

## The US experience suggests that the government's plans for local TV are unsustainable and will not lead to a new wave of locally based broadcasters.

*One of the biggest differences between the US and UK media is the lack of local commercial TV stations in the UK's urban areas. While Culture Secretary, Jeremy Hunt, is very keen to adopt the US model of individual local broadcasting licenses, [Sally Broughton-Micova](#) warns that without the 'backbone' of a large affiliate network to provide content (as is the case in the US, but not the UK), most of these local stations will not be sustainable.*



Overshadowed by the phone hacking scandal and the role of social media in fuelling riots, the Government's [plans for local television](#) are steadily moving forward. Talking about his plans, Culture Minister Jeremy Hunt likes to point out that while Birmingham, Alabama has 4 local commercial TV stations, Birmingham in the West Midlands has not one. Local TV can be valuable in many ways. However, before anyone jumps at Hunt's invitation to rectify this apparent injustice they should look very carefully at the deal on the table, and perhaps try to change the terms. This is the first in a series of posts that will examine three problematic issues with the plans for local TV: the lack of "backbone" i.e. connection to a larger network, high expectations for content, and the choice of the DTT platform.

In July DCMS [released](#) the framework for local TV in the UK, which was followed by the 8 August publication of Ofcom's [list of localities](#) where there is the technical possibility to have local TV broadcast on digital terrestrial network (DTT). The plan is to award local TV licenses for commercial television thereby "enabling a new local TV market to emerge". Birmingham is the largest of the more than 60 cities and towns that have the technical ability to have digital free to air local television. It has a population of almost 10 times its American namesake and a more robust economy. But the government's plan for local TV, as it is, still makes it hard to see a sustainable business case for local TV in the heart of the West Midlands, much less in some of the smaller towns on the list.

### Individual local licenses are not the answer

The Government has chosen to go against the advice of Nicholas Shott, who conducted the [review on the commercial viability of local television](#), and not ensure that local TV in the UK has some kind of a "backbone". All four local commercial stations in Birmingham, Alabama are affiliates of giant national networks. CBS and NBC each support one, one is a local affiliate of Fox and the other is owned by My Network TV. The city also has a local public service broadcaster that is part of the audience supported Alabama Public Television. Although the stations produce daily local news and a few other programmes, the vast majority of their content comes from the large network that is their backbone. There is no national terrestrial television station competing with them for viewers or advertisers.

The DCMS's [framework document](#) states that "market experience suggests that small standalone local TV stations can struggle to develop a sustainable business model". However, the Government's plan is to issue individual local licenses and then leave it up to the market to determine if local stations give it a go alone or come together in a network. This means anyone interested in opening local television and broadcasting through DTT in Birmingham will have to individually negotiate with whoever might be interested in Hereford, Grimsby, or any of the other 60 plus locations. News Corporation, which owns a large number of local TV stations in the US and controls two of those in Birmingham Alabama, has other problems at the moment, so it seems unlikely it will be interested in applying for a multitude of individual local licenses in the UK. It is not clear how a backbone of sufficient size and capacity to adequately support local TV across the UK will spontaneously emerge from the negotiations of a few enthusiastic local parties.

### An unsustainable business model

Without a strong backbone it is unrealistic to expect any local TV station in the UK to provide audiences with anything close to the quantity and quality of content that the stations in Birmingham are able to provide within a sustainable business model. Unlike in Alabama, local TV stations will have to compete for audience share with the BBC and several national commercial stations on the terrestrial network alone. Raising advertising income to fund programming will be difficult. The next post in this series will look more at the expectations for local TV content in the Government's plan.

In the meantime, and before the **23 September deadline** for responses to the [consultation on local TV](#), anyone thinking about opening a local TV might consider what it can realistically offer audiences without the support of a large network.

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