



Consultation on changes to Digital UK's LCN Policy

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1 Executive Summary

1.1 About Digital UK and Freeview

Digital UK leads the development of Freeview, the nation's most widely used television platform. Our goal is to create the best free TV service, both live and on-demand.

Freeview is the biggest TV platform in the UK, used in 18 million homes, giving viewers¹ access to the country's most popular TV shows, for free. Its connected TV service, Freeview Play, brings together the best of the UK's free content, live and on-demand from BBC iPlayer, ITV Hub, All 4, STV Player, My5, UKTV Play, CBS Catchup Channels UK and Horror Bites. The service is available on the majority of smart TVs sold in the UK and with over 20,000 hours of on-demand content, has quickly become a 'must-have' feature for consumers. In 2019, Freeview launched its mobile app for smartphones and tablets giving viewers access to the country's most watched television programmes all in one place, on the go.

In a world of changing viewing behaviour and increasing online delivery, Freeview is the only major TV platform in the UK that is growing its user base. Offering viewers a compelling foundational TV service on to which OTT services can be added, the platform plays a critical role in delivering consumer choice and supporting the UK's broadcasters by driving share and prominence. The principle of ensuring universal and free access to the best of the nation's content for all UK viewers continues to drive Freeview's evolution in a changing media landscape.

Digital UK holds Ofcom licences to provide an Electronic Programme Guide ('EPG'). Its listing of logical channel numbers ('LCNs') and its LCN Policy ('the LCN Policy') both conform to the requirements of the Communications Act 2003 and Ofcom's Code of Practice on Electronic Programme Guides (the 'Ofcom EPG Code').

The Digital UK LCN listing is used by Freeview, Freeview Play, BT TV, TalkTalk TV, YouView, EE TV and Now TV.

¹ Throughout this consultation, for simplicity, we use the word 'viewers' to describe Freeview's consumers. However, we recognise that there are several radio and interactive services on the platform, which are an important part of the overall Freeview experience, and we acknowledge that for those services a word such as 'listeners' or 'users' might be more appropriate

1.2 Relevant market developments

Digital UK last undertook a strategic review of its LCN Policy in 2016-2017². That review led to:

- a reorganisation of the LCN listing, to ensure that there was enough space in each genre to cater for platform growth over the subsequent three to four years, and to increase the distance between the Children's and Adult genres
- revised rules on channel moves and changes, to give channel providers more flexibility to reorder channels within their portfolios. In particular, channel providers were permitted to:
 - reorder their portfolio twice in a rolling twelve-month period (rather than once, as per the previous Policy), and
 - change the content and/or name of a channel, and nonetheless retain the original channel's LCN so long as the updated channel remains appropriate to the genre in which it has been placed. However, channel providers could only submit one request to change the name of their channel in any 12-month rolling period
- new rules on the allocation of LCNs: in particular, a 'minimum broadcast hours' requirement of 14 hours per week³, and rules about which channels could share an LCN with another channel that broadcasts to a different part of the UK

Since the 2017 review, we have found that:

- the LCN listing remains fit for purpose, with sufficient space in each genre, and therefore no further reorganisation is required at this time
- channel providers have rarely reached their annual limit of LCN reordering and name changes, and there has not been an undue level of disruption to the platform. However, occasionally, channel providers have sought to do innovative things with their channels such as temporary name changes to celebrate a special event and have not been able to do so because they have reached their annual limit. This has led us to consider that it might be appropriate to lift the restrictions on the number of changes they may make in a 12-month period
- channels have been traded between channel providers as going concerns, and this has provided a mechanism for control of LCNs to move between channel providers. There has been no obvious detrimental effect on viewers or the platform. This has led us to consider that it may be appropriate to lift our prohibition on LCN trading between channel providers

Meanwhile, Freeview Play has continued to evolve and improve. In particular, Channel List Management (CLM) is a new feature enabled in certain Freeview Play devices from 2020. CLM makes a number of things possible that will improve viewers' experience: SD/HD

² <https://www.freeview.co.uk/sites/default/files/2019-09/LCN-Consultation-2017-Statement.pdf>

³ This does not apply in the Adult, Streamed services, Text or Radio genres

substitution, IP-delivered channels, IP fallback channels and automated retunes. Changes will be required to the LCN Policy to enable some of these features.

