DigitalUK

Consultation on amending our rules on creating slots for public service channels, and allocating LCNs to IP-delivered channels from Freeview Play Core Players

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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, STV Player, All 4, My5, UKTV Play, CBS Catchup Channels UK, Horror Bites and POP. The service is available on the majority of smart TVs sold in the UK. 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')² 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.

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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 a 'listeners' or 'users' might be more appropriate

² www.freeview.co.uk/lcnpolicy



1.2 Background

1.2.1 BBC Three

On 2 March 2021, the BBC announced its intention for BBC Three to return as a broadcast TV channel. This is subject to a Public Interest Test by the BBC and a BBC Competition Assessment by Ofcom. If Ofcom determines that the change can go ahead, then Ofcom will determine the minimum level of prominence for the new BBC Three channel and revise the EPG Code accordingly. Therefore, Digital UK does not at this time know which LCN would need to be allocated to BBC Three in order to meet our regulatory obligations.

There are some possible scenarios where, in order for us to meet our regulatory obligations, we would be required to move some channels by more than one LCN. The wording of the current LCN Policy does not explicitly allow this, and we therefore feel there would be benefit to us updating the relevant section of the Policy.

1.2.2 2020 LCN consultation

In November 2020, we published a consultation which, among other matters, proposed rules for how we would allocate LCNs to IP-delivered channels on the Freeview Play platform³.

A confidential response to the November 2020 consultation did not agree with our proposal that "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". It argued that this could undermine the prominence of public service broadcasters.

We decided to launch the 300-599 range for IP-delivered channels in accordance with our 2020 proposals but to consult further later in 2021 on the question of alternative approaches to the allocation of LCNs for IP-delivered channels where there are regional differences in the ordering of Freeview Play apps.

1.3 Proposed changes to the LCN Policy

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 public service channels
- Protect consumers from potential harm
- Give channel providers the opportunity to reach viewers
- Allocate and manage LCNs efficiently

³ Consultation on changes to LCN Policy - 18 November 2020



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 Creating slots for public service channels

We propose to amend paragraph 5.1 of the LCN Policy to the following (amended wording is in bold):

"Public service channels will at the very least be assigned an LCN in accordance with any prominence obligations specified by Ofcom. If there is one or more vacant LCNs within their relevant genre at a lower position than that specified by Ofcom, then the lowest vacant LCN will be assigned. In cases where there is no suitable slot available for a public service channel to meet any prominence obligations specified by Ofcom, Digital UK will normally create a slot by requiring the channel that is currently in the slot required for the public service channel, and all channels in higher LCNs within the relevant genre, to each move up by the minimum number of LCNs required to create the slot. If there is a vacant LCN between the slot required by the PSB and the last channel in the genre, then only channels between the slot required and the vacant LCN will be moved. If Digital UK considers in any particular case that one or more other methods of creating a suitable slot for a public service channel may be appropriate, Digital UK will issue a consultation under section 7 of this Policy on the options under consideration and decide which method to adopt in the light of the responses received. Where no prominence obligations are specified by Ofcom, public service channels will be assigned the lowest available vacant LCN within their relevant genre (unless sections 5.10 and/or 5.12 apply)."

1.3.2 Allocating LCNs to IP-delivered channels from Freeview Play Core Players

We propose to amend paragraph 5.17 of the LCN Policy to the following (amended wording is in bold):

"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. Channel providers that have more than one Freeview Play app will not be allocated additional LCNs in the IP-delivered range, and their LCNs will be



allocated according to the order of their most-prominently positioned app; in this context, the Channel Provider will be the party that has an agreement with Digital UK for the provision of the Freeview Play app(s). 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. LCNs for IP channels from players which are core players only in the minority of the UK will be allocated after the IP-delivered channels from core players available in the majority of the UK; if there is more than one such player, then the LCNs will be allocated in the order that the players launched on Freeview Play. The channel provider may choose to use these LCNs for IP-delivered channels that appear on its player, and which are under common control with the company that has a Freeview Play agreement for the app. If the channel provider does not use the LCNs, then those LCNs will remain vacant."

This would mean, for example, that the banks of LCNs for IP-delivered channels would be allocated in the following order: BBC iPlayer, ITV Hub, All 4, My5, STV Player, UKTV Play, AMC, POP.

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 **3 September 2021**. Section 4 of this document provides details on how to respond.



2 Creating slots for public service channels

2.1 Background

In July 2019, Ofcom published a statement on changes to its EPG Code. The statement set out minimum levels of prominence for all public service broadcaster ('PSB') channels that were broadcasting at that time.

In June 2020, in order to meet our new regulatory obligations, we published a consultation which proposed changes to how we would allocate LCNs to public service channels⁴. In September 2020, we published a consultation statement in which we decided to implement those changes⁵.

