



Department for  
Digital, Culture  
Media & Sport

# Commercial radio deregulation consultation: Government response

18 December 2017

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## Background

The government launched a major consultation outlining proposals to deregulate commercial radio licensing on 13 February 2017. The consultation ran for 12 weeks and closed on 8 May 2017. In total, we received 67 responses from a wide range of respondents, including:

- Radiocentre, the trade body for commercial radio that represents 90% of the industry;
- a number of national and local commercial radio companies, including those operating from within the nations;
- the News Media Association, the voice of national, regional and local news media organisations in the UK;
- MPs, including TDs representing the government of the Republic of Ireland;
- the All-Party Parliamentary Group for commercial radio;
- the Ofcom Advisory Committees for both Wales and Northern Ireland;
- the Community Media Association, the body representing community radio;
- multiplex operators, including Arqiva;
- RTÉ, the Republic of Ireland's national public service broadcaster; and
- academics and members of the public.

We also hosted four workshop sessions in Manchester, Edinburgh, London and Cardiff with commercial radio stakeholders. We are grateful for all of the responses provided by the individuals and stakeholders who have engaged in this consultation.

A full list of respondents can be found in Annex A, excluding those who requested anonymity. We have also published 44 of the 67 responses received in a separate document, although a number of respondents did not give their consent to their responses being published and therefore have not been included.

If you have any further comments about the consultation process or this response, please write to:

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Or email: [commercialradio@culture.gov.uk](mailto:commercialradio@culture.gov.uk).

## Overview of consultation responses

1. The consultation on commercial radio deregulation received 67 responses in total. We received representations from a wide variety of individuals and organisations within the radio and media industries and from members of the public from across the UK. The majority of the respondents chose to answer specific questions, although some did not answer any questions at all but instead gave general views on the overall proposals set out in this consultation.
2. Over half of the respondents were in favour of deregulating the commercial radio sector and many of the responses approved of the proposals contained in the consultation paper. The majority of industry respondents (including those represented by Radiocentre) welcomed the proposals although there was a small proportion of respondents within this category who opposed some or all of the deregulation proposals, particularly the proposal to remove Ofcom's power to ensure a wide range of services.
3. While some members of the public were supportive of deregulation and the proposal to remove non-news format requirements, a number of respondents were concerned that the changes could negatively impact the radio environment and their local radio stations in particular. They believed that removing Ofcom's responsibility to ensure a wide range of services could result in a narrowing of listener choice (especially for listeners who are not able to access digital or online services), and that without the localness requirement there is a risk that locally produced content and services may reduce or even disappear entirely.
4. The consultation contained a proposal to balance the changes with clearer protections for local and national news and core information, following any future switchover to digital radio. There was wide acknowledgement that these services are very important to commercial radio listeners (and therefore to commercial radio and its advertisers) as well as ensuring the plurality of local news. Most of the respondents said that without protection there is a risk that local news and other local information would be reduced or disappear entirely as service providers may choose to drop this in order to reduce costs. Other respondents said that while commercial radio would still continue to provide these services even without requirements put in place, there was nevertheless a need to maintain licence protections for national and local news and information updates on commercial radio to maintain a consistent level of provision of these services across the UK. However, there was little

support from respondents for Ofcom to have powers to set different news and information requirements in the nations.

5. The majority of respondents were generally supportive of the licensing of international stations onto the UK's digital platform, mainly in respect of RTÉ, the Irish public broadcaster, although others cautioned about the risk of opening up access to foreign-based services without protections being in place, something we will reflect on in developing the detailed proposals.
6. For a small number of the proposals there was no clear consensus amongst respondents. While there was agreement for new protections for news provision which covered digital only services from the point of a future switchover, industry responses were divided on how best to ensure the provision of news and information services in the longer-term after any future switchover to digital (as currently there are no news or localness requirements on stations that are only carried on Digital Audio Broadcasting (DAB)).
7. There was also a general agreement from respondents that greater flexibility in extending licences would help to give commercial radio greater certainty in the period leading up to a future digital switchover. Most respondents who commented also agreed that stations wanting to reduce transmission costs should be able to hand back their analogue licences before expiry without fear that the licence and frequencies used in that location would be re-advertised to rival commercial services.
8. There was strong support for the removal of Ofcom's responsibility to oversee station line-ups on multiplexes in line with overall deregulation of the industry. The majority of respondents thought the current requirement for analogue stations to have to simulcast on a relevant DAB multiplex in order to secure a licence renewal worked well. However a number of respondents - particularly those representing smaller stations - called for exemptions to be put in place for smaller radio stations with regard to simulcasting and licence renewals. This is something we will explore in further detail with the industry.
9. Overall there was strong support from respondents and the industry for the government's proposals to deregulate the commercial radio sector. The government believes that radio deregulation is a necessary and positive step for commercial radio, which will allow the UK's strong and thriving commercial radio sector to continue to provide consumers with greater choice and quality services whilst being able to adapt more easily for the future.
10. We intend to press ahead with the specific proposals set out in the consultation document, although there will need to be further work and

