

Channel 4 response to Ofcom's consultation on proposed changes to the L-DTPS licence obligations of ESTV Limited (the local TV licensee for London)

Context

Channel 4 welcomes the opportunity to provide views on the potential changes to local TV obligations for London Live.

Channel 4 is a publicly-owned, commercially-funded, not for profit, public service broadcaster, with a statutory remit to deliver high quality, innovative, experimental and distinctive content across a range of platforms.

The UK is fortunate to enjoy a particularly strong and varied public service broadcasting system – with a variety of different participants working to different remits and models. We take the fulfilment of our remit and the obligations set out by Ofcom in our licence very seriously. As one of the main PSBs we also take a close interest in the health of the whole public service broadcasting ecology. It is therefore an issue of concern that ESTV is looking to roll back the obligations it committed to, just 4 months after its initial launch.

Obligations and privileges of PSB status

Channel 4 does not believe that PSB status should be given lightly. When ESTV was awarded the London Live licence, it was granted PSB status. As a PSB, ESTV agreed to fulfil specific licence obligations to provide a defined amount of local television, in return for certain privileges received by PSBs such as a prominent EPG slot. ESTV also receives further benefits above and beyond those received by other PSBs, such as relaxed rules on advertising minutage.

ESTV are now seeking to reduce their public service obligations while retaining these benefits. Channel 4 understands that flexibility to evolve over time is important in a fast-paced sector such as broadcasting – however we believe that Ofcom should be careful to avoid a situation whereby licence holders can fundamentally and rapidly change the nature of their offering whilst still being able to enjoy the benefits of being a Public Service Broadcaster. This is a particular concern when the service has a singular PSB purpose, such as the delivery of local television, which it is increasingly less focused on delivering.

Significantly reducing public service obligations so soon after they were carefully considered and agreed to by all parties after prolonged discussion would set an unwelcome precedent – and Channel 4 believes that such a move could devalue Public Service Broadcasting by casting it as a burden instead of a privilege that can be diluted and dismissed so quickly after launch.

Increased Commercialisation

Channel 4 believes that the proposal that ESTV have made to reduce their obligations - in particular their proposal to reduce the hours of local programming per day in peak-time by two thirds - fundamentally alters the nature of the service ESTV are providing.

ESTV won the Local TV licence for London on the basis of an application which demonstrated a commitment to localism. The application stated that "London Live is committed to providing quality local TV for the long term" and that they would seek to deliver 8 hours of first run local programming per day in their first year - rising to 10 hours by year 3. ESTV committed to delivering 3 hours of this programming in peak time – rising

to 3.5 hours in year 3. They also committed to delivering 33 IPTV streams to represent each of London's 33 Boroughs to provide "hyper local" content.

Channel 4 believes that ESTV's proposals to reduce its local public service content represent a material shift in the nature of the service they provide. Given that the pressure driving ESTV's proposed reduction in licence obligations is a commercial one, it is reasonable to expect that ESTV will seek to replace public service programming with more with commercially focused content. This change would move London Live away from being a channel designed to deliver local television, subsidised by commercially focussed content, to a commercially focussed channel that delivers an increasingly small amount of local television.

We therefore believe the proposals would lead to a significantly changed service that would be less likely to provide the benefits to viewers that the local TV system was designed and set up to deliver.

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