1.3 Proposed changes to the LCN Policy

In this consultation, Digital UK proposes a package of changes to the LCN Policy⁴, which aim to:

- Enable the use of new technology in Freeview Play devices, which will make it easier for viewers to discover HD content, and give them access to more channels
- Give more flexibility to channel providers. We believe channel providers are best placed to manage their portfolios to the benefit of viewers

In developing consultation proposals, our LCN Policy objectives are to:

- Make it easy for viewers to discover content through simple navigation
- Ensure the ongoing prominence of broadcast public service channels
- Protect consumers from potential harm
- Give channel providers the opportunity to reach viewers
- Allocate and manage LCNs efficiently

In pursuit of these objectives, our LCN Policy guiding principles are to:

- Be transparent, clear and simple to operate
- Be compatible with regulatory requirements, including being objectively justifiable and fair, reasonable and non-discriminatory
- Minimise disruption to consumers and channel providers by providing reasonable certainty
- Be flexible in the face of changing market conditions
- Give channel providers flexibility to manage their content to the benefit of viewers

Our proposed changes are as follows:

1.3.1 HD/SD substitution

- If a channel is available in both SD and HD, then the channel provider may choose for the HD version to appear in the LCN allocated to the SD version on devices that support Channel List Management
- In the case of PSB channels, where an HD version is substituted in the LCN for the SD version, all programming on the HD version must be an exact simulcast of the SD version in order to satisfy Ofcom's PSB prominence requirements that are due to come into effect on 4 January 2021. There may however be differences in

⁴ www.freeview.co.uk/lcnpolicy

promotions, advertisements, and on-screen graphics and idents. For non-PSB channels, there may be some different programming on the HD version, but the HD version must recognisably be a simulcast of the SD version, and this must be reflected in the channel name, and the vast majority of programming

- The HD version of the channel may retain its LCN in the HD area on devices that support this, and may therefore appear twice in the listing (except in the case of Children's and Adult channels)
- The SD version of the channel will appear in the SD Simulcast Area (except in the case of Children's and Adult channels). The SD Simulcast Area will display SD channels in the same order that they appear in the main listing (though for the avoidance of doubt, there will be no numerical correlation between the SD Simulcast Area LCN and the LCN in the main listing)
- For Children's and Adult channels, both the HD and the SD versions of the channel will appear in their relevant content genre, for consumer protection purposes
- Where channels are regionalised (i.e. their content differs in different parts of the UK), channel providers may choose to enable HD/SD substitution in some regions and not others. (For the avoidance of doubt, as per the rule above, the regional HD version of a PSB channel would have to provide exact simulcasts of all programming on the regional SD version.)
- The HD version may be delivered via IP (so long as the channel provider is able to provide us with a technically compliant IP stream; at present, we intend to offer this option only to channel providers which have a Freeview Play application, because we have existing processes in place to ensure their streams are fully integrated and tested). The broadcast hours of the IP-delivered HD version of the channel must match the broadcast hours of the DTT-delivered SD version of the channel. Viewers will have the ability to opt out of receiving IP-delivered channels in the main genre listings – Digital UK will ensure that there is a simple and clear process for viewers to control this
- Note that the above rules apply only to devices that support Channel List Management (i.e. certain Freeview Play devices from 2020 onwards). For all other devices, the SD and HD versions of the channel will continue to appear in their own allocated LCN, as they currently do

1.3.2 IP fallback

We have two aims:

1. That viewers who are not connected to an aerial should be able (via IP) to view the channels that they would be able to view in their region if they were connected to an aerial.
2. That viewers who rely on relays and therefore are missing channels from some of the UK-wide multiplexes should be able to access those channels via IP.

We therefore propose to amend the LCN Policy as below.

- If a channel qualifies for an LCN within a particular region of the UK, then the channel provider may choose to display IP-delivered content on that LCN within that region – including to devices that are not connected to an aerial (so long as the channel provider is able to provide us with a technically compliant IP stream; at present, we intend to offer this option only to channel providers which have a Freeview Play application, because we have existing processes in place to ensure their streams are fully integrated and tested)

- For the purpose of this rule, 'region' will be defined as the Service Information ('SI') region that is used for the purpose of the DTT listing. A footnote will state that viewers in the Channel Islands and South Lakes, whose SI regions only include three multiplexes, will for the purpose of this rule be treated as if their SI region included the six UK-wide multiplexes
- For the avoidance of doubt, where PSB channels share an LCN, no PSB may display IP-delivered content on the LCN in regions where the LCN is allocated to another PSB. (For example, Channel 4 may not use LCN 4 in Wales, where LCN 4 is allocated to S4C.) Local TV services with LDTPS licences may use their LCN to display IP-delivered content within the region covered by their LDTPS licence
- IP fallback channels would need to be appropriately licensed as per paragraph 2.6 of the existing LCN Policy
- The broadcast hours of the IP-delivered version of the channel must match the broadcast hours of the DTT-delivered version of the channel
- For the avoidance of doubt, if a channel ceases to be eligible for an LCN in a genre that requires a minimum number of hours to be broadcast via DTT (as per paragraph 2.3 of the LCN Policy, which we propose to amend as per section 3.6 of this consultation), then the channel may no longer use that LCN to display the channel via IP
- Viewers will have the ability to opt out of receiving IP-delivered channels in the main genre listings – Digital UK will ensure that there is a simple and clear process for viewers to control this