Consequently, paragraph 5.1 of the LCN Policy now states:

"Public service channels will at the very least be assigned an LCN in accordance with any prominence obligations specified by Ofcom. If there is one or more vacant LCNs within their relevant genre at a lower position than that specified by Ofcom, then the lowest vacant LCN will be assigned. In cases where there is no suitable slot available for a public service channel to meet any prominence obligations specified by Ofcom, Digital UK will normally create a slot by requiring the channel that is currently in the slot required for the public service channel, and all channels in higher LCNs, to move up by one LCN each. If there is a vacant LCN between the slot required by the PSB and the last channel in the genre, then only channels between the slot required and the vacant LCN will be moved. If Digital UK considers in any particular case that one or more other methods of creating a suitable slot for a public service channel may be appropriate, Digital UK will issue a consultation under section 7 of this Policy on the options under consideration and decide which method to adopt in the light of the responses received. Where no prominence obligations are specified by Ofcom, public service channels will be assigned the lowest available vacant LCN within their relevant genre (unless sections 5.10 and/or 5.12 apply)."

On 2 March 2021, the BBC announced its intention for BBC Three to return as a broadcast TV channel. This is subject to a Public Interest Test by the BBC and a BBC Competition Assessment by Ofcom. If Ofcom determines that the change can go ahead, then Ofcom will determine the minimum level of prominence for the new BBC Three channel and revise the EPG Code accordingly. Therefore, Digital UK does not at this time know which LCN would need to be allocated to BBC Three in order to comply with any new prominence requirements under the EPG Code.

⁴ Consultation on revised rules on the allocation of LCNs to public service channels

⁵ Statement on revised rules on the allocation of LCNs to public service channels



2.2 Proposed amendment to the LCN Policy

Under paragraph 5.1 of the LCN Policy, the normal way for Digital UK to create a slot for a PSB channel in order to comply with Ofcom's prominence requirements is to require the channel currently in the slot required for the PSB, and all channels in higher LCNs, to move up by one LCN each. We have identified that, because of regional variations in the implementation of Ofcom's PSB prominence requirements, there are some possible scenarios where, in order for us to meet our regulatory obligations, we would be required to move some channels by more than one LCN. For example, LCNs 22 to 26 are currently allocated as follows:

LCN	Channel name
22	Ideal World
23	Dave Ja Vu
24	BBC Four (Scotland only)
25	ITV4
26	Yesterday

The minimum level of prominence for BBC Four, as per Ofcom's EPG Code, is LCN 24. BBC Four is allocated LCN 9 everywhere in the UK except Scotland, where BBC Scotland uses that LCN; thus BBC Four in Scotland has been allocated LCN 24.

If Ofcom were to decide that the minimum level of prominence for BBC Three should be in the first 24 slots, we could not simply allocate LCN 24 to BBC Three and move all channels in higher LCNs up by one slot each, because that would move BBC Four in Scotland into LCN 25, which would not comply with the EPG Code.

In order to create a slot for BBC Three in the first 24 LCNs, while also retaining a slot for BBC Four in Scotland in the first 24 LCNs, we would need to move Dave Ja Vu up by two slots, from LCN 23 to LCN 25. ITV4, Yesterday, and subsequent General Entertainment channels at higher LCNs would each move up by one LCN.

We therefore propose to amend paragraph 5.1 of the LCN Policy to the following (amended wording is in bold):

"Public service channels will at the very least be assigned an LCN in accordance with any prominence obligations specified by Ofcom. If there is one or more vacant LCNs within their relevant genre at a lower position than that specified by Ofcom, then the lowest vacant LCN will be assigned. In cases where there is no suitable slot available for a public service channel to meet any prominence obligations specified by Ofcom, Digital UK will normally create a slot by requiring the channel that is currently in the slot required for the public service channel, and all channels in higher LCNs within the relevant genre, to each move up by the minimum number of LCNs required to create the slot. If there is a vacant LCN between the slot required by the PSB and the last channel in the genre, then only channels between the slot required and the vacant LCN will be moved. If Digital UK considers in any particular case that one or more other methods of creating a suitable slot for a public service channel may be appropriate, Digital UK will issue a consultation under section 7 of this Policy on the options under consideration and



decide which method to adopt in the light of the responses received. Where no prominence obligations are specified by Ofcom, public service channels will be assigned the lowest available vacant LCN within their relevant genre (unless sections 5.10 and/or 5.12 apply)."

2.3 Consultation question

1. Do you agree with Digital UK's proposed amendment to paragraph 5.1 of the LCN Policy?



3 Allocating LCNs to IP-delivered channels from Freeview Play Core Players

3.1 Background

In November 2020, we published a consultation which, among other matters, proposed rules for how we would allocate LCNs to IP-delivered channels on the Freeview Play platform⁶.

By 'IP-delivered channels', we mean services which are provided solely by IP, with no DTT element. They should not be confused with 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.

In the consultation document, we proposed the following rules (among others):

- Each channel provider with a Freeview Play app will be allocated ten LCNs in the IPdelivered 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

Those rules were proposed because:

- 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, and
- 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

In March 2021, we published a consultation statement⁷ in which we decided to implement the proposals outlined in the consultation document, with some additions, including the following clarification to the LCN Policy, to make clear the methodology used to determine the ordering of the Freeview Play apps: "The core player apps are in the following order: BBC iPlayer, ITV Hub, All 4, My5; except in Scotland, where the core apps are in the following order: BBC iPlayer, STV Player, All 4, My5, ITV Hub. Non-core player apps are ordered according to the channel providers' lowest-numbered LCN on the DTT platform, subject to the channel being available across the UK."