discussion in some areas with the industry. However, in the light of this consultation, we are making some changes to the proposals as set out below:

- **Question 2 - international licensing.** We still intend to seek powers to enable Ofcom to license overseas services but want to secure this by adopting a more gradual approach. We will start with Republic of Ireland services and only consider extending this to stations licensed in the European Union (EU) and other countries after we have assessed what reciprocal arrangements may be needed to protect against the broadcast of harmful content;
  - **Question 8 - provision of news.** Although there was strong support for requirements guaranteeing the provision of national and local news and local information by local stations, there was no consensus on whether obligations to provide news or core information in the event of a future radio switchover should fall to the existing local stations or to local multiplex operators (or to some combination of the two). This is something that will need to be resolved before plans for a radio switchover can be agreed. We will engage with the radio industry in the run up to a future switchover in considering what powers will be needed to ensure the provision of national and local news and information in a post switchover situation;
  - **Questions 7 and 11 - setting of arrangements for news services in the nations.** A clear view was expressed that there is no need for Ofcom to have the power to set different news (national and local) or other local requirements in the nations. In the light of the views expressed on this specific option, we agree that the impact of having such a power may disadvantage local stations in the nations and that a better approach is for Ofcom to have regard to the needs of all UK audiences in setting the requirements on a UK basis; and
  - **Question 10 - local content and production requirements.** We still believe that the localness requirements for non-news and local information content can be removed, however there is a need for greater clarity in legislation in defining what is meant by locally-sourced news and we will enable Ofcom to produce guidance in this area.
11. The next phase is for DCMS to begin the detailed work to develop the new legislative structure and to bring forward legislation prior to analogue licenses coming up for renewal in 2022. However, the legislation that underpins commercial radio licensing is complex and is a major undertaking. Legislation will be brought forward when Parliamentary time allows. In the meantime, the

Government is open to and would support any moves by Ofcom to consider, in the light of the consultation responses received, whether there is scope for changes to its rules and guidance in lieu of longer-term reform.

### Updating Ofcom's role and duties in securing choice for listeners

Q1. We would welcome views on whether the increase in choice of radio and on-line audio services available to listeners has reached a point that Ofcom's current statutory role to ensure a range of choice of national and local radio services is no longer needed?

#### Summary of consultation responses

12. Under the current statutory framework, Ofcom is required to ensure that listeners have access to a range and choice of speech and music content on radio. The consultation document asked whether these requirements were still relevant given the expansion of choice on digital radio and also from online audio platforms. Question 1 attracted a high number of responses, most of which were divided between either supporting or opposing the proposal to remove Ofcom's role to ensure a wide range of services. A small number of respondents supported partial deregulation or were uncertain.
13. The respondents who were against this proposal mostly consisted of members of the public although did include some service providers, multiplex operators, and people and organisations working within or with the industry. The main concern raised was that changes in Ofcom's role could result in commercial services all moving to mainstream popular music in order to appeal to a wider audience, making all commercial radio services sound similar and narrowing listener choice for consumers. Some respondents were not convinced that even with the wide choice of music that currently exists on digital radio and on online platforms, listener choice would be maintained without Ofcom's protection. A small number of respondents in this group highlighted that there are certain areas away from large cities which have limited digital services and therefore less choice overall. The removal of formats could therefore further narrow listener choice in this area if service providers with a specific or niche format choose to switch to a mainstream popular music format.
14. One respondent (an individual within the industry) commented that the removal of music formats may result in too much competition for mainstream music services:

“Experience in other countries suggests that when left to the market alone there is a tendency for stations to compete for the middle ground rather than offering choice to a wide range of ages and tastes”.

