

The carriage and distribution of all Local TV is funded through the BBC licence fee, so to make a local service viable. All prospective licensees were aware of the position and were required to factor in all costs in to their Bid. A significant reduction in local programming will lead to the service becoming more general and would be unfair on all other broadcasters (Both PSB's BBC,ITV,C4 C5 and all other commercial channels) as London live would compete in their markets but be subsidised from licence fee.

To take the statutory issues in turn;

Under section 19(3B) of the 1996 Act, Ofcom may consent to a departure from the character of the service, if it is satisfied:

1.10.1 that the departure would not substantially alter the character of the service,

A reduction in the order of 2/3rds would fail this requirement.

1.10.2 that the departure would not unacceptably reduce the number and range of the programmes about the area or locality for which the service is licensed,

A reduction in the order of 2/3rds would fail this requirement.

1.10.3 that the departure would not unacceptably reduce the number of programmes made in the area or locality for which the service is licensed,

A reduction in the order of 2/3rds would fail this requirement.

and

1.10.4 that the service would continue to meet the needs of the area or locality for which the service is licensed.

In awarding the licence OFCOM determined the Licences bid was appropriate to meet this condition. I can see no presented evidence that this has changed over the very short on air period.

A request to change the commitment by 2/3rds in less than a year on air can only be either financial incompetence on the part of the bidder (their bid was financially inadequate) or a cynical attempt by the bidder to obtain a general licence by a back door means. It would be unfair to failed bidders for this franchise and to all general broadcasters to allow this change.

I believe OFCOM's options are;

- 1) Reject the request to change and monitor carefully that the Licensee meets all his ongoing commitments.
- 2) Offer the Licence with the London Live conditions to any of the failed bidders , provided they can prove they can make this work financially.
- 3) Re advertise the London Licence.