraphs (a) or (b) of this Condition 15(5).

16. Party political broadcasts

Section 333 of the Communications Act

- (1) The Licensee shall include in the Regional Channel 3 Service party political broadcasts and referendum campaign broadcasts (as defined in the Political Parties, Elections and Referendums Act 2000) in accordance with such rules as are referred to in paragraph 38 of Schedule 18 to the Communications Act or as from time to time may be made by Ofcom pursuant to Section 333(1)(b) of the Communications Act with respect to such matters.
- (2) Such rules may include, without limitation, provision with regard to: the political parties on whose behalf political broadcasts may be made, the length and frequency of such broadcasts, and the length and frequency of referendum campaign broadcasts that are required to be broadcast on behalf of each designated organisation (as defined in Section 333(6) of the Communications Act).

17. Listed events

Section 101(1) of the 1996 Act (see also Section 300(2) of the Communications Act)

- (1) The Licensee shall comply in all respects with the listed events provisions of the 1996 Act and, for the avoidance of doubt, provisions contained in this Condition 17 that derive from amendments made to the 1996 Act by the Communications Act shall apply only from such time as the relevant Sections of that Act are commenced.
- (2) The Licensee shall not include within the Regional Channel 3 Service (the “**first service**”) live coverage of the whole or any part of a listed event unless:
 - (a) (i) another person who is providing a service

falling within Section 98(1)(b) of the 1996 Act (the “**second service**”) has acquired the right to include in the second service live coverage of the whole of the event or of that part of the event; and

(ii) the area for which the second service is provided consists of or includes the whole, or substantially the whole, of the area for which the first service is provided; or

(b) Ofcom has consented in advance to inclusion of that coverage in the first service; or

(c) the event is a Group B event for which rights to provide coverage have been acquired by one or more other persons in addition to the Licensee; and

(i) that additional coverage constitutes adequate alternative additional coverage of the event; and

Section 104ZA and 101(1)(C) of the 1996 Act (see Section 302(1) of the Communications Act)

(ii) the person or persons who have acquired rights to provide the additional coverage satisfy the requirements in relation to that coverage of any regulations made by Ofcom in accordance with Section 104ZA of the 1996 Act.

(3) Condition 17(2) shall not apply where:

Section 97(5)(a) of the 1996 Act (see also Section 299(3) of the Communications Act)

(a) the Licensee is exercising rights acquired before 1st October 1996; and

(b) the Licensee is exercising rights acquired in relation to an event listed after 1st October 1996 where such rights were acquired before the date referred to in Section 97(5)(a) of the 1996 Act.

Section 97(5A) & (5B) of the 1996 Act (see Section 299(4) of the Communications Act)

(4) The allocation or transfer of an event to Group A:

(a) shall not affect the validity of rights acquired in relation to that event where such rights were acquired before the date referred to in Section 97(5A) of the 1996 Act; and

(b) where the Secretary of State makes a direction in accordance with Section 97(5B), will not affect the application of Condition 17(2)(c) which will continue

to apply in relation to a Group B event that is transferred to Group A as if the event remained a Group B event.

- Section 101(1)(b) of the 1996 Act (see also Section 300(2) of the Communications Act
- (5) Except where otherwise stated, this Condition 17 applies to the Regional Channel 3 Service if and to the extent that the Regional Channel 3 Service is made available (within the meaning of Part 3 of the Communications Act) for reception by members of the public in the United Kingdom or in any area of the United Kingdom.
- Section 101B(1) of the 1996 Act
- (6) The Licensee shall not, without the previous consent of Ofcom, exercise any rights to televise, for reception in another EEA State, the whole or part of an event:
- Section 101A of the 1996 Act
- (a) that has been designated by that other EEA State, and notified by it to the European Commission, in accordance with Article 3a of the Television Without Frontiers Directive, as being of major importance to its society; and
- (b) where a substantial proportion of the public in that State is deprived of the possibility of following that event by live or deferred coverage on free television as determined by that State in accordance with Article 3a of the Television Without Frontiers Directive.
- (7) For the purposes of this Condition 17:
- Section 104ZA of the 1996 Act (see Section 302(1) of the Communications Act)
- (a) the circumstances in which the televising of listed events generally, or of a particular listed event, is, or is not, to be treated as live for the purposes of Part IV of the 1996 Act shall be determined in accordance with the regulations referred to in Condition 17(2)(c)(ii) above;
- (b) what is (whether generally or in relation to particular circumstances) to be taken to represent the provision of adequate alternative coverage shall be determined in accordance with the regulations referred to in Condition 17(2)(c)(ii) above;
- Section 104(1) of the 1996 Act (see also Section 301(1) of the Communications Act)
- (c) guidance as to the matters which Ofcom will take into account in determining:
- (i) whether to give or revoke their consent for the purposes of Condition 17(1) and 7(5); and

- (ii) whether to take action pursuant to Condition 28(4)(a) or 28(4)(b) in circumstances where the Licensee fails to comply with Conditions 7(2) or 7(6),

shall be provided in the Code on Sports and Other Listed and Designated Events.

- (8) The Licensee shall supply to Ofcom such information as Ofcom may reasonably require to determine the Licensee's compliance with this Condition 17 and for the purposes of determination made by it pursuant to Section 102 or Section 103 of the 1996 Act;

18.

Advertising and sponsorship standards and requirements

Section 322 of the Communications Act

- (1) The Licensee shall comply with all directions, whether general or specific and/or qualified or unqualified, given to him by Ofcom, with respect to:

- (a) the maximum amount of time to be given over to advertisements in any hour or other period;
- (b) the minimum interval which must elapse between any two periods given over to advertisements;
- (c) the number of such periods to be allowed in any programme or in any hour or day; and
- (d) the exclusion of advertisements from a specified part of the Regional Channel 3 Service,

which directions may make different provision for different parts of the day, different parts of the week, different types of programmes or for other differing circumstances.

Sections 325(4) and (5) and 321(4) of the Communications Act

- (2) The Licensee shall comply with all directions given to him by Ofcom with regard to advertisements or methods of advertising or sponsorship, including directions with respect to:
 - (a) the exclusion from the Regional Channel 3 Service of a particular advertisement, or its exclusion in particular circumstances;
 - (b) the descriptions of advertisements and methods of advertising to be excluded from the Regional Channel

3 Service (whether generally or in particular circumstances); and

(c) the forms and methods of sponsorship to be excluded from the Regional Channel 3 Service (whether generally or in particular circumstances).

Sections 121 to 123 and 321(4) of the Communications Act (3) The Licensee shall ensure that the provisions of the code approved by Ofcom for regulating the provision of premium rate services, or in the absence of such a code, the terms of any order made by Ofcom for such purposes, are observed in the provision of the Regional Channel 3 Service.

Sections 321(1) and 321(4) of the Communications Act (4) The Licensee shall ensure that the provisions of the Standards Code set to secure the objectives in Section 319(2)(a) and (g) to (j) of the Communications Act and relating to standards and practice in advertising and sponsorship of programmes and any prohibitions of advertisements and forms and methods of advertising or sponsorship of programmes are observed in the provision of the Regional Channel 3 Service.

Section 321(4) of the Communications Act (5) The Licensee shall supply to Ofcom details, in whatever form and within such period as Ofcom may reasonably require, of any particular advertisement or any class of advertisement specified by Ofcom or any sponsored programme which Ofcom shall from time to time request.

19.

Subtitling, signing and audio-description

Section 307(1) of the Communications Act

The Licensee shall ensure that the provisions of the Code on Subtitling, Signing and Audio-Description are observed in the provision of the Regional Channel 3 Service and the Licensee shall provide subtitling, signing and audio-description in the amounts set out in Part 2 of the Annex.

20.

Provision of Additional Services

Section 49 of the 1990 Act

(1) Ofcom reserves the right to licence under the 1990 Act any or all of the spare capacity within the signals carrying the Analogue Regional Channel 3 Service which Ofcom determines to be available for the provision of additional services having regard to the Licensee's rights and obligations to provide subtitling pursuant to Condition 12 and to the need of the Licensee to be able to use part of the signals carrying the Analogue Regional Channel 3 Service for providing services which are ancillary to programmes included in the

Analogue Regional Channel 3 Service and directly related to their contents or relate to the promotion or listing of such programmes.