[John Rosborough, industry professional]

15. The respondents who supported this proposal consisted of mostly service providers and organisations within - or who have interests linked to - the radio sector. The majority of respondents supported the view that the market and the growth and availability of digital technologies has delivered greater choice. They considered that the removal of Ofcom’s responsibilities in this area is likely to increase the diversity and quality of content as stations would respond to future market trends and be free to experiment with changing music tastes.

16. Many respondents pointed out that the current regulations were built for an environment when there was less choice for listeners and the industry has since moved on dramatically, and as there is already a huge amount of services available on a number of platforms and music on demand services, Ofcom’s role is no longer required. One respondent (a service provider) mentioned this in their response as to why music formats no longer serve a purpose in radio:

“It is very apparent that the regulatory system was designed in and for a different era. The ways in which consumers access and enjoy music has changed beyond all recognition in recent years. The rapid growth in broadband access and smartphone and tablet penetration is well documented, as is the growth in usage of streaming services.

Consumers have an extraordinary choice in how they can access and enjoy music, whether on a free or paid-for basis, in a way which would have been unimaginable when the current statutory framework was put in place in the 1990 and 1996 Broadcasting Acts and the 2003 Communications Act. The internet provides the market with almost infinite capacity to create seemingly endless options for audiences to consume music, entertainment and news.

In a world of almost limitless choice, it is wholly anachronistic for a regulator to have a duty to ensure a range of radio services exists”.

[Global, UK-wide radio group]

17. A small number of respondents suggested that Ofcom should still retain aspects of its current role, however this should be lighter touch than it currently is. One respondent commented that changing Ofcom’s role in this

area would impact on Ofcom's other duties to safeguard the provision of local content.

## **Government response**

18. As outlined in the consultation document, the government strongly supports changes to the structure of licensing to give commercial radio greater freedom to operate their businesses in the way that best suits them. While we have carefully noted the concerns that respondents have regarding a decrease in listener choice resulting from this proposal, we consider that there is enough evidence as to the evolution of digital radio and audio markets to justify a change in Ofcom's powers to ensure a wide range of listener choice across radio services. In doing so we will need to consider how this interacts with Ofcom's specific duties in s.3 of the Communications Act 2003 to ensure a wide range of television services and radio services.
19. Many radio stations are already free to play mainstream popular music, including as a result of Ofcom's relaxations to the requirements in 2015<sup>1</sup>. The additional freedoms given to radio stations to tailor their content are unlikely to lessen choice. The improvements made to digital radio coverage since 2012, with the expansion of local DAB and the successful launch of the second national DAB multiplex together with the increased maturity of online audio services, has already encouraged diversity in the industry. New initiatives such as the small scale DAB trials open the way for services to experiment with different music and engage with their audiences better. With the growing choice of services available on digital and online platforms and on-demand music services, improved digital radio coverage, along with increased listener take up of digital (48.8% as of Q3 2017, RAJAR)<sup>2</sup>, we do not believe the changes will lead to a narrowing of choice and that the wide range of services on commercial radio is not dependent on Ofcom having a role.

Q2. We would welcome views on this proposal [see paragraph 20 below] and whether this should be limited to Irish broadcasters or extended more widely and if so whether Ministers should have powers to allow licensing to be extended to other countries?

## **Summary of consultation responses**

20. Section 245 of the Communications Act 2003 prevents overseas stations from being licensed by Ofcom and they cannot be carried on DAB. This includes

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<sup>1</sup> Ofcom - Review of music in radio formats. June 2015.  
[https://www.ofcom.org.uk/\\_data/assets/pdf\\_file/0025/51667/statement.pdf](https://www.ofcom.org.uk/_data/assets/pdf_file/0025/51667/statement.pdf)

<sup>2</sup> RAJAR - Data release Q3. August 2017.  
[http://www.rajar.co.uk/docs/news/RAJAR\\_DataRelease\\_InfographicQ32017.pdf](http://www.rajar.co.uk/docs/news/RAJAR_DataRelease_InfographicQ32017.pdf)

overseas stations such as RTÉ and Radio Luxembourg that have been available to the UK since the 1930s. This question attracted a high number of responses overall including from members of the public who are frequent listeners of RTÉ. The majority of respondents were generally supportive of the proposal to license overseas service providers on UK DAB, however a small number opposed it because of concerns about the implications for content standards. One respondent was uncertain about the proposal.

