Driving the evolution of digital terrestrial television

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Note: Figures sourced from GfK, BARB, Communications Chambers and Ofcom
Chair’s Report

Chair’s Report

Under the leadership of new CEO Jonathan Thompson, the company has taken on responsibility for strategy, policy and the day-to-day management of the DTT platform, including the Freeview programme guide and the launch of new channels.

I am delighted to report that despite the continuing proliferation of ways to watch TV, DTT remains the most popular way to enjoy television in the UK and offers 95 per cent of the most-watched programmes without subscription. The last year also saw the launch of new free-to-air HD services and the first local TV channels. This fast-changing environment is no place for complacency. It will be vital in the years ahead that the platform evolves in line with viewer expectations. Digital UK will lead on strategy for the platform, working with our partners in the broadcast industry to explore new technologies, including connected services, and commissioning research to ensure we seize the opportunities and keep pace with changes in viewer behaviour.

I would like to congratulate Jonathan and his team for the way they have responded to these new challenges. However, there are more to come. Key decisions are now being made about the future allocation of UHF spectrum across Europe, which will directly affect the future of the DTT platform.

Digital UK is working with its members – the BBC, ITV, Channel 4 and Arqiva – and broadcasting partners in the EU to encourage policy makers to make the right decisions, ensuring the long-term sustainability of the platform and preserving this important UK asset.

Drawing on our experiences from managing switchover and the successful clearance of spectrum in the 800MHz band for the launch of 4G mobile services, we will continue to support both viewers and wider DTT stakeholders with information and advice about terrestrial TV services, reception and equipment. Digital UK’s contact centre has evolved to offer a dedicated Freeview advice line, thanks to a closer relationship with Freeview who now share our Percy St offices, while our website continues to serve thousands of visitors each day.

Following the end of the clearance programme we have also maintained close links with at800, the company established by the mobile network operators to mitigate possible interference caused by the rollout of new mobile broadband. I’m pleased to note that to date the levels of interference to DTT from 4G masts have proved much lower than originally predicted but we remain ready to work with at800 to ensure enquiries from DTT viewers are quickly and effectively handled.
DTT – with Freeview at its heart – is the most popular way to watch television in the UK. More than 19 million homes use Freeview on at least one set and more than 90 per cent of TV viewing is to traditional linear broadcasting. From Coronation Street and Doctor Who to Gogglebox and the Great British Bake Off, we all still make time to watch our favourite shows.

The real challenge now is to look ahead to the future and develop a strategy that ensures DTT and Freeview continue to evolve and deliver for viewers. As an example, over the last year we have worked with our partners at the BBC, Arqiva and new multiplex operator Comux to prepare for the launch of not only more HD channels on Freeview but also a new wave of local TV services. Five of these local channels are already broadcasting at the time of writing: Estuary, Mustard, London Live, Notts TV and STV Glasgow.

Of course, the development of DTT relies on the continued availability of sufficient spectrum on which to broadcast channels. As Digital UK’s Chair Caroline Thomson notes, plans to clear yet more airwaves for mobile services are currently being considered by policy makers and these may include those currently used by terrestrial television. The consequences of this could be far reaching for both broadcasters and viewers alike.

We will continue to make the case that any changes to spectrum must allow for a strong, free-to-air TV service with the line-up of channels and level of coverage viewers enjoy today. We are urging Government to ensure future decisions do not weaken DTT and that any changes result in minimum disruption and costs for both broadcasters and the public. Central to our case is the value that a vibrant DTT service delivers to the UK. Research we published in January this year showed that DTT plays a pivotal role in ensuring competition in the TV market and generates some £80bn of value over a ten-year period.

With future demand for mobile data uncertain at best and the continuing growth of wi-fi use, we are pleased to note that Ofcom’s recent WRC-15 consultation supports the reservation of certain airwaves for terrestrial television.

This said, while Ofcom predicts that IPTV will not be able to offer a viable alternative to DTT until at least 2030, it is impossible to ignore that we are all living in a more connected world and DTT is embracing this development. Smart TVs already offer access to catch-up services while the Freeview programme guide includes a section for streamed channels delivered via the internet.

We intend to build on these offerings by developing a range of fully integrated connected services on Freeview. Working with industry

Chief Executive’s Report

Following the success of switchover, Digital UK’s new mission sees us working ever more closely with broadcasters and industry to support terrestrial TV viewers and the DTT platform.