1.3.3 IP only channels

- Channels that deliver content solely by IP will be allocated LCNs within the 300-599 range, within genres
- The genre ranges will be as follows:

General Entertainment	300-449
Children's	450-499
News	500-599

- We will amend Paragraphs 2.2 of the LCN Policy, to state that to be eligible for an LCN, an IP-only channel will be required to have:
 - a Freeview Play Content Provider agreement with Digital UK
 - a valid broadcasting licence (or equivalent authorisation) permitting the channel to broadcast on the Freeview Play platform in the UK; and
 - arrangements for providing EPG schedule data (a 'schedule provider agreement').

We will amend Paragraph 2.3 of the LCN Policy, to state that the minimum broadcast hour requirement will apply to IP-only channels. (We are proposing to increase the requirement to 6 hours per day.)
- We will state that paragraphs 5.1 to 5.12 of the LCN Policy do not apply to channels delivered solely by IP
- We will add these rules for the allocation of LCNs to IP-only channels:
 - Each channel provider with a Freeview Play app will be allocated ten LCNs in the IP-delivered General Entertainment range, five LCNs in the IP-delivered Children's range, and five LCNs in the IP-delivered News range
 - The LCNs will be allocated in the order that the apps appear on Freeview Play devices (i.e. the BBC's LCNs will be first, followed by ITV's, then Channel 4, etc). If there are regional differences in the ordering of Freeview

- Play apps, the LCNs will be allocated in the order that apps appear to the majority of the UK
 - The channel provider may choose to use these LCNs for IP-delivered channels that appear on its player, and that it owns and operates. If the channel provider does not use the LCNs, then those LCNs will remain vacant
- Note that other IP television platforms (such as BT TV and Talk Talk TV) may continue to allocate channels in the IP-delivered range according to their own allocation policy

1.3.4 Swapping/changing

- We will remove the restrictions on how often channel providers may reorder LCNs within their portfolio and change channels' names (revoke paragraphs 6.3 and 6.8 of the LCN Policy)
- A channel provider will be charged a reasonable single fee for all LCN swaps and name changes that it requests be made to channels in its portfolio on a particular day, due to the increase in Digital UK's administrative burden. These charges will only apply to LCN swaps and name changes that are requested by channel providers – they will not apply to any changes which are enforced by Digital UK, and they will not apply to changes which take place under the 'vacated channels' rules

1.3.5 LCN trading

- We will remove the restrictions on channel providers trading LCNs (revoke paragraphs 1.9 and 7 of the LCN Policy; amend paragraphs 6.1 and 6.7) – with the exception of public service channels
- We will introduce processes for LCN trades to take place:
 - Two existing channels within a particular genre, each under different ownership, might choose to swap LCNs with each other. In this case, both channel providers must write to Digital UK to confirm that they wish the swap to go ahead. The timing of the swap must be agreed with Digital UK
 - An existing channel on the platform might choose to sell the right to occupy its LCN to a new channel (under different ownership) which is launching into the same genre. In this case, the new channel must first apply to Digital UK to launch a new channel, following the process in Paragraph 3 of the LCN Policy. An LCN will be allocated to the new channel. Both channel providers must then write to Digital UK to confirm that they wish to swap LCNs at the point that the new channel launches
- Both channel providers will be required to pay a reasonable fee to Digital UK, due to the increase in Digital UK's administrative burden

1.3.6 Minimum broadcast hours

- We will amend paragraph 2.3 of the LCN Policy to state that any channel launching on to the platform from the date of the new LCN Policy taking force will be required to broadcast a minimum of 6 hours per day or 42 hours per week of audio-visual content via DTT (except Adult, Streamed, Text or Radio services)

1.4 Timetable and next steps

We encourage responses from all stakeholders in the DTT platform; particularly channel providers, multiplex operators, TV platforms that would be affected by the proposals, consumer groups, and viewers and listeners. All responses should reach Digital UK by 17:00 on **13 January 2021**. Section 4 of this document provides details on how to respond.