21. Overall, the majority of respondents were in favour of allowing international stations to hold digital sound programme (DSP) licences under the condition that they adhere to Ofcom's Broadcasting Code. The respondents consisted of predominantly service providers but also multiplex operators, members of the public, analysts and organisations. Respondents said that allowing international services on to the UK's digital platform may provide further diversity in the range of services available, and could subsequently attract new audiences, advertisers and sponsors to the UK.
22. Some respondents were in favour of limiting the licensing of international services to only European Economic Area (EEA) or EU member states, saying that the current radio regulations should be brought into line with the cross-EU arrangements for television services under the Audiovisual Media Services Directorate (AVMSD).
23. A further small number of respondents were in favour of limiting the proposal to Irish broadcasters only or solely RTÉ, and some were not in favour of licensing any overseas services on DAB at all. One respondent was concerned that the licensing of such services could compete with niche audiences in the UK already served by ethnic community radio stations. Concerns were also expressed about spectrum availability and how UK radio services should be prioritised before allowing overseas services on DAB. One respondent said that as a huge number of overseas services are available to listen online (including on hybrid DAB/IP connected internet radios or via sites such as TuneIn), there was no need to license these stations on DAB.

### **Government response**

24. There is clearly strong support for RTÉ and other Irish services to be allowed to broadcast on the UK's digital radio platform with many respondents stressing that the RTÉ broadcast on longwave (a services that has been available in the UK since the 1930s) is of particular importance to members of the Irish community living in the UK.

25. We carefully noted the concerns that respondents raised in particular the importance of Ofcom being able to secure compliance and the need for Ofcom to have the powers to order multiplex operators to take down overseas services that did not comply with the requirements. We still intend to make changes to enable Ofcom to license overseas services on DAB but agree with the respondents that a more gradual approach to change is appropriate, starting with Republic of Ireland services with the capability to extend the arrangement to stations licensed in the EU and other countries. Before doing so we will need to consider protections and reciprocal arrangements may be needed to support this relaxation.

### Format requirements for national radio analogue licences

Q3. Do you agree that the current format restrictions on the three national analogue stations should remain given that the licence holders are expected to extend these licences for a further five-year period (up to 2023)?

### Summary of consultation responses

26. The three national commercial analogue licenses, first awarded in 1991, are subject to a specific requirement that one service must be non-pop (currently Classic FM) and one speech-based (currently talkSport). The consultation paper argued that the case for removing the format requirements for the three national licenses did not appear to be a compelling one and highlighted the risk that this change could destabilise the wider radio market. The vast majority of respondents strongly supported the view that the current format restrictions should remain for the three national analogue stations. A small number of respondents opposed this proposal, and a further small number of responses suggested partial deregulation.
27. Those respondents who supported the proposals were mostly members of the public and said that without a retention of the existing format restrictions on these services there would be a danger that some listeners who hadn't switched to digital yet would face a loss of choice. While Radiocentre did not agree that distinctive services would be lost or changed if format requirements were removed, they did support the government's cautious approach and agreed that the formats requirements on the three national analogue commercial licences should continue to apply.

28. Of those who opposed this proposal, the respondents suggested that the removal would allow for the licenses to be reviewed enabling the licences to be re-advertised or the spectrum considered for alternative use.
29. The respondents who recommended partial deregulation said while the formats should stay in place for the FM national analogue service, consideration should be given to lifting the requirements for the two AM national analogue services due to the decline in listening on this particular platform.

### **Government response**

30. There is clear support to retain the current format restrictions on the three national analogue stations. We note Radiocentre's observations that the removal of such format requirements is unlikely to result in a loss of listener choice. As noted in the consultation document, the removal of format requirements would necessitate a new open competition for the licences before 2022 and respondents agreed with our view that this would be disruptive for commercial radio.
31. We do not believe that partial deregulation on AM (separately from the FM licence) would bring any benefits other than creating a need for these licences to be competed for before they start to expire in 2022.