- (2) Nothing in this Licence shall authorise the Licensee to broadcast or procure the broadcasting of any picture, sound, text or other signals on the spare capacity referred to in Condition 20(1).
- (3) The Licensee shall grant to any person who holds a licence to provide additional services on any frequency on which the Analogue Regional Channel 3 Service is provided, and to any person authorised by any such person pursuant to Section 49(8) of the 1990 Act to provide additional services on that frequency, access to facilities reasonably required by that person for the purposes of, or in connection with, the provision of any such additional services.
- (4) The Licensee shall grant to any person who holds a licence to provide the public teletext service and to any person authorised by virtue of Section 220 of the Communications Act to provide the whole or part of such service on his behalf, access to the facilities that are reasonably required for the purposes of or in connection with the provision of that service.
- (5) The Licensee shall be entitled to require any person to whom he grants access to facilities in accordance with Condition 20(3) and/or Condition 20(4) to pay a reasonable charge in respect thereof and the Licensee shall use all reasonable endeavours to agree upon the amount of that charge with such person. Any dispute as to the amount of any such charge shall be determined by Ofcom.

*Section 276 of the
Communications Act*

21.

Announcements of Channel 4 and S4C programme schedules

Section 37 of the 1990
Act

The Licensee shall include in the Regional Channel 3 Service such announcements as Ofcom may determine concerning programme schedules for programmes to be broadcast on Channel 4 and, where any part of the Licensed Area is in Wales, programme schedules for programmes to be broadcast on S4C.

22.

Transmission arrangements technical standards and requirements

Section 66 of the 1990
Act (see also paragraph

- (1) The Licensee shall:-

- (a) procure that during the Initial Broadcasting Period the Analogue Regional Channel 3 Service is broadcast so as to be available for reception by members of the public by a single person (the “**Relevant Transmission Operator**”) in accordance with an agreement between the Licensee and the Relevant Transmission Operator for the provision and operation of a system for the broadcasting of the Analogue Regional Channel 3 Service from the Commencement Date (the “**Television Transmission Service Agreement**”);
 - (b) contribute to the costs incurred by the Relevant Transmission Operator in respect of the broadcasting for reception by members of the public of all Channel 3 services (taken as a whole) during the Initial Broadcasting Period in such manner as may be approved by Ofcom; and
 - (c) contribute to the costs incurred in respect of the Distribution of all Channel 3 services (taken as a whole) during the Initial Distribution Period in such manner as may be approved by the Secretary of State.
- (2) The Licensee shall procure that for that part of the Licence Period which falls after the Initial Broadcasting Period the Analogue Regional Channel 3 Service is broadcast for so as to be available for reception by members of the public by the Relevant Transmission Operator, by the Licensee himself, or by another Transmission Operator (as the case may be) who shall enter into an agreement with the Licensee for the provision and operation of a system for the broadcasting of the Analogue Regional Channel 3 Service during that period.
- (3) It shall be a term of the Television Transmission Service Agreement and of any other agreement which the Licensee enters into with a Transmission Operator for the broadcasting to be available for reception by members of the public of the Analogue Regional Channel 3 Service, that the signals carrying the Analogue Regional Channel 3 Service attain high standards in terms of technical quality and reliability throughout the Licensed Area and in particular (but without prejudice to the generality of the foregoing) the Licensee shall do all that he can to ensure that the relevant provisions of the Television Technical Performance Code as drawn up and from time to time revised by Ofcom are observed by the Relevant Transmission Operator or, where applicable, by any

other Transmission Operator in the provision of the Analogue Regional Channel 3 Service.

- (4) The Licensee shall do all that he can to ensure that the relevant provisions of the Television Technical Performance Code are observed in all the operations under his direct control, in the Distribution of the programmes included in the Analogue Regional Channel 3 Service, and by any third parties involved in the provision of programmes included in the Analogue Regional Channel 3 Service.
- (5) In this Condition 22 and within definitions that are used in this Condition “**available for reception by members of the public**” shall be construed in accordance with Section 361 of the Communications Act.

23. Retention and production of recordings

- | | |
|--|--|
| Section 325(1) and (2) of the Communications Act | (1) The Licensee shall adopt procedures acceptable to Ofcom for the retention and production of recordings in sound and vision of any programme which is the subject matter of a Standards Complaint and in relation to the production of recordings of any programme which is the subject of a fairness complaint the Licensee shall also comply with the requirements of Condition 33 below. |
| Section 334(1) of the Communications Act | (2) In particular, the Licensee shall: <ol style="list-style-type: none">(a) make and retain or arrange for the retention of a recording in sound and vision of every programme included in the Regional Channel 3 Service for a period of 90 days from the date of its inclusion therein;(b) at the request of Ofcom forthwith produce to Ofcom any such recording for examination or reproduction; and(c) at the request of Ofcom forthwith produce to Ofcom any script or transcript of a programme included in the Regional Channel 3 Service which he is able to produce to it. |

24. General provision of information to Ofcom

- | | |
|-----------------|---|
| Section 4(1)(c) | (1) The Licensee shall furnish to Ofcom in such manner and at |
|-----------------|---|

- of the 1990 Act
- such times as Ofcom may reasonably require such documents, accounts, returns, estimates, reports, notices or other information as Ofcom may require for the purpose of exercising the functions assigned to it by or under the 1990 Act, the 1996 Act, or the Communications Act and in particular (but without prejudice to the generality of the foregoing):
- Section 4(1)(c) of the 1990 Act
- (a) a declaration as to its corporate structure (or the equivalent if the Licensee is not a body corporate) in such form and at such times as Ofcom shall specify;
- Section 143(5) of the 1996 Act and Section 5(1)(a) of the 1990 Act
- (b) such information as Ofcom may reasonably require from time to time for the purposes of determining whether the Licensee on any ground is a disqualified person by virtue of any of the provisions in Section 143(5) of the 1996 Act and/or Schedule 2 to the 1990 Act or contravenes requirements imposed by or under Schedule 14 to the Communications Act;
- Section 4(1)(c) of the 1990 Act and Section 15 of the 1996 Act
- (c) annual income and expenditure returns and supplementary annexes in such form and at such times as Ofcom shall require;
- Section 4(1)(c) and 19 of the 1990 Act
- (d) statements of his Qualifying Revenue at monthly intervals and also in respect of each entire accounting period of his in such form as Ofcom shall require; and
- Sections 4(1)(c) and 183 of the 1990 Act
- (e) such information as Ofcom may require for the purposes of carrying out any functions undertaken by it in relation to the Gaelic Television Fund.
- Section 5(5) of the 1990 Act
- (2) The Licensee shall inform Ofcom forthwith in writing if:
- (a) the Licensee becomes aware that any order is made or any resolution is passed or other action is taken for the dissolution, termination of existence, liquidation (whether compulsory or voluntary), or winding up of the Licensee (otherwise than for the purpose of reconstruction or amalgamation made whilst the Licensee is solvent and previously approved in writing by Ofcom in accordance with Condition 29 below) or a liquidator, trustee, receiver, administrative receiver, administrator, manager or similar officer is appointed in respect of the Licensee, or in respect of all or any part of his assets; or
- (b) the Licensee makes or proposes to enter into any

scheme of compromise or arrangement with his creditors, save for the purposes of amalgamation or reconstruction whilst the Licensee is solvent; or

- (c) the Licensee permits an execution to be levied against his assets and/or chattels and allows such execution to remain outstanding for more than 14 days; or
- (d) the Licensee becomes aware that any person having control of the Licensee does or is subject to any of the events specified in Condition 24(2)(a) to (c) above; or
- (e) anything analogous to or having a substantially similar effect to any of the events specified in Condition 24(2)(a) to (d) above occurs under the laws of any applicable jurisdiction.