2 Background

2.1 Channel List Management

Channel List Management (CLM) is a new feature that has been enabled in certain new Freeview Play product ranges in 2020. We expect all newly introduced Freeview Play devices will add support for this functionality.

CLM makes a number of things possible that will improve viewers' experience of Freeview services, but which will require revisions to Digital UK's LCN Policy:

SD/HD substitution

This feature enables viewers to receive the HD version of a channel in the LCN usually used for the SD version of the channel. So, for example, Channel 5 HD (which usually appears at LCN 105) could appear at LCN 5. SD/HD substitution is not currently permitted by the LCN Policy, because HD channels must appear in the HD genre (with the exception of the Children's and Adult genre where HD versions of channels already appear within the same genre as the SD version for consumer protection reasons).

IP-delivered channels

Freeview has for a long time carried services that are delivered by a combination of DTT and IP: we call these 'Streamed' channels, and they are allocated LCNs in the 260-299 range.

Freeview Play devices feature content apps from BBC iPlayer, ITV Hub, All4, STV Player, My5, UKTV Play, CBS Catchup Channels UK and Horror Bites – and more apps will launch in the future. As well as on-demand content, some of these apps feature IP-delivered linear channels. CLM makes it technically possible for us to allocate LCNs on the Freeview Play EPG to these IP-delivered channels. This would take those channels outside the scope of the current LCN Policy which states (at Paragraph 1.10): "Digital UK will not allocate LCNs to any channels delivered without use of any DTT capacity, for example those that are delivered solely by IP or by any other means. Digital UK has reserved a range of LCNs in which IP television platforms may allocate channels according to their own allocation policy. As such Digital UK takes no responsibility for channel allocation in the IP-delivered range. In the future, if and when channels delivered solely by IP appear on the Freeview Play platform, Digital UK will allocate LCNs to them within this range."

IP fallback channels

This means that, where a channel is delivered via DTT, the channel provider should have the option to offer it via IP to viewers who live in the region which it serves, if the viewers cannot receive it via DTT: either because they do not have an aerial, or because they rely on a relay transmitter which does not carry the relevant multiplex. The current LCN Policy would not allow an IP fallback service to appear to viewers who could not receive the DTT signal for the channel.

2.2 Swapping and changing rules

Channel providers are, within limits, permitted to swap LCNs within their channel portfolio, and to change the names of their channels. We last amended these rules in 2016-17, resulting in the current rules:

- A channel provider may reorder channels on no more than two occasions in any 12-month rolling period
- Channel providers may change the content and/or name of a channel, and nonetheless retain that channel's LCN so long as it remains appropriate to the genre in which it has been placed. This could mean replacing the channel with a new channel or a channel that already exists but is not currently carried on the DTT platform. To minimise disruption on the platform, channel providers may only submit one request to change the name of their channel in any 12-month rolling period. This request may be for a temporary name change, i.e. one where the channel changes its name at a certain date and reverts to the old name at a certain date

In practice, channel providers have rarely reached their annual limit of changes, and there has not been an undue level of disruption to the platform. This reinforces our view that channel providers – who are all incentivised to act in ways that increase their viewership – will tend to act in the best interests of viewers.

Meanwhile, occasionally, channel providers have sought to do innovative things with their channels such as temporary name changes to celebrate a special event, and have not been able to do so because they have reached their annual limit. It seems to us that it is not in the best interests of viewers for us to prevent channel providers from making such changes.

2.3 LCN trading

The LCN Policy does not permit the trading of LCNs between channel providers. Nonetheless, channels may be sold between channel providers as going concerns. In practice, this provides a mechanism for the control of LCNs to move between channel providers. This has occurred several times in recent years, with no obvious detrimental effect on viewers or the platform.

3 Proposal for changes to the LCN Policy

3.1 HD/SD substitution

We believe that viewers with devices that support CLM will benefit from finding HD versions of channels in more prominent LCNs.

We could not change the Policy so that HD channels appear in the primary LCN for all viewers – because not all viewers have equipment that displays HD channels. So, for example, if we allocated LCN 5 to Channel 5 HD for all viewers, then viewers without HD equipment would see nothing at all at LCN 5.

Ofcom's revised EPG Code which comes into force on 4 January 2021 requires that PSB prominence requirements may be satisfied in respect of an HD version of a PSB channel instead of the SD version of that same channel, where the HD version is an exact simulcast of the SD version. This will therefore be a requirement of the LCN Policy in relation to HD/SD substitution. For non-PSB channels, we recognise that there may be some differences in programming on the HD version of the channel versus the SD version, and we do not propose to introduce precise requirements on the number of hours of programming that must be the same across the two versions; however, the HD version must be recognisably a simulcast of the SD version – this will mean that the vast majority of programming is the same across the two versions, and the channel name will reflect that they are the same channel (for example, the name 'Quest HD' indicates that the channel is a simulcast of Quest).