### **Local radio non-news format requirements**

<p>Q4. We would welcome views on the consequences of removing all remaining music in radio format requirements in local analogue station licences in terms of the range and availability of choice of music genres available for listeners.</p>
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### **Summary of consultation responses**

32. Although Ofcom has, since 2003, taken steps to simplify and streamline how licences conditions on content and formats arrangements are applied, a large number of local commercial radio stations still have format requirements setting out which music they are able to play as well as other content requirements. The consultation argued that music requirements in radio formats (other than for national licenses) now serve very little purpose and should be removed.

33. The majority of responses argued that the consequences in terms of listener choice of removing remaining music formats on local commercial stations would be minimal, although there were concerns that there would be less listener choice for FM only listeners. The majority of respondents who gave this consequence tended to be members of the public but also include service providers and organisations who felt that the current format obligations were not a significant burden on the industry.
34. Other responses made a link between the end of music format requirements with station closures, job losses and fewer opportunities for music artists and other talent to gain mainstream exposure. During one of the roundtable events, concerns were raised that removing requirements could put Asian stations at risk of being acquired and their services changed to non-Asian mainstream services.
35. There were many positive responses to this question. The majority of respondents argued that the removal of format requirements would either increase listener choice or have no impact overall. Other respondents highlighted the opportunities given to radio stations to change their formats or re-brand (particularly for failing stations) in order to increase revenue by attracting new advertisers. This would allow stations to be able to engage with their listeners more efficiently and the changes will lead to local content being more important. Overall, service providers would have greater freedom to operate their businesses as they see fit.

### **Government response**

36. As outlined in the response to question one, the responses to the consultation generally supported the view that the remaining requirements for Ofcom to regulate music formats on commercial radio should be removed. Many respondents argued that the growth of services on digital radio and online means that requirements for Ofcom to approve changes to formats was no longer necessary. We have, however, taken note of the possible risk highlighted during the consultation to valued Asian commercial stations being changed to mainstream stations and will consider whether specific protections may be needed here.

### **National/local news and other public service content requirements**

Q5. Does Ofcom need to have a continuing role to ensure sufficient news/important national and/or local information is provided by commercial radio –
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what would be the consequences if news/local news and types of important information requirements were left to the market?

Q6. What would be the consequences for the radio industry and for other UK local media if Ofcom's duty and the requirements on local radio services were narrowed to cover just news and key local information?

## Summary of consultation responses

37. Amongst the most important contribution commercial radio makes for its listeners is the provision of high quality, accurate and impartial national, international and local news. According to recent research published by Radiocentre, radio is the most trusted medium for news in the UK<sup>3</sup>. The consultation set out the government's preliminary position that there should still be requirement for the provision of national and local news and that Ofcom's role should be to secure a wide range of high quality national and local news and other core information.
38. Almost all of the responses expressed strong support for Ofcom to maintain its role in ensuring the sufficient provision of national and local news and local information. Many respondents argued that these services remain vital to listeners and are often the main reason why people choose to listen to particular radio stations. The majority of respondents who argued for the removal of music formats acknowledged that without specific requirements to provide news and local information overseen by Ofcom, these services could be reduced or could disappear in some areas with a weakening of national and local news plurality.
39. Among the respondents who were sceptical of plans for deregulation, the main concern was that if left to the market these services would be reduced to minimum levels or disappear entirely. A number of respondents noted that news is often expensive to produce and some stations may be prepared to see their audience numbers drop a little in favour of saving costs by removing news and information provision. The following is from a response by a representative organisation with interests in the radio sector:

“Commercial companies are understandably driven by commercial considerations and in an effort to reduce their overheads it is likely that they would rationalise their production of news and information content to reduce costs. This would result in a reduction of the volume of such

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<sup>3</sup> Breaking News - Radiocentre. November 2017.  
[http://www.radiocentre.org/files/RC-BREAKING\\_NEWS\\_2017\\_DPS\\_FINAL.pdf](http://www.radiocentre.org/files/RC-BREAKING_NEWS_2017_DPS_FINAL.pdf).

content. It is also likely it would lead to a reduction in the ‘localness’ of news and information, which is relatively expensive to provide. This would represent a significant reduction in the quality of local output.”  
[Voice of the Listener & Viewer, representative body]

40. Some respondents highlighted the risk of news and information becoming city-focussed or covering areas that are not relevant to listeners, that there would be a decrease in the quality of information, and weakened media plurality. Other respondents argued that there was a potential link between the proposal and job losses or station closures.

