

Modification to the Channel 3 networking arrangements

Summary

- 1.1 ITV¹ and STV² have agreed a technical modification to internal fee arrangements under the Channel 3 networking arrangements ('NWA'), which they jointly submitted to Ofcom for approval on 19 December 2025.
- 1.2 In accordance with the Communications Act 2003 (the 'Act'), Ofcom has reviewed the proposed modification. We set out details of the modification and our decision to approve it in this report.

Background

- 1.3 [Section 290 of the Act](#) requires the holders of the 15 regional Channel 3 licences to conclude a set of NWA, approved by Ofcom, which meet the requirements set out in Section 290(4) of the Act, ie arrangements that:
- a) apply to all Channel 3 licensees;
 - b) provide for programmes made, commissioned or acquired by or on behalf of a Channel 3 licensee to be available for inclusion in qualifying audiovisual services provided by each Channel 3 licensee (or associate); and
 - c) have the purpose of enabling regional Channel 3 licensees (and their associates) to provide qualifying audiovisual services that (taken as a whole) are able to compete effectively with other UK television and on-demand programme services.
- 1.4 The current NWA was approved by Ofcom in 2012.³

Process for modification to the NWA

- 1.5 As part of our responsibilities under the Act, we have a duty to consider the modifications submitted to us by the Channel 3 licensees for our approval.⁴
- 1.6 [Schedule 11](#) of the Act sets out criteria we must apply when considering whether to approve a modification. These are that:
- a) we consider the NWA as proposed to be modified are satisfactory, having specifically considered:
 - i) whether the proposed NWA are a satisfactory way of achieving their statutory purpose, namely enabling the Channel 3 services (taken as a whole) to compete effectively with other television and on-demand services; and

¹ ITV for these purposes means ITV plc and ITV Rights Ltd.

² STV means STV Central Limited and STV North Limited.

³ [Modifications to Channel 3 networking arrangements](#) (2012).

⁴ Paragraph 2 of Schedule 11 to the Act.

- ii) their likely effect on the ability of the licensees to maintain the quality and range of regional programming or programming which contributes to the regional character of the services;⁵
- b) it does not appear to us likely that the NWA as proposed to be modified would be likely to prejudice the ability of any of the Channel 3 licensees to comply with their public service remits or conditions imposed on them under the Act;⁶ and
- c) we are satisfied they satisfy one of the competition tests set out in paragraph 6 of Schedule 11 of the Act, following consultation with the CMA, meaning that they either:
 - i) do not have in their object or effect, the prevention, restriction or distortion of competition within the UK; or
 - ii) would satisfy the exemption criteria under section 9 of the Competition Act 1998 (because they create relevant efficiency benefits, give a fair share of those benefits to consumers, are indispensable to realising those benefits and do not allow the NWA parties to eliminate competition).

The proposed modification

- 1.7 Under the NWA, ITV is responsible for acquiring programme rights and devising a network schedule. It also takes on initial responsibility for programme compliance. ITV makes the network schedule available to the Channel 3 licensees (including STV) on an affiliate basis, in return for a pre-determined fee.⁷
- 1.8 ITV and STV have agreed a technical modification to these internal fee arrangements under the NWA, which they jointly submitted to Ofcom for approval. [redacted]⁸

The modification results in a minor increase of approximately [redacted] in the annual fee, of around £[redacted] per annum, against a fee of between £[redacted] per annum (by reference to the amounts provided for [redacted]⁹).

Our process

- 1.9 We published a description of this proposed modification on 27 March 2026, with a deadline of 10 April 2026 for comments. We did not receive any comments on the proposal.

⁵ Paragraph 7 of Schedule 11 to the Act.

⁶ See paragraph 8 of Schedule 11 to the Act.

⁷ [Modifications to Channel 3 networking arrangements](#) (2012), paragraph 1.7.

⁸ [redacted].

⁹ [redacted].

1.10 We also consulted the CMA on the compliance of the NWA (as proposed to be modified) with the competition tests set out in the Act.¹⁰ The CMA did not disagree with our assessment that the NWA (as modified) continue to meet the competition tests.

Assessment of the modification

1.11 We are satisfied each of the statutory criteria set out at paragraph 1.6 above are met in relation to the NWA as proposed to be modified, taking into account:

- a) as set out at paragraph 1.8 above, the proposed modification does not alter the fundamentals of the approved NWA, and its practical effect on the amount of the fee payable appears minor; and
- b) with respect to the competition tests referred to in paragraph 1.6(c), the response of the CMA referred to at paragraph 1.10 above.

Conclusion

1.12 For the reasons given above, with effect from 5 June 2026, Ofcom has approved this modification to the internal fee arrangements between ITV and STV under the NWA.

¹⁰ Paragraph 6 of Schedule 11 of the Act.