3.1.1 Proposed changes to the LCN Policy

- If a channel is available in both SD and HD, then the channel provider may choose for the HD version to appear in the LCN allocated to the SD version on devices that support Channel List Management
- In the case of PSB channels, where an HD version is substituted in the LCN for the SD version, all programming on the HD version must be an exact simulcast of the SD version in order to satisfy Ofcom's PSB prominence requirements that are due to come into effect on 4 January 2021. There may however be differences in promotions, advertisements, and on-screen graphics and idents. For non-PSB channels, there may be some different programming on the HD version, but the HD version must recognisably be a simulcast of the SD version, and this must be reflected in the channel name, and the vast majority of programming
- The HD version of the channel may retain its LCN in the HD area on devices that support this, and may therefore appear twice in the listing (except in the case of Children's and Adult channels)
- The SD version of the channel will appear in the SD Simulcast Area⁵ (except in the case of Children's and Adult channels). The SD Simulcast Area will display SD

⁵ This range was established at LCNs 610-669 as a result of our 2016-17 LCN consultation, which stated: "We may in the future, following a further consultation, decide that HD channels should appear

channels in the same order that they appear in the main listing (though for the avoidance of doubt, there will be no numerical correlation between the SD Simulcast Area LCN and the LCN in the main listing)

- For Children’s and Adult channels, both the HD and the SD versions of the channel will appear in their relevant content genre, for consumer protection purposes
- Where channels are regionalised (i.e. their content differs in different parts of the UK), channel providers may choose to enable HD/SD substitution in some regions and not others. (For the avoidance of doubt, as per the rule above, the regional HD version of a PSB channel would have to provide exact simulcasts of all programming on the regional SD version.)
- The HD version may be delivered via IP (so long as the channel provider is able to provide us with a technically compliant IP stream; at present, we intend to offer this option to channel providers which have a Freeview Play application, because we have existing processes in place to ensure their streams are fully integrated and tested). The broadcast hours of the IP-delivered HD version of the channel must match the broadcast hours of the DTT-delivered SD version of the channel. Viewers will have the ability to opt out of receiving IP-delivered channels in the main genre listings – Digital UK will ensure that there is a simple and clear process for viewers to control this
- Note that the above rules apply only to devices that support Channel List Management (i.e. certain Freeview Play devices from 2020 onwards). For all other devices, the SD and HD versions of the channel will continue to appear in their own allocated LCN, as they currently do

3.1.2 Consultation question

1. Do you agree with Digital UK’s proposed amendments to the LCN Policy, to enable HD/SD substitution for devices that support CLM?

to those viewers who can receive them in the LCN currently allocated to their SD equivalent, with the SD version moving to an area in a much higher LCN. We think it prudent to preserve a space now for an SD simulcast area, in order to keep the option viable.”

3.2 IP fallback channels

We have two aims:

1. That viewers who are not connected to an aerial should be able (via IP) to view the channels that they would be able to view in the region if they were connected to an aerial. For example, if you live in Liverpool and do not have an aerial, you should be able to receive via IP: BBC One (North West) at LCN 1, BBC Two at LCN 2, ITV (Granada) at LCN 3, Channel 4 at LCN 4, Channel 5 at LCN 5, ITV 2 at LCN 6, Liverpool TV at LCN 7, etc.

2. That viewers who rely on relays and therefore are missing channels from some of the UK-wide multiplexes should be able to access those channels via IP. For example, viewers who live in Bath only receive channels from three multiplexes (PSB1, PSB2 and PSB3), and are missing channels from the other UK-wide multiplexes (COM4, COM5 and COM6) – so they do not currently receive channels such as Pick, Quest, QVC and 5USA.

We therefore propose to amend the LCN Policy as below.