### **Government response**

41. The consultation revealed strong support for maintaining strong requirements on commercial radio stations to provide national and local news and core information such as traffic and travel information and weather. In bringing forward legislation we will clarify Ofcom’s powers in this area to allow Ofcom to set clear guidance on how these requirements are set and to enable it to set requirements based on the size of the target audience for each station.

Q7. We would welcome views on what criteria should apply in setting enhanced requirements for the nations as well as views on whether aspects of localness requirements continue in be the nations’ themselves?

### **Summary of consultation responses**

42. The consultation also asked whether there was a case for Ofcom to have powers to set different (i.e higher) requirements for local commercial radio stations operating in Scotland, Wales and Northern Ireland and how such requirements should be set. A number of approaches were suggested as to what criteria should be considered when setting enhanced requirements for the nations, although there wasn’t a strong consensus around any particular option. The suggestions included: minimum output levels for Nation-specific content, minimum output levels from within the Nation, that news content must recognise stories from devolved administrations, and localness requirements.
43. However, the majority of respondents who submitted responses to this question argued against the need for Ofcom to have powers to set enhanced requirements. The respondents consisted of service providers (some of which broadcast within the nations), Radiocentre and one member of the public. Many of these respondents argued that the same arrangements should apply to all parts of the UK and that applying enhanced requirements would unfairly penalise service providers from within those nations.

44. Radiocentre highlighted an example of this in their response, saying:

“It would also be an unfortunate unintended consequence of these changes if stations in Wales, Scotland and Northern Ireland were asked to maintain a greater cost burden, particularly given that transmission costs are already generally higher and digital radio expansion more challenging due to coverage issues.” [Radiocentre, industry body for commercial radio]

### **Government response**

45. We have carefully considered the views expressed during the consultation including those made by station operators in Scotland, Wales and Northern Ireland about the potential burdens of this proposal. In the light of the views expressed on this specific option, we agree that having such a power may disadvantage local stations in the nations and that a better approach is for Ofcom to have regard to the needs of all UK audiences in setting the requirements on a UK basis.

### **Extending requirements to produce news to DAB-only stations on national and local multiplexes**

Q8. We would be grateful for views on which of the proposed options [see paragraph 46 below] would best secure the provision of national and local news/core information by commercial radio in the longer term after a switchover? Are there other options - e.g. guaranteed carriage for stations providing local news content - that might be more effective?

Q9. What safeguards, if any, might be needed to protect plurality of local news provision under these options?

### **Summary of consultation responses**

46. Currently, the requirements to provide news and other core information services can only apply to national and local commercial licenses that have such requirements secured as a condition of their license. These requirements do not apply to stations that only broadcast on DAB. The consultation highlighted Ofcom’s assessment in February 2016<sup>4</sup> that without

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<sup>4</sup> Ofcom - Radio Deregulation - letter to the Minister for Culture, Communications and Creative Industries. 22 February 2016.

such a requirement there could - in the longer term - be a risk that news, especially local news, would be underprovided by the commercial market. This could be a significant issue in the event of a future radio switchover. The consultation identified two broad approaches (to apply at the point of a future switchover):

**Option (a)** extend the national and local news/core information requirements to DAB-only stations. This means they will have obligations to also carry either national or local news (as the case may be) or core local information. For digital only stations on local multiplexes in particular, this would be a significant departure from the current position.

**Option (b)** place obligations on local multiplex operators to ensure that a proportion of stations (based broadly on current provision) carry local news services with the number set by Ofcom as part of their local news requirements.

