



## Media Reform Coalition submission to the Department for Culture, Media & Sport consultation on the renewal of local TV licences

August 2023

### Executive summary

1. **The current model for local television is failing the communities it seeks to serve. The government should use the 2024-25 licence renewal period as an opportunity to fundamentally reform the local TV model, putting local communities at the centre of decisions about licencing, regulation, funding and content production.**
2. **Ofcom's responsibility for issuing and regulating local TV licences should be revised, refocussing its role on the needs and interests of local communities rather than simply assenting to the commercial instincts of service operators.**
3. **We reject the government's proposals to narrow the objectives for local TV. The 2012 local TV Order should be enhanced and expanded, complementing the existing objectives with stronger requirements on services to support local public interest journalism and facilitate public participation in programme-making.**
4. **The future sustainability of local TV should be supported with additional public funding for a new tranche of independent licences. The Media Bill should also include formal recognition of local TV's contribution to the wider UK public service broadcasting ecology. However, this must not enable a 'something for nothing' approach - including local TV services in PSB schemes, such as the prominence framework, should be firmly tied to clear public service obligations and a more ambitious local TV strategy.**

### Renewal of local TV licences

5. Local television has the potential to invigorate local democracy, support public interest journalism and empower communities across the UK. However, the present arrangements for local TV fall far short of these aims, and merely prop up a handful of for-profit services that provide limited public benefits. The sector is characterised by highly concentrated commercial ownership, persistent consolidation of studios and content creation, and successive shrinking in the scope and scale of public service commitments. Rather than giving local communities a common space for debate and self-expression, local TV has become increasingly detached from and unrepresentative of the areas it claims to serve.
6. The licencing and regulatory regime for local TV services is not fit for purpose, and has in many ways contributed to the failed promises of the 2011 model.<sup>1</sup> The high levels of concentrated ownership in local TV highlight both the lack of public support for the sector and the light-touch approach to monitoring and protecting plurality that is evident across the

---

<sup>1</sup> DCMS (2011) [A new framework for local TV in the UK](#), July 2011.

UK's media industries.<sup>2</sup> Just two companies control 28 of the 34 local TV licences currently issued, and the share of licences held by independent operators has fallen from 50% in 2014 to less than 20% in 2023. This concentration has inevitably resulted in consolidation, with That's TV Ltd (the largest operator) acquiring licences from independents and subsequently reducing the number of studios creating content for these services. As a result, 15 of the 20 That's TV services do not have a studio or production centre located in the area it serves. Large swathes of programming time on local TV services are occupied by bought-in films or entertainment, while time given to original local news, current affairs and local interest programming is minimal.

7. This situation has not emerged by accident - it is the direct result of lax regulation and an absence of long-term strategy. Ofcom has continuously relaxed the licencing requirements at the behest of local TV operators, reducing licensees' commitments to original programme production (particularly in news and current affairs) and further isolating local TV production studios from their audiences.<sup>3</sup> Ofcom frequently acknowledges that such changes will diminish the local character and public benefits of a service, but nonetheless approves these requests with only cursory public consultation and little to no investigation of the likely impact on audiences.
8. In this context, the government's proposals for a 'conditional renewal process' for the existing 34 local TV licences are wholly inadequate. A simplistic Ofcom performance review of each licensee, as suggested, would not provide the necessary detailed assessment of how the wider local TV model - its structures, processes, funding and audiences - has performed since its inception. Given that many licence holders persistently seek to lessen their programming obligations, inviting these companies to outline how they will meet future goals is unlikely to yield useful evidence for review - especially if the government proceeds with its senseless deregulation of the broader local TV objectives (see below).
9. The future success and sustainability of local TV requires a comprehensive review of the performance of the local TV model to date, and a meaningful public debate about enhancing the model to better support democratic, civic and cultural activity in local communities. As such, we recommend that the government use the 2024-25 licence renewal period to open a wider public consultation on the future of local TV, with an emphasis on putting more decision-making power in the hands of local communities.
10. Options for reform could include, but need not be limited to: support for community-led bids for new and existing local TV licences; exploring new not-for-profit funding models including philanthropy, audience credits and taxes on tech giants; the creation of audience councils to distribute public funds for local public interest programming; partnerships between local authorities, universities, civil society groups and independent content producers to facilitate participatory programme-making; and direct democratic decision-making over licencing and regulatory changes.<sup>4</sup>

---

<sup>2</sup> Media Reform Coalition (2021) [Who owns the UK media?](#) March 2021.

