

PAY TV PHASE 3 CONSULTATION – RESPONSE

I am responding to your latest consultation document on pay TV.

I should explain that I am writing both in a personal capacity and in my capacity as Chairman of the I'Anson Cricket Competition, the oldest (109 years) continuing cricket league in the world, which comprises 35 amateur clubs in Surrey, Hampshire and Sussex. I have also played amateur cricket for the past 50 years and have been involved in club and league administration for the past 30 years.

My purpose in writing is to ensure that the views of amateur clubs such as those I represent are fully taken into account in your decision making process. Cricket is a sport which is sustained essentially by the activities of amateur clubs: it is they who encourage youth involvement now that state schools have largely abandoned the sport and it is they who have led the revival of amateur cricket to the extent that player involvement now (by some accounts) exceeds that of association football. Our own Competition has expanded from 13 clubs and 24 teams in 1989 to 35 and 68 currently. This reflects the burgeoning interest in the amateur game.

This revival of interest comes in spite of rather than because of the activities of the sport's governing body (the ECB) and the restrictive nature of its deals with Sky Broadcasting, which have substantially reduced the availability to the general public of professional and international cricket on television. Only a minority of amateur players can now afford to subscribe to the Sky Sports packages and in this way view live cricket. I fear that in the longer term this will reduce interest in cricket generally, to the serious detriment of the game and of the public interest.

The ECB argue that their substantially increased income from Sky Sports (following the government's decision in the mid 1990's to remove test cricket's FTA status) is essential to the future of amateur cricket in the UK. Yet this argument is unsubstantiated by the facts. Most of the cash from the Sky contract goes to the professional game and much of this is spent by the counties on contracts for overseas players. Only a small proportion of the ECB's proceeds trickles down to grass roots cricket and much of this finds its way via the 'elite' clubs also to fund overseas professionals: Micky Stewart, President of Surrey CCC, has recently estimated that this outflow of funds at club level amounts to between £20-40 million per year.

Returning to the Sky issue, the ECB negotiated a deal with Sky under which the Sky Sports package would be available to amateur cricket clubs at a preferential rate, in order to help maintain viewing access to international and professional cricket for amateur players and other club members. My own club, Elstead Cricket Club, took up this offer when our new community pavilion and clubhouse (built at a cost of nearly £300,000, all of which was raised locally without any help from ECB or Sports Lottery funding) was opened in 2006. The cost initially was just over £100 per month. It was until recently £124.20 a month, for a package which included all three sports channels. Last week we found out that to retain this coverage would cost us over £225 a month, an increase in one year of 81%. This is a sum we simply cannot afford. When I queried the size of the increase with Sky, its response was to deny that any significant increase had been imposed and all that had happened was that the sports package had been 'modified'!

An increase of 81% is quite unjustifiable and is clearly contrary to the public interest. It demonstrates a lack of fair and effective competition in the market for televised sports coverage of premium events and can only be sustained owing to the restrictive nature of the agreements between Sky and the ECB, which arguably are contrary to EU law. Sky can get away with such cavalier and irresponsible action only by virtue of its wholly dominant position in the market for premium sports coverage on TV. If Sky is allowed to continue its current practices without further intervention from Ofcom, the result will be a further reduction in the availability of professional cricket to the viewing public, excess profits for Sky and a long-term decline in interest in cricket and sport generally. None of these outcomes is in the public interest.

I can find nothing in your consultation document which specifically addresses this issue, ie the prices Sky charges amateur clubs for access to its sports channels. These need to come under some form of Ofcom regulation, as the clubs themselves have little or no market power and have no alternative supplier owing to the complete lack of competition in this sector. The remedies you propose would seem to apply only to domestic consumers and would have no effect on clubs, who are treated as commercial customers. In practice, it should be possible to establish a specific Ofcom regulatory regime for clubs who are recognised by HM Revenue and Customs as CASCs (Community Amateur Sports Clubs).

I trust you will take the necessary steps to deal with this lacuna.

I am copying this letter also to Sky (Mr DJ Darroch), to the ECB (Mr Giles Clark) and to my MP, Mr Jeremy Hunt, in his capacity as Opposition Spokesman on Culture, Media and Sport.

Yours sincerely

Patrick W Murphy