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## Statement on the allocation of LCN 7

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## 1. Executive Summary

This statement sets out Digital UK's decision regarding our consultation on proposals to allocate LCN 7 in the Freeview TV guide. This followed the BBC Trust decision in November 2015 to approve BBC Three's transition to an online service. The consultation was published on 16 December 2015 and closed for responses on 26 January 2016.

When allocating a vacant LCN, Digital UK would normally implement the LCN Policy ('Policy') without consulting. However, the decision to consult on the specific allocation of LCN 7 arose from the complexity of multiple geographic-based public service channels occupying higher LCNs that would be affected by the changes<sup>1</sup>. Given this unusual situation, we opted to consult on two alternative options for the reallocation of LCN 7 which offered the potential for realising additional benefits, including an opportunity to bring all Local TV onto one channel. Both options were consistent with the existing Policy and would see an improved position for Scottish and Welsh local TV channels currently on LCN 23.

**Option 1:** All public service channels would move to lower LCNs and maintain their relative position in the general entertainment genre. Large number of channel moves required.

**Option 2:** BBC Alba and Channel 4 Wales move to LCN 7. English Local services stay at LCN 8 where they are joined by Scottish and Welsh services to create a single UK-wide channel number for Local TV. Fewer channel moves required.

Our recommendation was that Option 2 should be adopted on the grounds that it offered benefits to channel providers, viewers and the DTT platform.

The majority of the 23 respondents supported our recommendation but a group of four channel operators opposed. There was, however, unanimous agreement concerning the changes to Local TV providers in Scotland and Wales, BBC, MG Alba and Channel 4. There was no consensus on maintaining all local services at LCN 8. Those opposed to the proposal put forward arguments asserting their eligibility under existing Policy to apply for a lower geographic vacancy where it exists – in this case LCN 7.

In light of these responses, our decision is to implement aspects of the Option 2 proposal where we have agreement. Where there was no agreement on maintaining all local services at LCN 8, we do not consider that the potential benefits of such an outcome were sufficient to justify overriding the application of the existing Policy. Therefore with regard to this specific aspect of our proposal, we will apply the provisions of the existing Policy. This decision will enable the following:

- The move of BBC Alba in Scotland and Channel 4 in Wales (currently at LCN 8) to LCN 7
- The move of Local TV services in Scotland and Wales (currently at LCN 23) to LCN 8
- The creation of a channel reservation for Local TV across the UK at LCN 8
- Local TV channels in England and Northern Ireland currently on LCN 8 being offered the opportunity to move to LCN 7

The BBC has confirmed that LCN 7 will be available for reallocation at the end of March. We will write to the channel providers affected to confirm the date and timing of their changes, which we would seek to co-time as soon as practicable following the vacation of LCN 7.

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<sup>1</sup> BBC Alba in Scotland, Channel 4 in Wales and Local TV in England and Northern Ireland on LCN 8, BBC Four on LCN 9 and Local TV in Scotland and Wales at LCN 23.

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## 1.1 Background on consultation proposals

The BBC Trust's decision in November 2015 to transition BBC Three to an online service will result in the withdrawal of the BBC Three SD and BBC Three HD from the DTT Platform, creating vacancies at LCN 7 and LCN 105, respectively.

As an Ofcom-licensed EPG provider, Digital UK's LCN Policy<sup>2</sup> describes how a vacated channel should be reallocated and the process for reserving LCNs for Local TV public service broadcasters (PSBs).

The decision to reserve LCNs for Local TV was taken in July 2012. In line with our Policy, LCN 8 was reserved for Local TV in England and Northern Ireland. As LCN 8 was already occupied in Scotland and Wales (by BBC Alba and Channel 4) Local TV in these countries was allocated the next available slot, which at the time was LCN 45. As lower vacant channels have become available, the local TV channels in Scotland and Wales have moved down the listing to their current position of 23 in accordance with the Policy.

Given the large number of Local TV services<sup>3</sup>, with exclusive licences for discrete local areas, we consider it appropriate, so far as practical, to reserve a single LCN for Local TV services. This enables Digital UK to satisfy the requirement to give appropriate prominence for these services, while ensuring efficient LCN management.

Public service channels that serve a specific geographic area (ie. non-nationwide) can share an LCN with other public service channels where technically possible.

The decision to consult on the allocation of LCN 7 arose from the complexity of multiple geographic-based public service channels occupying the next lowest channel, creating a variety of potential outcomes under the current Policy. In the interests of the platform, channels and viewers, we considered it prudent to consult on a managed process and put forward two proposals while acknowledging these may not be the only options available under the Policy. Both proposals offered an improved position for Scottish and Welsh local TV channels currently on LCN 23. The Option 2 proposal also created the conditions for a UK-wide LCN reservation for Local TV.

The process for allocating LCN 105 – currently occupied by BBC Three HD – was not a matter included in the consultation. In line with the Policy, we will offer LCN 105 to the public service channel at the next lowest LCN in the HD genre.

In this consultation document we use the terminology 'lower LCN' to refer to a smaller channel number, conversely, 'higher LCN' is used to refer to a larger channel number which is further from the start of the channel list.