47. Respondents were divided over this question and we conclude that there was no clear consensus overall. Nearly a third of respondents supported option A, to extend the national and local news/core information requirements to DAB-only stations. The respondents included multiplex operators, an academic, members of the public, a service provider and three organisations. Many supporters of this option said that it would be the best way to secure news and information on digital radio, and that many local services on DAB are a simulcast of local analogue services and therefore are already carrying local news. The difference in view was also reflected in the Roundtable sessions held as part of the consultation.
48. However, some of the respondents that supported option A recognised that there should be exemptions for smaller digital stations serving particular genres who would otherwise struggle to provide an expensive service and to avoid discouraging new entrants to the market, as mentioned by a multiplex operator in their response:

“we do not believe that this requirement should be placed upon specialist services intended for reception by minority audiences. We agree that this would "add significant costs and burdens for smaller stations, especially those which cater for specialist or niche audiences".  
[Future Digital Norfolk Ltd]

49. Nearly a third of respondents supported option B, to place obligations on local multiplex operators. Respondents said that as multiplex operators are spectrum licence holders, they are therefore best placed to ensure there is a good provision of local news services carried on their networks. Included in the respondents were members of the public, service providers and one organisation. Some respondents suggested that there should be incentives for stations who provide news and information updates such as guaranteed carriage on DAB or a minimum bandwidth.
50. However, this option received criticism from the multiplex operators arguing that it would negatively impact how they operate their businesses and place unreasonable burdens upon them, as mentioned by one respondent:
- “Such a move would represent a shift in the current regime and would inevitably place an unreasonable burden on us as we were forced to refocus on an area which is not our core business.”  
[Arqiva, multiplex operator].
51. Nearly half of the respondents did not support either option, with many responses offering alternative suggestions that included aspects of options A or B, or an entirely different method of securing news and information provisions on digital radio. Some of the responses stated that while they supported the idea of the requirements, they did not believe that either option was a viable means of securing news and information on the digital platform. For example, one suggestion provided by a respondent that differs entirely from options A or B focused on requiring any stations which carry advertising that is discretely targeted at a particular licence area to provide a minimum amount of local news and information for that same area at specific times in the day.

### **Government response**

52. It is essential that the provision of news and information is secured as radio moves towards a digital future as part of wider radio deregulation. Although this view was strongly supported by respondents, the consultation revealed a lack of a clear industry consensus on which of the proposed approaches (or alternative approaches) would best secure these requirements for the future.
53. We believe this issue will need to be resolved before plans for a radio switchover can be agreed, and we will look to the radio industry to consider further the best way of achieving this. In terms of future legislation, one solution might be to take broad powers to place obligations on DSP license holders, or DAB multiplex operators, or both, so that appropriate and detailed

requirements to secure the provision of national local news and information can be set which take into account the situation in commercial radio markets leading up to a digital radio switchover.

## Local content and production requirements

Q10. We would welcome views on the proposal [see paragraph 54 below] that the only local production requirements should be for local news/critical information which would need to be sourced and produced locally and can be provided directly or by a third party.

### Summary of consultation responses

54. Local analogue commercial radio stations must produce a significant proportion of their content locally. The requirements, set out in s.314 of the Communications Act 2003, sit behind guidance published by Ofcom which sets out Ofcom's general policy on how much content broadcast on a weekday, at peak times, and at weekends needs to be made locally. Although there have been good grounds for the current arrangements, at present the legislation requires Ofcom to set prescriptive arrangements that - as radio moves steadily towards a digital future - may be limiting license holders from organising their stations in a way that maximises the benefits using new technology and thus increasing costs and duplication. The consultation sought views on proposals to substantially reform s.314 of the Communications Act to ensure that the requirements to produce local content only applied to local news and other core local information.
55. Overall, around half of the respondents were supportive of removing local production requirements while an equal number of respondents opposed this proposal. A very small number of respondents suggested alternative approaches. Supporters of the proposals consisted of service providers, members of the public, academics, multiplex operators, Radiocentre and other organisations. Many of these respondents said that listeners are predominantly interested in high-quality local news and information and not about where radio content was produced, and that news hubs based in local areas would be able to produce excellent quality news at a lower cost and be able to invest more in news services. A number of respondents pointed out that commercial radio was investing in these services and most stations would continue to have a significant local presence after any changes.
56. Radiocentre and some service providers said that the current regulations are not efficient at ensuring the provision of local content:

“The requirement for a studio to be located in a particular area and for quota of content to be produced from this location does nothing to guarantee public value and locally-relevant output” [Radiocentre]

57. Of those who opposed this proposal, most of these respondents were members of the public although did include one radio organisation. Respondents were concerned that this proposal may lead to the closure of local radio stations and job losses, and restrict entry routes into the industry. Some respondents said that the localness requirement gives protection to local production centres, local employment, and the development of skills and that commercial radio stations benefit from direct access to local advertising.