Sections 3(6) and (7) and 4(1)(c) of the 1990 Act

- (3) The Licensee shall inform Ofcom when final judgment is awarded against him in any court proceedings brought against him in respect of the inclusion in the Regional Channel 3 Service of any defamatory, seditious, blasphemous or obscene matter or any matter which constitutes an injurious falsehood or slander of title or any tort or an infringement of any copyright, moral right, right in a performance, design right, registered design, service mark, trademark, letters patent or other similar monopoly right or a contravention of the provisions of the Official Secret Acts or of any statutory enactment or regulation for the time being in force or a criminal offence or contempt of Court or breach of Parliamentary privilege.
- (4) The Licensee shall inform Ofcom if he or any individual having control over him within the meaning of paragraph 1(3), Part I of Schedule 2 to the 1990 Act, is sentenced to a term of imprisonment (including a suspended term) on conviction of a criminal offence.

25.

Provision of information relating to a change of control

Section 5(2) of the 1990 Act (see also paragraph 3(3) of Part 1 of Schedule 15 to the Communications Act and Section 351(1) of the Communications Act

- (1) Where the Licensee is a body corporate, the Licensee shall notify Ofcom:
 - (a) of proposals that may give rise to a relevant change of control within the meaning of Section 351(10) of the Communications Act and of any proposals affecting shareholdings in the Licensee or any body corporate which controls the Licensee, or the directors of the Licensee or the directors of any body

corporate which controls the Licensee, and of any proposals to enter into any arrangements of the type referred to in Condition 25(2) below, by giving advance notice of such proposals where they are known to the Licensee as soon as reasonably practicable where such proposals would constitute a change in the persons having control over the Licensee within the meaning of Schedule 2, Part I paragraph 1(3) of the 1990 Act; and

- (b) of changes, transactions or events affecting shareholdings in the Licensee or any body corporate which controls the Licensee, or the directors of the Licensee or the directors of any body corporate which controls the Licensee (irrespective of whether proposals for them have fallen to be notified) within 28 days of the Licensee becoming aware of any such change, transaction or event and where such change, transaction or event would constitute a change in the persons having control over the Licensee within the meaning of Schedule 2, Part I paragraph 1(3) of the 1990 Act.

Section 351(1)(b) of the Communications Act

and the Licensee shall provide Ofcom, in such manner and at such times as it may reasonably require, with such information as Ofcom considers necessary for the purposes of exercising its functions under Sections 351 and 352 of the Communications Act.

Paragraph 1(3) (b), (c) and (3A) of Part 1 to Schedule 2 to the 1990 Act (see also Section 357 of the Communications Act)

- (2) (a) The Licensee shall notify Ofcom within 28 days if any person:
 - (i) holding or being beneficially entitled to 50 per cent. of the equity share capital in the Licensee or in any body corporate which controls the Licensee; or
 - (ii) possessing 50 per cent. of the voting power in the Licensee or any body corporate which controls the Licensee

enters into an arrangement with any other participant in the Licensee or in any such body corporate which controls the Licensee as to the manner in which any voting power in the body possessed by either of them is to be exercised, or as to the omission by either of them to exercise such voting power.

Paragraph 2 of Part 1 of
Schedule 14 to the
Communications Act

(b) The Licensee shall notify Ofcom within 28 days of any change in circumstances which would operate against the restrictions specified in paragraph 2 of Part 1 of Schedule 14 to the Communications Act including:

(i) in the national or local newspapers over which he or any person connected with him has an interest; and

(ii) of interest in a body corporate which is a relevant national newspaper proprietor (within the meaning of paragraph 2(6) of Part 1 of Schedule 14 to the Communications Act) in which he is a participant; and

(iii) or of any change in control of any body corporate which is a participant in the Licensee (where the Licensee is a body corporate) where such body corporate is one in which a relevant national newspaper proprietor is a participant.

(c) For the purposes of Condition 25(2)(a):

(i) “**arrangement**” includes any agreement or arrangement, whether or not it is, or is intended to be, legally enforceable;

(ii) a person shall be treated as holding, or being beneficially entitled to, any equity share capital which is held by a body corporate which he controls or to which such a body corporate is beneficially entitled, and as possessing body corporate; and

(iii) “**participant**”, in relation to a body corporate, means a person who holds or is beneficially entitled to shares in that body or who possesses voting power in that body.

Section 4(1)(c) of the
1990 Act

(3) The Licensee shall supply to Ofcom such information as Ofcom may reasonably require from time to time as to the national or local market share of any newspaper or newspapers insofar as such national or local market shares appears to Ofcom relevant for the purposes of determining whether any of the restrictions in Part 1 of Schedule 14 to the Communications Act have been complied with or in order to

determine whether, any of the circumstances described in that Part apply.

26. Cessation and replacement of the Licence

Section 215 of the Communications Act

- (1) The Licence may be exchanged for a replacement licence in accordance with Section 215 of the Communications Act following an offer made to the Licensee from Ofcom to exchange the Licence for a replacement licence.
- (2) Subject to Condition 26(3) the Licence will cease to have effect from the date of grant of the replacement licence.
- (3) If the Licensee does not elect, during the period for which the offer is open, to exchange the Licence for a replacement licence, or rejects an offer from Ofcom for a replacement licence, the Licence will cease to have effect from the time specified in the offer, such time being within a period of eighteen months from the end of the period for which the offer is open.

27. Fair and effective competition

Section 316 of the Communications Act

- (1) The Licensee shall:
 - (a) not enter into or maintain any arrangement, or engage in any practice, which is prejudicial to fair and effective competition in the provision of licensed services or of connected services; and
 - (b) comply with any code or guidance for the time being approved by Ofcom for the purpose of ensuring fair and effective competition in the provision of licensed services or of connected services; and
 - (c) comply with any direction given by Ofcom to the Licensee for that purpose.
- (2) In this Condition 27 “**connected services**” and “**licensed service**” have the meanings given to them in Section 316(4) of the Communications Act.

28. Compliance with ownership restrictions

Section 5(1) and (2) of the 1990 Act

- (1) The Licensee shall comply in all respects with the restrictions and requirements imposed on him by or under

Schedule 2 to the 1990 Act and Schedule 14 to the Communications Act to the extent that such requirements apply to him.

- (2) The Licensee shall comply with any direction of Ofcom requiring him to take, or arrange for the taking of, any steps specified by Ofcom for the purposes of complying with the requirements referred to in Condition 28(1) above.
- (3) The Licensee shall inform Ofcom of any circumstances or events which would give rise to a breach of the Licensee's obligations imposed on him by or under Schedule 2 to the 1990 Act or a contravention of the requirements of Schedule 14 to the Communications Act immediately upon becoming aware of such circumstances or events.

29.

Transferability of the Licence

Sections 3(6) & (7)
of the 1990 Act

This Licence is not transferable except with the prior consent in writing of Ofcom. Without prejudice to the generality of the foregoing, such consent shall not be given unless Ofcom is satisfied that the person or persons to whom it is proposed to transfer the Licence would be in a position to comply with all of the Conditions whilst it remains in force.

30.

Compliance

Sections 4(1)(a) and
4(2) of the 1990 Act and
Section 335 of the
Communications Act

(1) The Licensee shall comply with any direction given to him by Ofcom in respect of any matter, subject or thing which direction is in the opinion of Ofcom appropriate, having regard to any duties which are or may be imposed on it, or on the Licensee by or under the 1990 Act, the 1996 Act, the Communications Act or any relevant international obligations.