3.2.1 Proposed changes to the LCN Policy

- If a channel qualifies for an LCN within a particular region of the UK, then the channel provider may choose to display the channel via IP on that LCN within that region – including to devices that are not connected to an aerial (so long as the channel provider is able to provide us with a technically compliant IP stream; at present, we intend to offer this option to channel providers which have a Freeview Play application, because we have existing processes in place to ensure their streams are fully integrated and tested)
- For the purpose of this rule, 'region' will be defined as the Service Information ('SI') region that is used for the purpose of the DTT listing. A footnote will state that viewers in the Channel Islands and South Lakes, whose SI regions only include three multiplexes, will for the purpose of this rule be treated as if their SI region included the six UK-wide multiplexes
- For the avoidance of doubt, where PSB channels share an LCN, no PSB may display IP-delivered content on the LCN in regions where the LCN is allocated to another PSB. (For example, Channel 4 may not use LCN 4 in Wales, where LCN 4 is allocated to S4C.) Local TV services with LDTPS licences may use their LCN to display IP-delivered content within the region covered by their LDTPS licence
- IP fallback channels would need to be appropriately licensed as per paragraph 2.6 of the existing LCN Policy
- The broadcast hours of the IP-delivered version of the channel must match the broadcast hours of the DTT-delivered version of the channel
- For the avoidance of doubt, if a channel ceases to be eligible for an LCN in a genre that requires a minimum number of hours to be broadcast via DTT (as per paragraph 2.3 of the LCN Policy, which we propose to amend as per section 3.6 of this consultation), then the channel may no longer use that LCN to display the channel via IP
- Viewers will have the ability to opt out of receiving IP-delivered channels in the main genre listings – Digital UK will ensure that there is a simple and clear process for viewers to control this

3.2.2 Consultation question

2. Do you agree with Digital UK's proposed amendments to the LCN Policy, to enable IP fallback channels for devices that support CLM?

3.3 IP-delivered channels

Freeview has for a long time carried services that are delivered by a combination of DTT and IP: we call these 'Streamed' channels, and they are allocated LCNs in the 260-299 range.

By 'IP-delivered channels', we mean services which are provided solely by IP, with no DTT element.

Freeview Play devices feature content apps from BBC iPlayer, ITV Hub, All 4, STV Player, My5, UKTV Play, CBS Catchup Channels UK and Horror Bites – and more apps will launch in the future. As well as on-demand content, some of these apps feature IP-delivered linear channels. CLM makes it technically possible for us to allocate LCNs on the Freeview Play EPG to these IP-delivered channels. These IP-delivered channels are already available to Freeview Play devices, integrated with our systems, and delivered via applications that have been tested to ensure interoperability with a very wide range of Freeview Play devices from several different manufacturers. Channel providers who do not have Freeview Play content apps will not at this time be able to apply for an LCN for a purely IP-delivered channel, but they can of course provide a 'Streamed' channel using a combination of DTT and IP.

The market for purely IP-delivered channels is still nascent. A minority of televisions and set top boxes support these channels, and 20% of the UK population are still non or narrow users of the internet⁶. We believe it is appropriate, in current market conditions, for IP-delivered channels to continue to have their own range within the listing, rather than being integrated into the content genre listings with DTT-delivered channels. However, we recognise that the market is evolving, and that viewers will increasingly notice little difference between IP-delivered and DTT-delivered channels. We will continue to review the market conditions and assess whether, and when, we should consult on the question of whether, and how, IP-delivered channels might be integrated into the content genres with DTT-delivered channels.

We therefore see our current proposal as an interim position, and are not proposing to create additional content genres within the IP range, beyond those which we use in the main genre listing. However, we reserve the right to review this in a future consultation.

We believe it is in the interest of viewers for associated channels (i.e. channels from the same 'family') to be grouped together where possible (as per paragraph 1.11 of the LCN Policy). We therefore propose that each channel provider that has a Freeview Play app should be allocated a number of adjacent LCNs which it may use for IP-delivered channels. We propose that these LCNs should be allocated in the order that the apps appear on Freeview Play devices (i.e. the BBC's LCNs will be first, followed by ITV's, then Channel 4, etc). To aid discoverability of content, we believe it is in the best interests of viewers and channel providers for these LCNs to be uniform across the UK; therefore, if there are regional differences in the ordering of Freeview Play apps, the LCNs will be allocated in the order that apps appear to the majority of the UK.

⁶ Research conducted on behalf of Digital UK, 2020.

We propose that the rules in Paragraph 5 of the current LCN Policy will not apply to channels in the IP-delivered genre, and instead the following rules should apply:

- Each channel provider with a Freeview Play app will be allocated ten LCNs in the IP-delivered General Entertainment range, five LCNs in the IP-delivered Children’s range, and five LCNs in the IP-delivered News range. The LCNs will be allocated in the order that the apps appear on Freeview Play devices. If there are regional differences in the ordering of Freeview Play apps, the LCNs will be allocated in the order that apps appear to the majority of the UK
- The channel provider may choose to use these LCNs for IP-delivered channels that appear on its player, and that it owns and operates. If the channel provider does not use the LCNs, then those LCNs will remain vacant

Adult services are not eligible for a Freeview trademark licence and as such Adult services delivered solely by IP will not be supported by Channel List Management.

