

A1. Media plurality regulatory framework

- A1.1 Ofcom is required, in carrying out its principal duty¹, to secure various ends including the maintenance of a sufficient plurality of providers of different TV and radio services, and the provision of a wide range of TV and radio services that are of high quality and calculated to appeal to a wide variety of tastes and interests.²
- A1.2 This Annex sets out the current measures within Ofcom's statutory functions that contribute to the overall regulatory framework for media plurality in the UK.

Media ownership rules

- A1.3 We have a specific duty under section 391 of the Communications Act 2003 to carry out a review of the operation of the media ownership rules every three years and to report on each review to the Secretary of State. This may include recommendations about the exercise of the Secretary of State's power to repeal or modify any of the rules.³
- A1.4 Our most recent report, including our recommendations regarding certain of the rules, was published in November 2021.⁴
- A1.5 The media ownership rules are set by the UK Parliament and currently include:
- a) the **National Cross-Media Ownership Rule**⁵, which prohibits a newspaper operator with 20% or more of the national market share for print newspapers from holding a Channel 3 licence or a stake in a Channel 3 licensee that is greater than 20%. The holder of a Channel 3 licence is also prohibited from holding an interest of 20% or more in a large national newspaper operator (i.e. an operator with national market share of 20% or more).
 - b) the **Channel 3 Appointed News Provider Rule**⁶, which requires the regional Channel 3 licensees to appoint a single news provider among them. Individuals or organisations disqualified from holding a Channel 3 licence are also disqualified from being the Channel 3 appointed news provider.

¹ Under section 3(1) of the [Communications Act 2003](#), Ofcom's principal duty is to further the interests of citizens in relation to communications matters and to further the interests of consumers in relevant markets, where appropriate by promoting competition.

² Section 3(2)(c) & (d) of the [Communications Act 2003](#).

³ Section 391(4) of the [Communications Act 2003](#).

⁴ [Statement: the future of media plurality in the UK](#) (November 2021). It is for Government to take forward our recommendations.

⁵ Schedule 14 (Part 4) of the [Communications Act 2003](#).

⁶ Section 280 of the [Communications Act 2003](#).

- c) the **Media Public Interest Test (PIT)**⁷, which allows the Secretary of State to intervene in a merger involving a broadcaster and/or a print newspaper enterprise if certain conditions are met.⁸ The Secretary of State may decide to issue an intervention notice that identifies a relevant media public interest consideration (including the need for a “sufficient plurality”)⁹, and which triggers a review of whether the merger might result in harm to the public interest, in which Ofcom has a first instance advisory role.
- d) the **Disqualified Persons Restrictions**¹⁰, which are a series of restrictions on the holding of broadcast licences that apply to certain entities (as well as bodies and individuals who are linked in specified ways to those entities):
 - i) Religious bodies are prohibited outright from holding licences for Channel 3, Channel 5, national sound broadcasting and multiplexes. For other licence types, Ofcom is given discretion¹¹ to determine if it is appropriate for a religious body to hold a licence. A “religious body” includes a body whose objects are wholly or mainly of a religious nature.
 - ii) Advertising agencies are prohibited from holding any broadcast licences. An “advertising agent” is defined as a person who “carries on business involving the selection and purchase of advertising time or space for persons wishing to advertise”.¹²
 - iii) Political bodies, such as political parties or issue-groups, are prohibited from holding any broadcast licences. A “political body” includes any “body whose objects are wholly or mainly of a political nature”.
 - iv) Local authorities¹³ are disqualified from holding broadcast licences except to operate a broadcast service solely to provide information on their functions and services within their area.
 - v) Bodies which receive more than 50% of their funding from UK public funds (examples include government agencies or advisory bodies and some museums) are disqualified from holding most radio licences but are permitted to hold all types of TV licences.

⁷ Part 3 of the [Enterprise Act 2002](#).

⁸ A merger will meet these conditions if it creates a “relevant merger situation” or “special merger situation” in accordance with sections 23 and 59(3) of the [Enterprise Act 2002](#).