Sections 4(1)(a), (c) and
(d) of the 1990 Act and
Sections 321(4) and
325(1) of the
Communications Act

(2) The Licensee shall adopt procedures and ensure that such procedures are observed by those involved in providing the Regional Channel 3 Service for the purposes of ensuring that programmes included in the Regional Channel 3 Service comply in all respects with the provisions of this Licence, the 1990 Act, the 1996 Act, the Communications Act, relevant international obligations and all relevant codes and guidance. The Licensee shall, without prejudice to the generality of the foregoing, ensure that:

- (a) there are sufficient persons involved in providing the Regional Channel 3 Service who are adequately

versed in the requirements of this Licence, the 1990 Act, the 1996 Act, the Communications Act, relevant international obligations and all relevant codes and guidance and that such persons are able to ensure compliance with such requirements on a day to day basis;

- (b) adequate arrangements exist for the immediate implementation of such general and specific directions as may from time to time be given to the Licensee by Ofcom;
- (c) he complies with the European programme requirements from the Television Without Frontiers Directive as set out in Part 2 of the Annex;
- (d) adequate arrangements exist for the advance clearance of advertisements of such types and for such products as Ofcom shall determine;
- (e) that in each department of the Licensee where any of the procedures referred to in this Condition are to be implemented the member of staff responsible is of sufficient seniority to ensure immediate action and that issues relating to compliance may be brought where necessary directly before senior management for consideration.

(3) The Licensee shall supply Ofcom with details of the procedures (and of any revision of such procedures) adopted by him and required to be observed by those involved in providing the Regional Channel 3 Service for the purposes of Condition 30(2) above.

Section 335(4) of the Communications Act

(4) For the purposes of this Condition and Section 335 of the Communications Act, all Conditions of this Licence that are included by virtue of Part 3, Chapter 4 (Regulatory provisions) of the Communications Act are in addition to, and have effect subject to, any Conditions included by virtue of Section 335 of the Communications Act (Conditions securing compliance with international obligations).

Section 4(1)(c) of the 1990 Act

(5) The Licensee shall supply to Ofcom post-transmission data in relation to all programmes included in the Regional Channel 3 Service covering such information and in such form as Ofcom shall specify, to be delivered to Ofcom as soon after the transmission of the programmes to which they relate as Ofcom may require.

- Section 4(1)(c) of the 1990 Act
- (6) The Licensee shall supply to Ofcom such technical performance data as Ofcom shall from time to time require, and at such intervals and in such form as Ofcom shall specify.
- Section 4(1)(d) of the 1990 Act
- (7) The Licensee if so requested by Ofcom shall at such intervals and at such times as Ofcom shall require attend meetings with Ofcom and (if Ofcom shall so require) with the holders of other regional Channel 3 licences, for the purpose of enabling Ofcom to conduct periodic reviews of the performance by the Licensee of his obligations under the Licence and of the performance by the holders of other regional Channel 3 licences of their obligations under their respective licences.

31. Government directions and representations

- Sections 335 and 336 of the Communications Act
- (1) The Licensee shall if so directed by Ofcom :
- (a) include in the Regional Channel 3 Service, at such times as may be specified to Ofcom by the Secretary of State or any other Minister of the Crown, such announcement as may be specified by a notice given pursuant to Section 336(1) of the Communications Act; or
 - (b) refrain from including in the programmes included in the Regional Channel 3 Service any matter or description of matter specified to Ofcom by the Secretary of State by a notice given pursuant to Section 336(5) of the Communications Act.
- (2) The Licensee may when including an announcement in the Regional Channel 3 Service in accordance with Condition 31(1)(a) above indicate that the announcement is made in pursuance of a direction by Ofcom.
- (3) The Licensee shall comply with all relevant conditions of this Licence and any directions given to him by Ofcom pursuant to a notification to Ofcom by the Secretary of State for the purpose of enabling Her Majesty's Government in the United Kingdom to give effect to any international obligations of the United Kingdom.

- (4) Where Ofcom:
- (a) has given the Licensee a direction to the effect referred to in Condition 31(1)(b) above; or
 - (b) in consequence of the revocation by the Secretary of State of the notice giving rise to the issuing of such a direction, has revoked that direction or where such a notice has expired, the Licensee may include in the Regional Channel 3 Service an announcement of the giving or revocation of the direction or of the expiration of the notice, as the case may be.

32. Standards complaints

Sections 325(1)(b) and 328(1) of the Communications Act

- (1) The Licensee shall ensure that procedures acceptable to Ofcom for the handling and resolution of Standards Complaints in respect of programmes included in the Regional Channel 3 Service are established and maintained and shall ensure that such procedures are duly observed.
- (2) The Licensee shall for a period of at least 12 months keep a written record of any complaints referred to in Condition 32(1) above, and a written record of any response given by the Licensee in relation to any such complaint and shall make such records available to Ofcom at such times as Ofcom may reasonably require.

33. Fairness and privacy complaints

Sections 115 and 119 of the 1996 Act (see also Section 327 of the Communications Act

- (1) The Licensee shall comply with such directions and requests for information as may be given to him by Ofcom following receipt by him from Ofcom of a copy of a fairness complaint that relates to the provision of the Regional Channel 3 Service, and in particular the Licensee shall, if so requested:
 - (a) provide Ofcom with a recording in sound and vision of the programme, or any specified part of it, to which the complaint relates if and so far as such a recording is in his possession;
 - (b) make suitable arrangements for enabling the complainant to view any such recording, or any specified part of it, to which the complaint relates if and so far as such a recording is in his possession;
 - (c) provide Ofcom and the complainant with a transcript

of so much of the programme, or any specified part of it, to which the complaint relates, as consisted of speech, if and so far as the Licensee is able to do so;

- (d) provide Ofcom and the complainant with copies of any documents in the possession of the Licensee that are originals or copies of any correspondence between the Licensee and the person affected or the complainant in connection with the complaint;
- (e) provide Ofcom with such other things that Ofcom may specify or describe and that appear to Ofcom to be relevant to its consideration of the complaint and to be in the possession of the Licensee;
- (f) furnish to Ofcom and the complainant a written statement in answer to the complainant;
- (g) attend Ofcom and assist it in its consideration of the complaint;
- (h) take such steps as he reasonably can to ensure compliance with any request made by Ofcom to any other person under Section 115(7) of the 1996 Act.

Sections 119 and 120 of the 1996 Act (see also Section 327 of the Communications Act)

- (2) The Licensee shall comply with such directions as may be given to him by Ofcom to publish, in such manner, and within such period as may be specified by Ofcom, in any direction given pursuant to Section 119(1) of the 1996 Act, a summary of any fairness complaint with regard to a programme included in the Regional Channel 3 Service, together with Ofcom's findings on the fairness complaint or a summary of such finding. The form and content of any such summary shall be such as may be approved by Ofcom.
- (3) References in Condition 33(2) to the publication of any matter shall be references to the publication of that matter without its being accompanied by any observations made by a person other than Ofcom and relating to the fairness complaint.
- (4) Where Ofcom has given a direction under Section 119(1) in relation to a fairness complaint and either the Licensee and/or any other person responsible for the making or the provision of the relevant programme has or have taken any supplementary action (interpreted in accordance with Section 120(5) of the 1996 Act) the Licensee shall promptly send to Ofcom a report of that action.

Section 326 of the Communications Act

- (5) The Licensee shall ensure that the provisions of the Fairness Code are observed in the provision of the Regional Channel 3 Service and in relation to the programmes included in the Regional Channel 3 Service

34.

Publicising Ofcom's functions

Section 328 of the Communications Act

The Licensee shall comply with such directions as may be given to him by Ofcom to secure that:

- (a) the procedures which are established and maintained for handling and resolving complaints about the observance of standards as set out in Section 319 of the Communications Act; and
- (b) Ofcom's functions under Part V of the 1996 Act in relation to the Regional Channel 3 Service

are brought to the attention of the public (whether by means of broadcasts or otherwise).

35.