3.3.1 Proposed changes to the LCN Policy

- Channels that deliver content solely by IP will be allocated LCNs within the 300-599 range, within genres
- The genre ranges will be as follows:

General Entertainment	300-449
Children’s	450-499
News	500-599

- We will amend Paragraphs 2.2 of the LCN Policy, to state that to be eligible for an LCN, an IP-only channel will be required to have:
 - a Freeview Play Content Provider agreement with Digital UK
 - a valid broadcasting licence (or equivalent authorisation) permitting the channel to broadcast on the Freeview Play platform in the UK; and
 - arrangements for providing EPG schedule data (a ‘schedule provider agreement’).

We will amend Paragraph 2.3 of the LCN Policy, to state that the minimum broadcast hour requirement will apply to IP-only channels. (We are proposing to increase the requirement to 6 hours per day – see section 3.6 below.)

- We will state that paragraphs 5.1 to 5.12 of the LCN Policy do not apply to channels delivered solely by IP
- We will add these rules for the allocation of LCNs to IP-only channels:
 - Each channel provider with a Freeview Play app will be allocated ten LCNs in the IP-delivered General Entertainment range, five LCNs in the IP-delivered Children’s range, and five LCNs in the IP-delivered News range
 - The LCNs will be allocated in the order that the apps appear on Freeview Play devices (i.e. the BBC’s LCNs will be first, followed by ITV’s, then Channel 4, etc). If there are regional differences in the ordering of Freeview Play apps, the LCNs will be allocated in the order that apps appear to the majority of the UK
 - The channel provider may choose to use these LCNs for IP-delivered channels that appear on its player, and that it owns and operates. If the channel provider does not use the LCNs, then those LCNs will remain vacant

3.3.2 Consultation question

3. Do you agree with Digital UK's proposed amendments to the LCN Policy, to enable IP-delivered channels for devices that support CLM?

3.4 Swapping and changing LCNs

The current LCN Policy permits channel providers to reorder the LCNs of channels in their portfolio twice per year, and to rename each channel once per year.

We believe that these restrictions should now be lifted, to give channel providers greater flexibility to manage their channels in the interests of viewers.

We do wish to minimise disruption to viewers, and we will continue to encourage channel providers to co-time their changes with those of other providers, which might also allow for more effective public communication of changes. In addition, so that Digital UK can manage the technical and operational processes involved and minimise disruption to viewers, the timing of any reordering or renaming of channels must be expressly agreed with Digital UK.

Lifting the current restrictions is likely to increase Digital UK's administrative burden, and we therefore propose to charge channel providers a reasonable fee. Channel providers would be charged a single fee for all LCN changes that they request be made on a particular day. These charges will only apply to LCN swaps and name changes that are requested by channel providers – they will not apply to any changes which are enforced by Digital UK, and they will not apply to changes which take place under the 'vacated channels' rules.

3.4.1 Proposed changes to the LCN Policy

- We will remove the restrictions on how often channel providers may reorder LCNs within their portfolio and change channels' names (revoke paragraphs 6.3 and 6.8 of the LCN Policy)
- A channel provider will be charged a reasonable single fee for all LCN swaps and name changes that it requests be made to channels in its portfolio on a particular day, due to the increase in Digital UK's administrative burden. These charges will only apply to LCN swaps and name changes that are requested by channel providers – they will not apply to any changes which are enforced by Digital UK, and they will not apply to changes which take place under the 'vacated channels' rules

3.4.2 Consultation question

4. Do you agree with Digital UK's proposed amendments to the LCN Policy, to remove restrictions on the number of times channel providers may reorder their LCNs or change the names of their channels?

3.5 LCN trading

The current LCN Policy states that “An LCN is not the asset of a channel provider and may not be sold”.

In practice, there are ways for occupation of LCNs to pass between channel providers without breaching the LCN Policy. We have seen several such changes in recent years, without any obvious detriment to viewers or the platform. We therefore propose to revoke paragraphs 1.9 and 7 of the LCN Policy, which specifically prohibit LCN trading⁷.

Paragraphs 6.1 and 6.7 would also be amended, so that LCN swaps and changes could occur between channels under different ownership.

Nonetheless, it will continue to be the case that a channel may only occupy an LCN if it meets the relevant criteria (those listed at paragraph 2 of the LCN Policy, plus the eligibility criteria for any particular genre as per paragraphs 3.3 and 4, and Schedule 3).