Jonathan Thompson
Chief Executive
Managing the DTT platform

As part of the day-to-day management of DTT, Digital UK is responsible for the Freeview electronic programme guide (EPG). This includes managing the launch and removal of services on the platform and the allocation of Logical Channel Numbers (LCNs). We maintain strong relationships with both channel and schedule providers, and the guide is organised by genre to the benefit of both broadcasters and viewers.

Digital UK’s published LCN policy ensures channels are treated in a fair, reasonable and non-discriminatory way and that public service broadcasters are given appropriate prominence. Where appropriate, the company will also publicise and support viewers through any changes to channels and multiplexes in line with clear guidelines set out on our website.

In addition, we regularly hold and respond to industry-wide consultations on the development of the platform. In the last year these have included reviews around internet-delivered and HD channels within the Freeview TV guide, and responses to Ofcom consultations on spectrum management, including the future of the 700MHz band and the use of ‘white spaces’ between UHF frequencies.

partners, we will ensure that the extra flexibility and choice these offer are available to everyone. Freeview’s underlying principles of quality and simplicity helped millions of viewers transition into the digital age and will ensure millions more make the move to a connected world.

Digital UK’s website and contact centre continue to support viewers with all aspects of terrestrial television, from advice on the type of equipment available to retuning their TVs to ensure they can enjoy all of the channels available in their area.

In 2013, our website received around 1.2m visits and advice line staff helped more than 155,000 people directly via telephone, email and web chat.

Working closely with our colleagues at Freeview, who market the brand and promote free-to-air terrestrial TV to consumers, we will ensure DTT continues to go from strength to strength in 2014 and remains the number one TV platform in the UK.

90% of all TV viewing in the UK is still to traditional linear broadcasting at the scheduled time.

£80bn Value generated by DTT over a ten year period. The platform continues to play a pivotal role in ensuring competition in the TV market.

98.5% Percentage of homes across the UK that are in Freeview coverage.

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Popular

19m+ homes watch DTT

DTT is the UK’s most popular TV service, available to virtually all households free via an aerial. Sky is watched by more than 10m households and Virgin Media around 4m. About 2m homes choose to get TV via Freesat.

From Coronation Street and EastEnders to the Great British Bake Off, Freeview offers the nation's favourite programmes without the need for costly subscriptions.
Growing

92m
Freeview TVs and
digital boxes sold

Viewers can watch Freeview in a number of ways – through an affordable set-top box, a Freeview+ digital recorder or via a TV with Freeview built-in. Around 75 per cent of homes in the UK watch Freeview on at least one set.

Channels available when Freeview launched in 2002

25 TV
10 Radio

Channels available today

60 +TV
10 +HD
30 +Radio
+ Local TV

Since its launch in 2002, Freeview and the DTT platform have grown to offer an increasingly wide range of free-to-air TV and radio channels, including high-definition services, local TV and interactive ‘red button’ features. Viewers can also access a range of catch-up and on-demand services through the latest Smart TVs.
45% of all televisions sold in Q1 2014 were Smart TVs

DTT is continually evolving to offer even more choice. Viewers with the latest Smart TVs and other new services, such as YouView, can watch both linear TV and a range of complementary catch-up and on-demand services.

11m Freeview HD TVs and digital boxes have been sold

Officially launched in March 2010 using the latest broadcasting standards, free high-definition TV channels on DTT are available to 98.5% of UK homes. These include services from the BBC, ITV and Channel 4.
Efficient

**DTT is delivering more channels while using fewer airwaves**

Since launch, DTT has continued to make ever more efficient use of airwaves. Switchover freed up 112MHz of valuable spectrum for new uses, including mobile broadband, and increasing use of new technologies such as DVB-T2 and MPEG4 has allowed the platform to deliver even more services to viewers.

However, decisions are currently being made in the UK and across Europe about clearing more airwaves for use by mobile networks. This includes the 700MHz band currently used for much of terrestrial television, and could affect coverage and the number of channels available on Freeview.

DTT also currently shares the 700MHz spectrum with the Programme Making and Special Events (PMSE) sector, which uses airwaves for wireless microphones and live broadcasting.

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**Support**

In 2013:

- **155,000 +** viewers helped by Digital UK’s advice line via telephone, email and webchat
- **1.2m** visits to the Digital UK website
Digital UK is owned and funded by the BBC, ITV, Channel 4 and Arqiva. The company is limited by guarantee. Each member bears an equal share of the central costs of Digital UK’s DTT platform operations, which include viewer support, most communication and staff and office costs.

In general, multiplex-specific costs related to network management, platform support, technical development and platform innovation are split six ways between the members according to the number of national multiplexes they operate.

More information about Digital UK is available from digitaluk.co.uk

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