Power of Ofcom to vary licence conditions

Section 3(4) and (5) of the 1990 Act

Ofcom may by a notice served on the Licensee:

- (a) vary the Licence Period provided that the Licensee consents to such variation (without prejudice to the powers and duties of Ofcom under Section 41 of the 1990 Act);

Section 352 of the Communications Act

- (b) vary any provision of Parts 1 to 3 of the Annex provided that the Licensee consents to such variation provided that no such consent is required where Ofcom has powers under the Communications Act to impose in those Parts such provisions as it thinks appropriate and where a notice to vary any such provision is served on the Licensee pursuant to Section 352(1) or (3) of the Communications Act and that in such a case the Licensee has been given a reasonable opportunity of making representations to Ofcom concerning the proposed variation;

- (c) where the Licensee agrees to provide the Regional Channel 3 Service temporarily for an additional area determined under Section 14(2) of the 1990 Act in accordance with Section 22 thereof, vary the Licence to authorise the provision of the Regional Channel 3 Service for the

additional area in question, during such period as it may determine;

- (d) vary the Licence in any respect not mentioned in paragraphs (a), (b) and (c) above provided that the Licensee has been given a reasonable opportunity to make representations to Ofcom concerning the proposed variation,

provided always that paragraphs (a) to (c) above shall not authorise the variation of Condition 4 to the extent that that Condition requires the payment by the Licensee to Ofcom of:-

- (i) (in respect of the first complete calendar year falling within the Licence Period) the amount of the Cash Bid;
- (ii) (in respect of each subsequent year falling wholly or partly in the Licence Period) the amount of the Cash Bid as increased by the Appropriate Percentage; and
- (iii) (in respect of each accounting period of the Licensee) the Relevant Percentage of Qualifying Revenue.

36.

Notices and service

Section 394 of the
Communications Act

- (1) Any notification or document (as defined in Section 394(9) of the Communications Act) to be served, given or sent under or in relation to this Licence may be delivered to the party to be served or sent by first class post to him at his proper address (as defined in Section 394(7) of the Communications Act) or left at that address.
- (2) Any such notification or document shall be deemed to have been served:
 - (a) if so delivered or left, at the time of delivery or leaving; or
 - (b) if so posted, at 10.00 a.m. on the second business day after it was put into the post.
- (3) In proving such service it shall be sufficient to prove that delivery was made or that the envelope containing such notification or document was properly addressed and posted as a prepaid first class letter or was left at the proper address, as the case may be.

Section 395 of the
Communications Act

- (4) Notices and documents may also be served or given by Ofcom on or to the Licensee and by the Licensee on or to Ofcom in electronic form subject to the requirements set out in Sections 395 and 396 of the Communications Act.

37.

Equal opportunities and training

Section 337 of the
Communications Act

- (1) The Licensee shall make and from time to time shall review arrangements for:
 - (a) promoting, in relation to employment with the Licensee:
 - (i) equality of opportunity between men and women and between persons of different racial groups; and
 - (ii) the equalisation of opportunities for disabled persons; and
 - (b) training and retraining persons whom he employs in or in connection with the provision of the Regional Channel 3 Service or the making of programmes for inclusion in the Regional Channel 3 Service.
- (2) The Licensee shall take appropriate steps to make those affected by the arrangements to be made in accordance with Condition 37(1) aware of them including publishing the arrangements in such manner as Ofcom may require.
- (3) In particular (but without limiting the generality of the foregoing), the Licensee shall from time to time (and at least annually) publish, in such manner as he considers appropriate, his observations on the current operation and effectiveness of the arrangements required by virtue of this Condition.
- (4) The Licensee shall, in making and reviewing the arrangements made in accordance with Condition 37(1), have regard to any relevant guidance published by Ofcom as revised from time to time.
- (5) This Condition 37 shall apply if the requirements of Sections 337(7) and (8) of the Communications Act are satisfied in the case of the Regional Channel 3 Service.
- (6) Ofcom will treat the Licensee's obligations under Conditions

37(1) to (5) above as discharged where a member of a group of companies to which the Licensee belongs has discharged those obligations in relation to employment with the Licensee.

PART 3

EXCEPTIONS AND LIMITATIONS ON LICENSEE'S OBLIGATIONS

38.

Force majeure

Section 4(1)(d) of the
1990 Act

The Licensee shall not be in any way responsible for any failure to comply with any Conditions of this Licence directly or indirectly caused by or arising from any circumstances beyond the control of the Licensee including (without limitation) accident or breakdown of any equipment or apparatus (caused otherwise than by the wrongful act neglect or default of the Licensee his servants or agents) war damage by the Queen's enemies, terrorism, riot, rebellion, civil commotion, interference by strike, lockout, sit-in, picket or other industrial dispute or action.

PART 4

CONDITIONS RELATING TO ENFORCEMENT OF THE LICENCE

39. Interest on late payments

- Section 4(1)(b) and (d) of the 1990 Act
- (1) Any payment due from the Licensee under or in respect of this Licence shall carry interest at three per cent. per annum over the base rate for the time being of Lloyds TSB Bank plc (or if unavailable then the rate published by another clearing bank as selected by Ofcom) from the date such payment was due until the date of actual payment.
 - (2) The Licensee's liability to pay to Ofcom the amounts payable by him under Condition 39(1) shall accrue from day to day and shall be calculated on the basis of a year of 365 days and for the actual number of days elapsed.

40. Sanctions for breach of condition

- Section 40 of the 1990 Act (see also Section 344 of the Communications Act)
- (1)
 - (a) If Ofcom is satisfied that the Licensee has failed to comply with any Condition of the Licence and that failure can be appropriately remedied by the inclusion in the Regional Channel 3 Service of a correction or a statement of findings (or both) and Ofcom has given the Licensee a reasonable opportunity to make representations to it about the matters complained of, Ofcom may direct the Licensee to include in the Regional Channel 3 Service a correction or statement of findings (or both) in such form, and at such time or times as Ofcom may determine.
 - (b) The Licensee may, when including a correction or statement of findings (or both) in the Regional Channel 3 Service in pursuance of a direction from Ofcom, announce that he is doing so in pursuance of such a direction.
 - (2) The Licensee shall comply with any direction from Ofcom not to include in the Regional Channel 3 Service on any future occasion any programme whose inclusion in the Regional Channel 3 Service Ofcom is satisfied has involved a failure by the Licensee to comply with any Condition of this Licence.
- Section 41 of the 1990 Act
- (3)
 - (a) If Ofcom is satisfied that the Licensee has failed to

Act (see also paragraph 3 of Part 1 of Schedule 13 to the Communications Act)

comply with a Condition of the Licence or has failed to comply with any direction given by Ofcom under the Licence and it has given him a reasonable opportunity of making representations to it about the matters complained of, it may serve on the Licensee a notice requiring him to pay to Ofcom, within a specified period, a specified financial penalty.

- (b) Subject to Condition 40(3)(d), the amount of any financial penalty imposed pursuant to Condition 40(3)(a) shall not exceed 5 per cent. of the Licensee's Qualifying Revenue for its last complete accounting period (as determined in accordance with Section 19(2) to (6) of the 1990 Act and Part 1 of Schedule 7 to that Act) falling within the period for which the Licensee's licence has been in force (the "**relevant period**").
- (c) Subject to Condition 40(3)(d), where any such penalty is imposed when the Licensee's first complete accounting period falling within the relevant period has not yet ended when the penalty is imposed, such financial penalty shall not exceed 5 per cent. of the amount which Ofcom estimates to be the Licensee's Qualifying Revenue for that accounting period.
- (d) Where the financial penalty imposed pursuant to Condition 40(3)(a) relates to a failure to comply with a Condition or direction occurring before the commencement of paragraph 3(2) of Part 1, Schedule 13 to the Communications Act and such penalty has not previously been so imposed on the Licensee during any period for which the Licence has been in force, Conditions 40(3)(b) and (c) above shall be read as if the reference to 5 per cent. was a reference to 3 per cent.

Section 102 of the 1996 Act (4) (a)

If Ofcom:

- (i) is satisfied that the Licensee has failed to comply with Condition 17(2) or Condition 17(6); and
- (ii) is not satisfied that in all the circumstances it would be unreasonable to expect the Licensee to have complied with that Condition,

it may serve on the Licensee a notice requiring him to

pay to Ofcom, within a specified period, a specified financial penalty.

(b) If Ofcom is satisfied that, in connection with an application for consent under Condition 17(2) or Condition 17(6), the Licensee:

(i) has provided Ofcom with information which is false in a material particular, or

(ii) has withheld any material information with the intention of causing Ofcom to be misled,

it may serve on the Licensee a notice requiring him to pay to Ofcom, within a specified period, a specified financial penalty.