This rule will also continue to apply: “After an LCN allocation has been made by Digital UK, the LCN continues to belong to Digital UK and will remain subject to its discretion and the Policy. Digital UK reserves the right to move a channel to an alternative LCN in accordance with this Policy.”

Public service channels have prominent LCN positions because of their public service status, and will not be permitted to trade their LCN.

If we permit LCN trading, we consider that we should also increase the minimum broadcast hours requirement for new channels launching on to the platform – see section 3.6 below.

Lifting the current restrictions is likely to increase Digital UK’s administrative burden, and we therefore propose to charge a reasonable fee to both channel providers involved in a trade.

3.5.1 Proposed changes to the LCN Policy

- We will remove the restrictions on channel providers trading LCNs (revoke paragraphs 1.9 and 7 of the LCN Policy; amend paragraphs 6.1 and 6.7) – with the exception of public service channels
- We will introduce processes for LCN trades to take place:
 - Two existing channels within a particular genre, each under different ownership, might choose to swap LCNs with each other. In this case, both channel providers must write to Digital UK to confirm that they wish the swap to go ahead. The timing of the swap must be agreed with Digital UK
 - An existing channel on the platform might choose to sell the right to occupy its LCN to a new channel (under different ownership) which is launching into the same genre. In this case, the new channel must first apply to Digital UK to

⁷ www.freeview.co.uk/lcnpolicy

launch a new channel, following the process in Paragraph 3 of the LCN Policy. An LCN will be allocated to the new channel. Both channel providers must then write to Digital UK to confirm that they wish to swap LCNs at the point that the new channel launches

- Both channel providers will be required to pay a reasonable fee to Digital UK, due to the increase in Digital UK's administrative burden

3.5.2 Consultation question

5. Do you agree with Digital UK's proposed amendments to the LCN Policy, to remove rules that prohibit LCN trading between channel providers?

3.6 Minimum broadcast hours

Paragraph 2.3 of the LCN Policy states:

“In order to be allocated or retain an LCN, channels must broadcast a minimum of two hours per day or 14 hours per week of audio-visual content via DTT.”

If LCN trading is permitted, then there could be an incentive for channel providers to occupy multiple LCNs in order to sell them later. We therefore propose to change paragraph 2.3, to state that any channel launching on to the platform from the date of the new LCN Policy taking force would be required to broadcast a minimum of 6 hours per day or 42 hours per week of audio-visual content via DTT. (As with the existing paragraph 2.3, this rule would not apply to channels in the Adult genre, the Streamed services genre, the Text genre or the Radio genre.)

Existing channels that comply with the current minimum broadcast requirements would be unaffected by this rule change.

3.6.1 Proposed changes to the LCN Policy

- We will amend paragraph 2.3 of the LCN Policy to state that any channel launching on to the platform from the date of the new LCN Policy taking force will be required to broadcast a minimum of 6 hours per day or 42 hours per week of audio-visual content via DTT (except IP, Adult, Streamed, Text or Radio services.) Channels in the IP range will be required to broadcast a minimum of 6 hours per day or 42 hours per week of content via IP

3.6.2 Consultation question

6. Do you agree with Digital UK’s proposed amendments to the LCN Policy, to increase the minimum broadcast hour requirements for new channels?

4 Responding to this consultation

We encourage responses from all stakeholders in the DTT platform; particularly channel providers, multiplex operators, TV platforms that would be affected by the proposals, consumer groups, and viewers and listeners.

You do not need to answer all of the consultation questions if you are only interested in one or some of them.

We will publish all non-confidential responses on our website. Please indicate on your response whether none, some, or all of your response is confidential. In the absence of an indication to the contrary, responses will be treated as non-confidential.

To be considered, a response must reach Digital UK by 17:00 on 13 January 2021, unless Digital UK accepts that mitigating circumstances apply.

Responses should be emailed to consultation@digitaluk.co.uk

4.1 Complete list of consultation questions

1. Do you agree with Digital UK's proposed amendments to the LCN Policy, to enable HD/SD substitution for devices that support CLM?
2. Do you agree with Digital UK's proposed amendments to the LCN Policy, to enable IP fallback channels for devices that support CLM?
3. Do you agree with Digital UK's proposed amendments to the LCN Policy, to enable IP-delivered channels for devices that support CLM?
4. Do you agree with Digital UK's proposed amendments to the LCN Policy, to remove restrictions on the number of times channel providers may reorder their LCNs or change the names of their channels?
5. Do you agree with Digital UK's proposed amendments to the LCN Policy, to remove rules that prohibit LCN trading between channel providers?
6. Do you agree with Digital UK's proposed amendments to the LCN Policy, to increase the minimum broadcast hour requirement for new channels?