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⁶ Consultation on changes to LCN Policy - 18 November 2020

⁷ Statement on changes to Digital UK's LCN Policy



A confidential response to the November 2020 consultation did not agree with our proposal that "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". It argued that this could undermine the prominence of public service broadcasters. The response recognised "the benefit of IP channels having the same numbers as far as possible around the UK", but felt that "alternative and better" methodologies were available. Either:

- (i) Where two channel providers occupy the same position in the Freeview Play apps list in different parts of the UK, they should share the banks of IP channel LCNs, or
- (ii) LCNs for IP-delivered services may be allocated in the order that the apps appear to the majority of the UK, but the methodology for determining the position of Freeview Play apps should change. If a public service broadcaster has an LCN in one or more nations of the UK but not the whole of the UK, then the rule should be:
 - In each nation of the UK, apps are ordered according to the broadcaster's lowest LCN in that nation, except
 - Where a public service broadcaster's app is available in nations where the broadcaster does not have an LCN, that app should appear directly after the other public service broadcasters' apps and ahead of all non-public service broadcasters' apps

In our consultation statement, we noted these points and said we believed that the alternative proposals suggested by the respondent may be worthy of further consideration and that other alternative approaches may also be possible. Given that stakeholders had not yet had a chance to comment on those alternative approaches, we considered that it would be appropriate to consult further on the issue. We decided to launch the 300-599 range for IP-delivered channels in accordance with our 2020 proposals but to consult further later in 2021 on the question of alternative approaches to the allocation of LCNs for IP-delivered channels where there are regional differences in the ordering of Freeview Play apps.

3.2 Assessment of approaches outlined by the confidential respondent to the 2020 consultation

The confidential respondent to the 2020 consultation outlined two possible approaches to allocating LCNs for IP-delivered channels where there are regional differences in the ordering of Freeview Play apps.

Approach 1

"Where two channel providers occupy the same position in the Freeview Play apps list in different parts of the UK, they should share the banks of IP channel LCNs"

Having considered this approach, we do not believe it would achieve our LCN Policy objective of ensuring the ongoing prominence of public service channels, because it would mean either:



- The two channel providers would each have half as many IP channel LCNs available
 to them as other channel providers (for example, STV and ITV would each have five
 LCNs in the General Entertainment genre of the IP-delivered range, whereas other
 channel providers would have ten), or
- Channel providers whose player apps are core player apps across the whole of the UK would have their IP channel LCN allocation moved back by several LCNs in order to make way for channel providers whose player apps are not core player apps in the majority of the UK (for example, Channel 4 and Channel 5's LCN allocations in the General Entertainment genre of the IP-delivered range would each move back by ten LCNs in order to create space for STV)

Approach 2

"LCNs for IP-delivered services may be allocated in the order that the apps appear to the majority of the UK, but the methodology for determining the position of Freeview Play apps should change. If a public service broadcaster has an LCN in one or more nations of the UK but not the whole of the UK, then the rule should be:

- In each nation of the UK, apps are ordered according to the broadcaster's lowest LCN in that nation, except
- Where a public service broadcaster's app is available in nations where the broadcaster does not have an LCN, that app should appear directly after the other public service broadcasters' apps and ahead of all non-public service broadcasters' apps"

We believe that the existing methodology for determining the position of Freeview Play apps is currently fit for purpose, and in any case is outside the scope of the LCN Policy and our LCN consultation procedures. We therefore do not propose to change it at this time. However, we believe that the above approach could be adapted so that it applies directly to the allocation of LCNs to IP-delivered channels. The proposed amendment outlined below would have the same effect on LCNs for IP-delivered services as this approach.

3.3 Proposed amendment to the LCN Policy

We propose to amend paragraph 5.17 of the LCN Policy to the following (amended wording is in bold):

"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.

Channel providers that have more than one Freeview Play app will not be allocated additional LCNs in the IP-delivered range, and their LCNs will be allocated according to the order of their most-prominently positioned app; in this context, the Channel Provider will be the party that has an agreement with Digital UK for the provision of the Freeview Play app(s). 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. LCNs for IP channels from players which are core players only in the minority of the UK will be allocated after the IP-delivered channels from core players available in the majority of the UK; if there is more than one such player, then the LCNs will be allocated in the order that the players launched on Freeview Play. The channel provider may choose to use these LCNs for IP-delivered channels that appear on its player, and which are under common control with the company that has a Freeview Play agreement for the app. If the channel provider does not use the LCNs, then those LCNs will remain vacant."

This would mean, for example, that the banks of LCNs for IP-delivered channels would be allocated in the following order: BBC iPlayer, ITV Hub, All 4, My5, STV Player, UKTV Play, AMC, POP.

3.4 Consultation question

2. Do you agree with Digital UK's proposed amendments to paragraph 5.17 of the LCN Policy?



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 both consultation questions if you are only interested in one 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 **3 September 2021**, unless Digital UK accepts that mitigating circumstances apply.

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