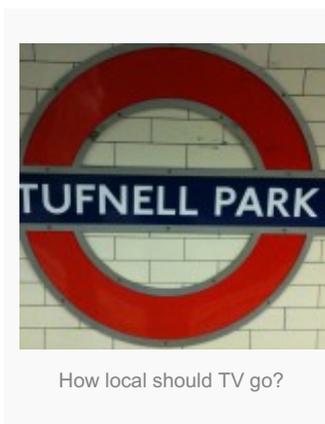


# Local TV: politics says 'yes', profit says 'no'

 [blogs.lse.ac.uk/polis/2010/11/05/local-tv-politics-says-yes-profit-says-no/](http://blogs.lse.ac.uk/polis/2010/11/05/local-tv-politics-says-yes-profit-says-no/)

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What is the public good that [Jeremy Hunt](#) is seeking to secure with all this money? That for me, was the question left at the end of a [day spent debating the £25 million plan](#) to create local TV stations in the UK.

Amongst the media great and good gathered at City University it was difficult to find anyone who can see easy money in the idea of creating TV channels that would service a community at a town, city or county level. Respected analyst Claire Enders, who was on the [Shott Committee](#) tasked by the government to look at this, could not have been clearer:

*"If it was so obviously commercially viable then it would exist by now".*

This directly contradicts what DCMS official Jon Zeff said:

*"With this Government there is a much bigger push to local decision making, transparency and localism. There is a clear gap in provision in holding those local decision-making processes to account and making it available to the public. There is a demand ...and potential for a commercially viable model."*

At least one person in the room was prepared to give it a go. Mark Dodson was part of the failed experiment by Guardian Media Group in city TV in Manchester with Channel M but he blames external factors such as ratings systems, advertising networks and a bad signal for it's demise. He confidently predicts there will be 8 local tv networks in 'a few years'.

That might come true now the government has told the BBC to back the scheme with the equivalent of £25 million. But will it make meaningful money or is it a subsidised solution?

Bear in mind it was the Conservative Party that came up with a cunning plan to create Channel 4 with its unique ownership model so perhaps they can pull off a similar trick with Local TV?

Everyone accepts that hyperlocal media is booming. But is there money in neighbourhood journalism? Kelvin McKenzie has a strong track record in local media and he is so devoted to local issues that he stood at his last council election. But he insists that Local TV, like all ultralocal media is best made by 'amateurs'. So the former editor of The Sun agrees with hyperlocal evangelist [Will Perrin](#)? Interesting.

But the voices all seemed ranged against the idea that you can make money out of this. [Mark Oliver](#) has done the research that comes closest to a business model. But at the same time he dismisses Jeremy Hunt's favourite comparison of Birmingham, Alabama which has three local TV channels – with Birmingham West Midlands, which has none. Oliver points out that there are so many complex factors in the UK that militate against a US-style solution.

The main problem is that the amount of local advertising in the UK just isn't big enough. And [Sue Unerman from Mediacom](#) made it clear that it is going to get more plentiful. The British public likes big, expensive adverts not cheap local ones. She said that all the changes in the advertising market, including online targeting, are working

against, not for Local TV.



Brum, USA

Any local advertising is already being chased hard by existing media. BRMB's Phil Ryley and John Fry the CEO of Johnson Press made it clear that they are already wringing potential sources of income dry.

But what about that public service value of strong local TV channels? One of the problems here is to define what you mean by local. As Goldsmith's Natalie Fenton pointed out, most people have a very restricted view of what is really local to them and Local TV Channels just would not fit into that pattern. She also suggested that if Local TV is going to be a force for accountability then it should be owned or run by local people and not big media companies. Roy Greenslade simply doubted that there was any public demand out there.



Brum, UK: spot the difference?

Of course, Peter Williams from [United For Local TV](#) believes it will happen, but even he acknowledges that it has to be forced into existence by the will of government rather than spontaneous entrepreneurship. It appears that one hour of local content may be all that they end up providing every day, which hardly strikes me as a game-changer in terms of localism.

Of course, many people in the room had an interest in Local TV not taking off. The local papers that could be a driver of Local TV simply don't want to invite new competition. They believe that the BBC regional news service has already cornered the market making it difficult to profit from something on a more local scale. They are more interested in developing their online hyperlocal offerings, including online video or

audio. Likewise, Matt Payton who represent independent local radio said his members who might be part of Local TV consortia see it as a threat rather than an opportunity.

Of course there are already versions of Local TV. Witney TV in the Prime Minister's constituency is a community internet channel, but it says it doesn't want government aid. Channel 7 has found a niche on Virgin Media in the wilds of Lincolnshire [Metropolitan Bias Alert] but it is struggling to make ends meet.



Sky's David Wheeldon summed it all up for me. He said that it's 'difficult to be enthusiastic unless we know what to be enthusiastic about'. He pointed out that originally the idea of Local TV was supposed to be bottom up but now it feels like a top down approach, requiring intervention. That's traditionally how broadcasting works in the UK, so as Wheeldon put it, "that's business as usual".

So do we agree with Kelvin McKenzie?: "I think the idea of local tv is a commercial disaster, anyone going into it is completely nuts" Well, funnily enough, McKenzie says he might yet be proved wrong. This is the kind of challenge that might just attract entrepreneurial spirits who do the opposite of conventional wisdom. That's how you make big money in media – look at Rupert Murdoch.

Or do we agree with Will Perrin who believes that the government is chucking public money and support at a collection of dinosaurs and hoping they will cobble something together. Should this money be going into the future – in other words into hyper-local, community, non-profit online news media?

I am tempted to agree with both Will and Kelvin. I want grass-roots online media to flourish. But in itself it is not a complete solution to the problem of a lack of localism. As we [argued in our recent Value of Networked Journalism report](#), it needs to be connected to wider media platforms with the reach and profile to have real impact.

I can also see that a more mixed media economy might emerge that will allow Local TV initiatives to take off. Firstly,

the BBC must get its act together to genuinely open up its resources and make real partnerships. So far its self-protective culture has militated against this. Secondly, there will have to much more creative use of new production techniques and public participation to create content that is genuinely attractive and engaging. And finally they will have to have the guts to go out and be a real voice for their patch and add some real public value, currently lacking in our rather tepid local media landscape.

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