



COMMENTS OF CHANNEL 5 BROADCASTING LTD ON PROPOSED CHANGES TO ESTV L-DTPS LICENCE

Channel 5 welcomes this opportunity to comment on the proposed changes to the licence obligations in the L-DTPS licence awarded to ESTV Ltd to provide the London local TV service.

Channel 5 recognises that any new television service, especially in an innovative field such as local television, needs to evolve over time and that this may involve moderation of some aspects of its licence conditions. Therefore, we have no objection to the majority of changes proposed by ESTV to its licence obligations.

However, the proposal to reduce the hours of peak time first run local programming from three hours a day to just one hour would represent a substantial reduction in the station's commitment to local programming and a fundamental change in its character.

We assume that ESTV would replace the two hours of first run local programming with repeats of acquired programming first shown on established mainstream national channels. We note that its schedules already include repeats of programmes made popular elsewhere, including on established PSB channels, such as the comedy series *Twenty Twelve* and *Peep Show*.

We anticipate that if ESTV's programme obligations were diluted to the extent it wants, it would be able to present itself as a direct competitor to established channels, including PSB channels with more onerous programming obligations.

Local television licensees have advantages not enjoyed by other commercial channels. Not only do they benefit from appropriate prominence on EPGs, they receive subsidies from the BBC licence fee and have to abide by more relaxed advertising rules. These advantages were designed to help offset the acknowledged challenges involved in running local television; not to help local TV channels compete head-to-head with established channels. This is particularly pertinent in London, where the reach of the London service is broadly the same as the London Channel 3 licences.

ESTV was awarded the L-DTPS licence for London in a five-way contest, in which it was helped considerably by its ambitious programming plans. Ofcom also gave as a further reason for awarding ESTV the licence its “particularly strong position to launch and maintain its proposed service, given its proposals for promoting and marketing the channel”¹. Having made this decision in a competitive process, we believe it would be unfair to the other applicants and undermine the process if Ofcom was to allow a substantial dilution of the station’s programme commitments after it had been on air for just five months.

Such a decision would also send the wrong message to other holders of L-DTPS licences and those bidding to acquire them: that it does not really matter what is put in applications, because it can always be watered down substantially afterwards.

Local television stations were designed as a major innovation, to provide local content which meets the needs of local people and be relevant to their daily lives. If their local obligations are pushed to the fringes of their peaktime TV schedules, which are then filled mostly with the sort of programmes to be found on national channels, then the localness which is their rationale will be critically undermined.

Therefore we ask Ofcom to reject the most far-reaching of ESTV’s requests.

Channel 5 Broadcasting Ltd

August 2014

¹ See <http://licensing.ofcom.org.uk/binaries/tv/local-tv/applicants/London.pdf>