(c) The amount of any financial penalty imposed pursuant to Condition 40(4)(a) or Condition 40(4)(b) shall not exceed the amount produced by multiplying the relevant consideration by the prescribed multiplier.

(d) For the purpose of Condition 40(4)(c):

(i) the “**relevant consideration**” means an amount determined by Ofcom as representing so much of any consideration paid by the Licensee as is attributable to the acquisition of the rights to televise the event in question; and

(ii) the “**prescribed multiplier**” means such number as the Secretary of State may from time to time by order prescribe under Section 102(4)(b) of the 1996 Act.

(e) Where any such financial penalty is imposed pursuant to Condition 40(4), Ofcom shall not impose a further financial penalty under Condition 40(3) in respect of the same circumstances.

Section 41(1)(b) and (3)
of the 1990 Act

(5) If Ofcom is satisfied that the Licensee has failed to comply with any Condition of this Licence or with any direction given to him hereunder and it has given him a reasonable opportunity of making representations to it about the matters complained of, it may serve on the Licensee a notice reducing the Licence Period by a specified period not exceeding two years.

Section 41(4) of the
1990 Act

- (6) Where the Licence is due to expire on a particular date by virtue of a notice served on the Licensee under Condition 40(5), Ofcom may, on the application of the Licensee, by a further notice served on him at any time before that date revoke that notice if it is satisfied that such revocation is justified by virtue of the conduct of the Licensee in relation to the operation of the Regional Channel 3 Service since the date of the earlier notice.
- (7) Any exercise by Ofcom of its powers under Condition 40(3), (5) and (6) shall be without prejudice to Ofcom's powers under Condition 40(1) and 40(2).
- (8) Any exercise by Ofcom of its powers under Condition 40(4) shall be without prejudice to Ofcom's powers under Condition 40(1), (2), (5) and (6).
- (9) Prior to exercising its powers under Condition 40(4) in respect of a failure to comply with Condition 17(6), Ofcom shall consult such persons (who may include competent authorities in other EEA States) as appear to Ofcom to be appropriate.

41.

Revocation

Section 42
of the 1990 Act

- (1) (a) If Ofcom is satisfied that the Licensee is failing to comply with any Condition of the Licence or with any direction under the Licence and that failure is such that, if not remedied, it would justify the revocation of the Licence, it shall serve on the Licensee a notice:
 - (i) stating that Ofcom is so satisfied;
 - (ii) specifying the respects in which, in the opinion of Ofcom, the Licensee is failing to comply with any such Condition or direction; and
 - (iii) stating that, unless the Licensee takes, within such period as is specified in the notice, such steps to remedy the failure as are so specified, Ofcom will revoke the Licence.
- (b) If at the end of the period specified in any notice served under Condition 41(1)(a) above Ofcom is satisfied that the Licensee has failed to take the steps specified in the notice and that it is necessary in the

public interest to revoke the Licence, Ofcom shall serve on the Licensee a notice revoking the Licence.

- (2) Ofcom may revoke the Licence by notice in writing served on the Licensee and taking effect either from the time of service or on a date specified in the notice, in any of the following circumstances:

Section 5(1)(a), (5) and (7) of the 1990 Act

- (a) if the Licensee becomes a disqualified person in relation to the Licence by virtue of Part II of Schedule 2 to the 1990 Act or otherwise fails to comply with any requirement imposed on or in relation to the holders of Channel 3 regional licences by or under Schedule 14 to the Communications Act;

Sections 4(5)(b) and 42(5) of the 1990 Act

- (b) if Ofcom is satisfied that the Licensee:
- (i) in purporting to comply with any of the Conditions of this Licence has provided information which is false in a material particular or has withheld any material information with the intention of causing the Independent Television Commission or Ofcom to be misled; or
 - (ii) in connection with his application for the Licence, provided the Independent Television Commission with information which was false in a material particular or withheld any material information with the intention of causing the Independent Television Commission to be misled.

Section 5(5) and 5(7) of the 1990 Act

- (c) if, where the Licensee is a body, a change in the nature or characteristics of the Licensee, or any change in the persons having control over or interests in the Licensee, or any change giving rise to a disqualification under Part II of Schedule 2 to the 1990 Act or a contravention of a requirement imposed by or under Schedule 14 to the Communications Act, takes place (whether before or after the Commencement Date), which change is such that, if it fell to Ofcom to determine whether to award the Licence to the Licensee in the new circumstances of the case, it would be induced by the change to refrain from awarding the Licence to the Licensee;

Section 3(3)(b) of the

- (d) if Ofcom ceases to be satisfied that the Licensee is a

1990 Act		fit and proper person to hold the Licence;
Section 3(8) of the 1990 Act	(e)	if the Licensee provides the Regional Channel 3 Service in whole or in part whilst failing to comply with any requirement to hold or have held on his behalf a licence under Section 1 of the Wireless Telegraphy Act 1949 (as amended) or if the Licensee ceases to comply with requirements applicable to the Regional Channel 3 Service imposed by or under Chapter 1 of Part 2 of the Communications Act; and
Section 42(4) of the 1990 Act	(f)	if the Licensee ceases to provide the Regional Channel 3 Service before the end of the Licence Period and Ofcom considers that it is appropriate to revoke the Licence.
Section 4(1)(d) of the 1990 Act	(g)	if Ofcom shall revoke the assignment of frequency on which the Licensed Service is for the time being provided for the purpose of: <ul style="list-style-type: none"> (i) fulfilling its functions under the enactments relating to the management of the radio spectrum as defined in Section 405(1) of the Communications Act; or (ii) complying with an order under Section 156(1) of the Communications Act.
Section 42(8) of the 1990 Act	(3)	<p>(a) Ofcom shall before serving any notice revoking the Licence under Conditions 41(1) and (2), notify the Licensee of the matters constituting its grounds for revoking the Licence and give the Licensee a reasonable opportunity to make representations to it about those matters.</p> <p>(b) In a case falling within Condition 41(2)(c) where the change is one falling within Section 5(6A) of the 1990 Act, before serving a notice revoking the licence, Ofcom shall also give the Licensee an opportunity of complying with Part 1 of Schedule 14 to the Communications Act within a period specified in the notice provided under Condition 41(3)(a).</p>
Section 18(3) of the 1990 Act (see also paragraph 2 of Part 1 of Schedule 13 to the Communications Act	(4)	(a) Where the Licence is revoked pursuant to any provision of Part I of the 1990 Act, or is treated as being revoked under Section 145 of the 1996 Act, the Licensee shall:

- (i) within such period as Ofcom shall notify to him, pay to Ofcom a specified financial penalty; and
- (ii) pay the then outstanding portion, if any, of the Cash Bid (or of the Cash Bid as increased by the Appropriate Percentage) for the calendar year in question.

The Licensee's liability to pay such amounts shall not be affected by the Licence ceasing (for any reason) to be in force.

- (b) Subject to Condition 41(4)(d), where any such penalty is imposed before the end of the first complete accounting period of the Licensee to fall within the period for which the Licence is in force, the maximum penalty imposed shall be whichever is the greater of:
 - (i) £500,000 (or such other sum as the Secretary of State may by order specify under paragraph 9 of Part 1 of Schedule 13 to the Communications Act; and
 - (ii) 7 per cent. of the amount which Ofcom estimates would have been the Qualifying Revenue (as determined in accordance with Section 19(2) to (6) of the 1990 Act and Part 1 of Schedule 7 to that Act) for the Licensee's first complete accounting period falling within the period for which the Licence would have been in force.
- (c) Save where Condition 41(4)(b) above applies and subject to condition 41(4)(d), where the Licence is revoked or treated as being revoked in any other case set out in Condition 41(4)(a), the maximum penalty shall be whichever is the greater of:
 - (i) £500,000 (or such other sum as the Secretary of State may by order specify under paragraph 9 of Part 1 of Schedule 13 to the Communications Act; and
 - (ii) 7 per cent. of the Qualifying Revenue (as determined in accordance with

Section 19(2) to (6) of the 1990 Act and Part 1 of Schedule 7 to that Act) for the Licensee's last complete accounting period falling within the period for which his licence has been in force.