⁹ The existing media public interest considerations are set out in section 58 of the [Enterprise Act 2002](#) and include, among others, the need for a “sufficient plurality” of views in print newspapers, and of persons with control of broadcasting and print newspaper enterprises. The Secretary of State may however intervene in a merger on grounds not yet set out in section 58, as long as he lays legislation before Parliament to add the new consideration.

¹⁰ Schedule 14 of the [Communications Act 2003](#) and Schedule 2 of the [Broadcasting Act 1990](#).

¹¹ Schedule 14, Part 4 of the [Communications Act 2003](#).

¹² Section 202(7) of the [Broadcasting Act 1990](#).

¹³ “Local authority” is defined in Schedule 2 of the [Broadcasting Act 1990](#) as including: in England, the council of a county district or London borough, the Common Council of the City of London and the Council of the Isles of Scilly; in Wales, a county council or county borough council; in Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994; and in Northern Ireland, a district council.

- vi) The BBC, Channel 4 Corporation and S4C are prohibited from holding Channel 3 and Channel 5 licences.
- vii) General disqualification on grounds of undue influence.
- viii) Analogue community radio licences¹⁴ may only be held by bodies corporate and cannot be held by those holding certain other kinds of broadcast licence.

Other measures contributing to media plurality

A1.6 The media ownership rules are complemented by a range of other measures which contribute to securing the maintenance of sufficient plurality in the media sector:

- a) **Public Service Broadcasting (PSB):** To ensure the provision of high-quality trusted and accurate news available to the UK population, the PSB system places obligations on the BBC, the provider of the Channel 3 services, Channel 4 Corporation, Channel 5 and S4C to meet certain requirements with regard to the quality and frequency of news programming.¹⁵ In return for collectively fulfilling certain statutory purposes¹⁶ and individually meeting service-specific requirements, PSB providers receive regulatory benefits including prominence on electronic programming guides to make them more easily accessible by the public.¹⁷
- b) **Broadcast licensing:** Ofcom has general powers to license television and radio services. These powers must be exercised in accordance with Ofcom's general duties in relation to media plurality identified in paragraph A1.1, including ensuring a sufficient plurality of providers and the provision of a range of services that appeal to a wide variety of tastes and interests.
- c) **Broadcasting restrictions:** There are a number of content-related restrictions concerning the programming of Ofcom-licensed broadcasters. Section 5 of Ofcom's Broadcasting Code requires licensed broadcasters to ensure that news is reported with due accuracy and presented with due impartiality.¹⁸ There are also special impartiality requirements that apply to the coverage of political or industrial controversy or to current public policy,¹⁹ as well as other requirements that must be applied at times of elections or referendums.²⁰

¹⁴ The [Community Radio Order 2004](#) (SI 2004/1944).

¹⁵ Section 265 and 279 of the [Communications Act 2003](#). There are news requirements imposed on the BBC's UK Public Services (including television and radio) set out in the [BBC Operating Licence](#).

¹⁶ Section 264(4) of the [Communications Act 2003](#).

¹⁷ Section 310(2) of the [Communications Act 2003](#). Ofcom's current [code of practice on electronic programme guides](#) is available on our website. The Government has also set out its intention to expand the existing prominence framework by introducing a new prominence regime for PSB on-demand services to ensure that they are available and prominent on certain designated TV platforms: [Up Next – the government's vision for the broadcasting sector](#).

¹⁸ Rule 5.1 of the [Ofcom Broadcasting Code](#).

¹⁹ Rule 5.5 of the [Ofcom Broadcasting Code](#).

²⁰ Section 321(2) and 333 of the [Communications Act 2003](#). See [Ofcom rules on Party Political and Referendum Broadcasts](#).

- d) **News consumption measurement:** Ofcom conducts regular measurement of the availability, consumption and impact of a range of news media.²¹ This informs Ofcom's advisory role on media merger PITs and more generally enables Ofcom to monitor and report on changes in media plurality in our review of the media ownership rules.

²¹ See Ofcom's [News Consumption Surveys](#). Ofcom has a function under section 119A of the [Enterprise Act 2002](#) to carry out or commission research to ensure that we have sufficient information to take informed decisions in relation to our PIT functions. Ofcom also has a duty in section 14(4) of the [Communications Act 2003](#) to conduct consumer research in relation to television and radio services.