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<sup>2</sup> Digital UK's LCN Policy can be found at [www.digitaluk.co.uk/lcnpolicy](http://www.digitaluk.co.uk/lcnpolicy)

<sup>3</sup> To date Ofcom has issued 34 Local TV broadcast licences and there are 20 Local TV channels broadcasting services on the DTT platform.

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## 1.2 Our proposals

The proposals put forward were consistent with the existing LCN Policy and generally improved the prominence of geographic-based PSB services.

**Option 1** – All public service channels would move to lower LCNs and maintain their relative position in the general entertainment genre. This would increase the prominence of all affected PSB channels but would result in a large number of channel moves.

**Option 2** – BBC Alba and Channel 4 Wales move to LCN 7. English Local services stay at LCN 8 where they are joined by Scottish services to create a consistent UK-wide LCN for local TV. This would result in LCN 7 becoming vacant in England and Northern Ireland but would result in fewer channel moves.

In particular, we asked the local TV community to seek to reach a consensus view on their preferred option.

## 1.3 Summary of consultation responses

In total, 23 organisations responded to the consultation. Of these, 20 were channel operators on the DTT platform and the remaining three were Freeview, YouView and Arqiva.

In total 18 organisations were in favour of our proposal to adopt Option 2, one sought policy clarifications and four channel operators were opposed.

We did not receive a consensus view from the Local TV operators in the UK as to their preferred option. There was, however, unanimous agreement concerning the changes to Local TV providers in Scotland and Wales.

Those opposed to the recommendation argued principally that, under the current LCN Policy, Local TV providers on LCN 8 should individually be offered the opportunity to move to LCN 7.

While not opposed to the proposals one respondent highlighted that the Policy did not address commercial services sharing with public service channels where a geographic vacancy exists.

## 1.4 The decision

Having considered all the responses to our consultation, we have decided to implement those elements of the Option 2 proposal where there was agreement among the channels concerned. On aspects of the proposal where there was no consensus among the channels concerned, we will apply the provisions of the existing LCN Policy.

Figure 1 below sets out the future channel listing in light of this decision. In summary, the changes will enable:

- The move of BBC Alba and Channel 4 Wales (currently at LCN 8) to LCN 7
- The move of Local TV services in Scotland and Wales (currently at LCN 23) to LCN 8
- The creation of a channel reservation for Local TV across the UK at LCN 8
- Local TV channels in England and Northern Ireland currently on LCN 8 being offered the opportunity to move to LCN 7

In reaching this decision, we gave due consideration to all the responses we received. In particular we weighed responses against our objectives of securing appropriate prominence for PSB services and ensuring efficient EPG management. We believe this outcome achieves both those goals.

The channel reservation for Local TV at 8 will apply to all new Local TV services launched after the date of this decision. However, where a geographic PSB vacancy exists, as is currently the case in England and Northern Ireland at LCN 7, Local TV services will also be offered the opportunity to launch into that vacancy in accordance with the Policy.

**Figure 1: Future channel listing**

LCN Position	Current DTT Channel Listing	Option 2 Proposed Channel Listing
7	BBC Three	BBC Alba Channel 4 (Wales)
8	BBC Alba; Channel 4 (Wales) Local TV reservation in England and Northern Ireland (currently 17 channel providers)	Local TV reservation for England, Northern Ireland, Scotland and Wales
9	BBC Four	BBC Four
23	Local TV reservation in Scotland and Wales (currently 3 channel providers)	Vacated LCN to be allocated under associated channel rules set out in Section 8.2 of the LCN Policy.

## 1.5 Next steps

We would like to thank all the organisations which responded to this consultation. Following publication of this statement we will write to the channel providers affected to formally offer and confirm the channel moves as set out in the Policy.

The BBC has confirmed that LCN 7 will be available for reallocation at the end of March. We will write to the channel providers affected to confirm the date and timing of their changes which we would seek to co-time as soon as practicable following the vacation of LCN 7.

While the majority of TV equipment will detect LCN changes and adjust accordingly, some equipment will continue to show the channel at the old LCN and will require the viewer to carry out a retune to keep their programme guide up to date. While channel providers are expected to take the lead in informing their viewers of channel moves, Digital UK will provide viewer support and troubleshooting advice via a team of agents at the Freeview Advice Line and the provision of information on the Freeview website.

Looking further ahead, this consultation has highlighted the increasing complexity of LCN allocation decisions resulting from multiple geographic PSB services operating on the platform. These developments give rise to a number of questions including the future LCN requirements for Local TV and whether it is appropriate for public service channels and commercial services to share LCNs on a geographic basis. We recognise that our LCN Policy needs to fully reflect these issues and we will seek to address them in future revisions to the Policy.

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## Appendix One

Digital UK received responses from 23 organisations.

Some of the responses were confidential. Those that are not confidential have been listed below and will be published on the Digital UK [website](#).

- Arqiva
- Bay TV Clwyd
- Bay TV Liverpool
- BBC
- Channel 4
- Estuary
- Freeview
- Ideal World
- The Latest
- London Live
- Made TV
- MG Alba
- S4C
- STV
- YouView