- (d) Where the financial penalty imposed pursuant to Condition 41(4)(a) relates to a notice served before the commencement of paragraph 2(3) of Part 1, Schedule 13 to the Communications Act, Conditions 41(4)(b) and 41(4)(c) shall be read as if the reference to maximum penalty in each was not a reference to the greater of the amounts set out in subparagraphs (i) and (ii) in each of those Conditions but only to the amount set out in subparagraph (ii) in each.

- Section 145 of the 1996 Act
- (5) If the Licensee is convicted of an offence under Section 144 of the 1996 Act and the court by which the Licensee is convicted makes an order disqualifying him from holding a licence during a period specified in the order, or if the Licensee is disqualified from holding a licence pursuant to Section 145(3) of the 1996 Act in consequence of an order disqualifying an individual from holding a licence, this Licence shall be treated as being revoked with effect from the time when the order takes effect.

**ANNEX TO
CHANNEL 3
REGIONAL
LICENCE:
YORKSHIRE**

THE REGIONAL CHANNEL 3 SERVICE

ANNEX: PART 1

**PROVISION AND CONTENT OF THE REGIONAL
CHANNEL 3 SERVICE**

1.

Definitions and interpretation

- (1) In the following paragraphs unless the context otherwise requires:-

“**Core Proposals**” means the proposals submitted by the Licensee in his application for the Licence in response to the Questions A.1 to A.11 inclusive in Part I of Section A of the Attachment to Part III of the Invitation to Apply for Regional Channel 3 Licences issued by the Independent Television Commission, together with any additional information furnished to the Independent Television Commission by the Licensee pursuant to Section 15(4) of the 1990 Act details of which are set out in Part 7 of this Annex; terms used in such Core Proposals shall be interpreted in accordance with the guidance provided by the Independent Television Commission in the Invitation to Apply;

“**hours/minutes**” refers to the number of hours/minutes per calendar year or per week averaged over a calendar year that would be transmitted, measured in “slot times” (that is, including advertising breaks, programme trailers and presentation material during and at the end of programmes) except for material under 10 minutes in length which is measured in “running times” (that is, excluding advertising breaks, programme trailers and presentation material); and

- (2) In the event of any inconsistency between the Core Proposals and the provisions of the Schedule and this Annex, the provisions of the Schedule and the Annex shall prevail.

2.

Compliance with programme proposals

- (1) Subject to paragraph 1(1) and without prejudice to Part 2 of this Annex, and except to the extent that Ofcom shall otherwise agree in writing, the Licensee shall ensure that the Regional Channel 3 Service:
 - (a) accords with the Core Proposals; and
 - (b) satisfies the minimum requirements set out in Parts 2 and 3 of this Annex; and
 - (c) accords with the following diversity requirements:

Network service

The ITV network service will provide all viewers with a range of high quality programmes appealing to a wide variety of tastes and interests throughout the schedule but particularly in peak viewing times.

The network service will provide a generally higher level of original production than other commercial services, particularly at peak viewing times, and there will be examples of programme innovation, creative ambition and landmark programming in each quarter's schedule appropriate to ITV's role as a mass audience service.

A significant amount of original drama, entertainment and information programmes, including those designed for children, fulfilling a range of purposes and in different styles and formats, will form the foundation of the schedule, and national and international news will have an important place in it.

The network service will support the diversity of cultures in the UK, including a strong commitment to regionality both through regional programmes and network production commissions.

Night-time service (midnight –0600)

In addition to the minimum requirements set out in Parts 2 and 3 of this Annex, the Licensee will provide a mixed programme service during the period midnight to 0600, all or part of which may be commissioned, acquired and scheduled on its behalf by ITV Network Limited.

The schedule at this time will normally include news, feature films, current affairs, sport, entertainment, factual (including documentaries), arts programmes and text based information. Regional programmes and information may also be included.

Diversity across these programme categories will be achieved over the course of any week. The schedule will include selected repeats of programmes first shown on ITV outside these hours.

An appropriate balance will be maintained between commissioned and acquired programmes within the 65 per cent original productions/commissions quota that applies to ITV's annual output as a whole.

Regional service

As a regional public service broadcaster, the Licensee commits to the following:

The regional service will include news and current affairs programming of at least the minimum amounts specified in Part 2 of this Annex.

In addition, the regional service will seek to respond creatively to the evolving and wide range of tastes, interests and communities within the region or nation and include material which is socially purposive, has educational value and reflects the cultural, artistic, sporting and spiritual life and identity of the region or nation.

Diversity may be enhanced by the inclusion of both studio and location-based programmes, including coverage of major events, and a mix of one-off documentaries, magazine formats and discrete series.

Regional programmes shall reflect a high level of ambition no less than network programmes, and shall be appropriately researched and resourced. Some should be capable of being regarded as landmark series of particular distinction or programmes which break new ground.

ANNEX: PART 2

REQUIREMENTS FOR REGIONAL CHANNEL 3 LICENSEES ARISING FROM THE COMMUNICATIONS ACT

3. Independent productions

The Licensee must ensure that in each calendar year not less than 25 per cent of the total amount of time allocated to the broadcasting of qualifying programmes is allocated to a range and diversity of independent productions. The range must be in terms of the cost and types of programme.

4. Original productions

The Licensee must ensure that at least 65 per cent by time of programmes broadcast are originally produced or commissioned for any or all of the regional Channel 3 services and that at least 85 per cent by time of programmes in peak viewing time are originally produced or commissioned.

5. News

The Licensee must broadcast a total of at least 365 hours per calendar year of high quality national and international news programmes between 9.25 am and midnight of which at least 125 hours must be shown in peak viewing time. Programmes must be shown at intervals throughout the day including a 20 minute programme at lunchtime; such other news programmes as are listed in Part 3 of this Annex; and appropriate news at weekends in peak viewing time and out of peak viewing time and during public holiday periods.

6. Current affairs

The Licensee must broadcast a total of at least 78 hours per calendar year of high quality national and international current affairs programmes between 9.25 am and midnight of which at least 35 hours must be shown in peak viewing time.

7. Regional production

At least 40 per cent of expenditure on originated network

programmes in each calendar year shall be allocated to the production of programmes produced outside the M25 area and must be referable to a suitable range of production centres outside the M25 area. At least 33 per cent of originated network programme hours must be made outside the M25 area and will constitute a range of different types of programmes.

8. Regional and Sub-regional programmes

- (1) The Licensee shall ensure that the Licensed Service includes the total amount specified below of first-run regional and sub-regional programmes to be transmitted between 9.25am and 12.30am.

Channel 3 Regional Requirements
Weekly Average (over a Calendar year)

News	5:30
Current Affairs	0:26
Other	2:34
Total	8:30

The Licensee shall include in the Licensed Service in each of the Emley (West), South and East opt-outs a weekly average of at least 1 hour 30 minutes of news programmes of particular interest to persons living in these respective opt-outs.

- (2) In each calendar year at least 90 per cent of all regional programmes broadcast by time must be made within the Licensed Area.

9. Programming of European origin

The Licensee shall ensure that in each calendar year a majority of its transmission hours, excluding news, sports events, games, advertising, teletext and home shopping, is allocated to European programmes. At least 10 per cent of such transmission hours must be reserved for European independent productions and an adequate proportion must be recent works.

10. Subtitling, sign language and audio description

In 2010, the Licensee must ensure that at least 90 per cent of

broadcast output which is not excluded is subtitled; 10 per cent is audio described; and 5 per cent is signed. The Licensee must achieve such interim targets for subtitling, sign language and audio description as are notified to him in writing by Ofcom or set out in the Code on Subtitling, Sign Language and Audio Description.

ANNEX: PART 3

ONGOING REQUIREMENTS FOR REGIONAL CHANNEL 3 LICENSEES

11. Network hours

- (1) In each calendar year in the period from 9.25am to midnight, the Licensee must broadcast the following minimum amounts of original productions and commissions:

Children's programmes: in total 391 hours including children's drama 75 hours, children's information 52 hours, pre-schools 70 hours. The total amount of children's programmes including acquired material must amount to not less than 520 hours in each calendar year.