<sup>3</sup> For example, Ofcom's approval of deregulation and reduction in programming commitments for [Sheffield Live! TV in 2019](#), approved reduction in original content quotas for [Local TV Ltd in 2022](#), and the approved consolidation of local production studios by [That's TV Ltd in 2021](#).

<sup>4</sup> BBC And Beyond (2021) [Manifesto for a People's Media: Creative a Media Commons](#). November 2021; Coleman, S. et al., (2016) *The Mediated City: The News in a Post-Industrial Context*, Zed Books; Gordon Institute of Business Science, [Big Tech and Journalism - Principles for Fair Compensation](#), 24 July 2023.

11. While Ofcom, parliament and the service providers themselves all have an important part to play, a truly democratic and representative model for local TV should have at its core engagement with and participation from the public - both of which are conspicuously absent from the government's proposals for the licence renewal process.

### **Objectives for local TV**

12. The government's proposals to "refresh" and narrow the objectives for local TV are ill-conceived and, if implemented, would actively harm both the sustainability of the local TV model and the interests of local communities. As with the Media Bill's proposed changes to the public service television remit, there has been no assessment of how or why changes in the media landscape should require a watered-down set of principles, rather than prompting a recommitment to and strengthening of local TV's social, cultural and democratic contributions. Notably, the government does not present any evidence or substantial rationale to support limiting the 2012 Local Digital Television Programme Services Order to just a handful of less specific requirements.
13. However, the government is right to recognise the potential role for local TV in supporting local journalism, growing the creative economy and facilitating local democratic engagement. These objectives should be seen as valuable additions to, rather than replacements for, the existing public service objectives in the 2012 Order.
14. Local public interest journalism in the UK faces an especially dire situation. Covid-19 exacerbated the long-term decline in the local newspaper industry, and since the pandemic title closures, consolidations and job losses have continued at pace. The number of active titles has fallen by 25% since 2009, and ownership in the sector is highly concentrated with just 6 publishing companies controlling 70% of all local titles. Newsquest and Reach Plc - the two largest publishers - each control a larger share of the market than the smallest 173 publishers combined.<sup>5</sup>
15. The enduring pattern of newspaper closures has led to the rapid growth of news 'droughts' and 'deserts' across the UK - an estimated 9.14 million people (13.6% of the UK population) live in a local area with only one active local news title, and a further 2.59 million (3.9%) live in areas without any local newspaper coverage at all.<sup>6</sup> The increasing consolidation of individual newspapers into online-only editions or local sections on regional 'hub' websites also suggests that fewer and fewer journalists are living and working in the areas they report on.
16. Interventions across the wider local news space have had a limited impact. The BBC Local Democracy Reporting Service (from which a number of local TV operators benefit) has improved local journalistic output in some areas, however the scheme overwhelmingly favours established outlets. Four-fifths of full-time equivalent LDRS reporters are contracted to the three largest local publishing companies.<sup>7</sup> It is also clear that the sector cannot rely solely on subsidies via the licence fee, not least because of sustained cuts to the BBC's income. The BBC has proceeded with extensive cuts to and closures of its local radio network, resulting in 48 local job losses and many areas losing dedicated local programming.<sup>8</sup>

---

<sup>5</sup> Media Reform Coalition (2023) Who Owns the UK Media? 2023 Report, forthcoming.

<sup>6</sup> MRC analysis, based on data from the [Public Interest New Foundation's Local News Map](#).

<sup>7</sup> BBC (2022) [Local Democracy Reporting Service, reporter contract distribution 2021](#).

<sup>8</sup> Guardian, ['BBC confirms it will cut 48 jobs in local radio overhaul'](#), 31 October 2022; BBC (2023) [BBC moves forward with plans to modernise local services](#), 18 January 2023.

17. Local TV therefore has a unique and valuable role to play in supporting local journalism and working to remedy the decline in local public interest reporting. This role should be enshrined as a new objective in the 2012 Order. New and existing licence holders should be required to demonstrate how their local TV services will support and enhance local journalism, both through their own original news and current affairs content production and through collaboration with other outlets or independent journalists in the local community they serve.
  
18. However, it is clear that the local TV model as currently constituted - both as a market and as a regulatory intervention - is ill-equipped to fund and sustain output at the kind of scale and scope required. To ensure that local TV can meet its new objective of supporting local journalism, it will require new non-commercial sources of funding including not-for-profit and participatory investment - with local communities themselves given a direct say in how these new funds are used.