Religion: a minimum of 78 hours of religion must be shown between 9.25am and midnight and at least 104 hours before 1:00 am.

- (2) Additional indicative targets for originated programmes shown from 9.25am to midnight are as follows:

Documentaries: 91 hours;

Education:, including social action 91 hours; and

Arts: 39 hours.

12. News

From the Commencement Date the Licensee shall contribute towards the cost of the news service provided by the Appointed News Provider. This contribution shall be determined by reference to the Licensee's share of Qualifying Revenue on such basis as may be agreed between all the holders of regional Channel 3 licenses, and shall be of an amount which is adequate, when aggregated with the contributions of all such holders of regional Channel 3 licenses, for the provision of news programmes of high quality dealing with national and international matters in accordance with the Licensee's obligations under Condition 14 of Part 2 of the Schedule and with Parts 1 and 2 of this Annex.

13.

Evening programme schedule

- (1) The Licensee agrees to include in the Regional Channel 3 Service, save on Bank Holidays and during the Christmas period:
 - (a) from Monday to Friday inclusive, a high quality national and international early evening news programme of at least 30 minutes duration at 6:30pm (with exceptions permitted to accommodate coverage of major live events);
 - (b) a high quality national and international late news programme of at least 20 minutes' duration without any internal break (the "**Late News**"), shown, from Monday to Thursday inclusive, at 10:00pm, provided that the Licensee shall be entitled on 52 occasions during any calendar year to delay the Late News in order to accommodate the scheduling of films, long-form drama or documentary, live sport or entertainment events. On the occasions where the Late News is delayed from 10:00pm, it shall commence no later than 11:15pm;
 - (c) on Friday, the Late News at any time from 10:00pm onwards, its commencement being not later than 11:15pm;
 - (d) for the duration of any general election campaign, from Monday to Friday inclusive, an extended Late News of at least 30 minutes' duration to include on these occasions the Late Regional News; and
 - (e) from Monday to Friday inclusive, a high quality early evening regional/sub-regional news programme of at least 30 minutes' duration at 6:00pm;
 - (f) subject to paragraph 13(1)(d) above, from Monday to Friday inclusive, a high quality late regional/sub-regional news programme (the "**Late Regional News**") of at least ten minutes' duration beginning at the first available programme junction after 10.20pm, and normally no later than 11:35pm; and
 - (g) the Licensee will do all it can to ensure that ITV Network Limited makes available for regional

programmes:

- a minimum of 46 half-hour slots annually on weekdays during peak viewing times, and
- a minimum of 48 half-hour slots annually on weekdays between 6pm and 11:20pm and
- a minimum of 35 half-hour slots annually on Sunday between 5:30pm and 10:30pm except during schedule weeks 18-34 inclusive during which they shall be made available between 6pm and 10:30pm

and the Licensee agrees to use all reasonable endeavours to fill the slots referred to in this paragraph 13(1)(g) with regional programmes.

- (b) For the purposes of this paragraph 13 “**duration**” shall mean the ‘slot time’ of a programme including advertisements and promotions shown during and at the start and/or end of the programmes.

14.

Licensee’s commitment

- (1) In respect of 2003 and each subsequent year, by dates to be notified by Ofcom, the Licensee shall:
- (a) following consultation with Ofcom, publish, in a manner best calculated to make it widely available in the relevant nation or region, a rolling annual commitment as to the nature, scale and diversity of the regional service which it will deliver pursuant to the Licence in the following calendar year and any major programme proposals for the subsequent calendar year (the “**rolling annual commitment**”). If any major new investment (whether financial or otherwise) is planned for the service including studios, facilities and staff, the Licensee should refer to this in its rolling annual commitment. The rolling annual commitment will allow for changes in the regional service while specifying as clearly as possible how the Licensee intends to meet its obligations under paragraphs 2 (1)(b) and (c) of Part 1 of the Annex to provide material of a high quality

and varied nature; and

- (b) following consultation with Ofcom publish, in a manner best calculated to make it widely available in the relevant nation or region, a written report of the extent to which the Licensee has fulfilled its commitments in the rolling annual commitment for the regional service for the previous year (the “**self-assessment report**”);
 - (c) procure the publication by the ITV Network Limited of rolling annual commitments and self-assessment reports dealing with the network service and night-time service, in a manner best calculated to make them widely available in the UK and following consultation by ITV Network Limited with Ofcom.
- (2) Ofcom may at its discretion publish rolling annual commitments and self-assessment reports, for example on its website, subsequent to their publication by the Licensee and ITV Network Limited.
 - (3) Ofcom may take the rolling annual commitments and the extent to which the Licensee has fulfilled them into account when carrying out its annual review of the Licensee’s performance in the provision of the Regional Channel 3 service (the “**annual review**”).
 - (4) The rolling annual commitments for the calendar year 2004 shall be deemed to be the statements published by the Licensee and ITV Network Limited in Spring 2004.

ANNEX: PART 4**DAYS AND TIMES OF BROADCASTING**

The Regional Channel 3 Service shall be broadcast seven days a week and throughout the day except for the time between 6.00am and 9.25am each day.

ANNEX: PART 5**DETAILS OF BROADCASTING STATIONS - MAIN STATIONS AND DEPENDENT RELAYS**

<u>Station Name</u>	<u>Grid Reference</u>	<u>UHF Channel</u>	<u>Aerial Height</u>
---------------------	-----------------------	--------------------	----------------------

YORKSHIRETable AEast

BELMONT	TF 218836	25	472
Weaverthorpe	SE 972716	59	164

Table BEmley (West)

EMLEY MOOR	SE 222128	47	567
Addingham	SE 076492	43	189
Armitage Bridge	SE 132133	61	175
Batley	SE 239249	60	107
Beecroft Hill	SE 237350	59	195
Bradford West	SE 133345	49	236
Calver Peak	SK 232743	49	322
Conisbrough	SK 516981	60	121
Cop Hill	SE 058138	25	361
Copley	SE 080223	59	137
Cornholme	SD 918264	61	361
Cowling	SD 970432	43	224
Cragg Vale	SE 003229	61	314
Cullingworth	SE 075381	49	245
Edale	SK 126843	60	342
Grassington	SE 015639	23	328
Hagg Wood	SE 148105	59	197
Halifax	SE 103242	24	283
Headingley	SE 299361	61	126
Hebden Bridge	SD 988267	25	266
Heyshaw	SE 170631	60	333
Holmfield	SE 089295	59	318
Holmfirth	SE 140086	56	225
Hope	SK 170830	25	245
Humnmanby	TA 092779	43	122
Idle	SE 163374	24	263
Keighley	SE 069444	61	354

Keighley Town	SE 065405	23	177
Kettlewell	SD 987680	39	328
Luddenden	SE 048248	60	295
Oliver's Mount	TA 040869	60	188
Oughtibridge	SK 307952	59	296
Oxenhope	SE 028338	25	408
Primrose Hill	SE 143151	60	197
Ripponden	SE 043188	61	333
Shatton Edge	SK 194814	48	413
Skipton	SD 909517	49	212
Skipton Town	SD 998509	24	186
Stocksbridge	SK 275991	61	322
Sutton-in-Craven	SE 004428	23	288
Tideswell Moor	SK 149780	60	451
Todmorden	SD 958241	49	273
Walsden	SD 927235	60	287
Walsden South	SD 937216	43	236
Wharfedale	SE 198485	25	264
Wincobank	SK 388919	59	68

Table C
South

Brockwell	SK 357707	68	208
Chesterfield	SK 383764	23	231
Dronfield	SK 362791	59	188
Hasland	SK 406697	60	141
Sheffield	SK 324870	24	295
Totley Rise	SK 322807	49	184

Note: Aerial heights are given in metres above Ordinance Datum.

ANNEX: PART 6

ADDITIONAL INFORMATION

Direction on rules on advertising breaks

Details of listed events