“Taking away local radio won't just take away the job positions of presenters, but it will also take away the jobs of radio sales staff, which go out in the local areas and help the stations with their revenue. The buildings they have will be useless, and it will all be networked from London to a national scale. Getting into radio for anyone this way forward will be extremely difficult.

Listeners can also tell when their presenter has no idea about the area. For example, when they get the pronunciation of their local area wrong or sound completely different. ” [Philip Ray]

58. Some respondents disagreed with the view that presence is not important, saying that the fact that a station has to broadcast a significant portion of content from the local area is important to listeners, as is having local presenters who can produce content that listeners can relate to, and therefore listeners are more likely to engage with their local radio station through call-ins and competitions.
59. A small number of respondents suggested alternative approaches. A member of the public recommended limiting the removal of restrictions including localness requirements to AM in recognition of the decline in listening on the platform. Another respondent suggested that the requirements could be streamlined to incorporate a minimum quota of Public Service Broadcasting-style content that is produced locally.

### **Government response**

60. We have carefully considered the views on the potential impact that reforming localness requirements could have on local production and media jobs particularly outside London. We believe that the current localness

requirements set out under s.314 of the Communications Act 2003 are now too onerous and are acting to constrain the commercial radio industry from being able to rationalise their production base, making it harder to compete effectively against new online services. With pressures likely to grow on commercial radio in the next 10 years, and with no localness requirements on DAB-only commercial services, we believe the benefits of relaxing the local production requirements outweigh the disadvantages. Whilst we very much value commercial stations that want to continue broadcasting locally we don't think that the current regulatory requirements which are prescriptive on commercial radio need to be as restrictive as they are at present.

61. We accept the views expressed in the consultation about the importance of local news and information, and agree that to be credible this has to be sourced locally and be locally relevant. The development of news hubs utilised by some radio groups shows that that more flexible approaches can provide a high quality yet cost-effective service that listeners value, however we believe there is merit in the new national and local news and information requirements containing clearer requirements as to local news sourcing as part of the new legislative requirements. We also think it is important for the the commercial radio industry itself to come together with a clear cross-industry commitment to promote best practice in the provision and continuation of high quality, locally sourced and locally relevant news. We also believe the requirements for core local information needs to distinguish between local traffic/travel and weather information (which can be provided remotely) and local news.

Q11. We would welcome views on the need for different arrangements in Scotland, Wales and Northern Ireland and for views on the effect these changes could have for local commercial radio services in the nations and whether any other safeguards are needed.

### **Summary of consultation responses**

62. Commercial radio stations in Scotland, Wales or Northern Ireland play an important role in their respective media landscapes and for that reason the consultation asked whether there should be requirements that local content carried on commercial local stations in Scotland, Wales and Northern Ireland be produced in each nation.
63. There was some support for the view that commercial stations based in the nations should still be required to produce local content and be broadcast from that nation. Without this there was a risk of a reduction in commercial radio content relevant to listeners within the nations. Respondents who

favoured this view had different approaches to the issue. These included requiring service providers (especially larger stations) within the nations to strengthen their local commitments to ensure the provision of locally-focussed content that reflects the area, limiting the removal of regional programming requirements to AM only services, and creating requirements for news services to recognise stories from within the nations.

64. However, overall, there was a small majority in favour of not setting different arrangements in the nations. The reasons for not setting different arrangements in the nations were similar to those given for question 7. We received a number of representations from service providers in the nations, one of whom said that these measures would place additional burdens on commercial radio stations in the nations, particularly when considering advertising revenues and transmission costs:

“We do not believe that the nations require different arrangements, particularly if these place additional burdens on operating a commercial radio business compared with England, where advertising revenue is historically higher and transmission costs are generally far lower per head of population served”. [Nation Broadcasting, regional radio group]

### **Government response**

65. In contrast to the responses to question 7, the balance of views on whether local nations stations should still be required to operate or produce most of their services from within the nations is more finely balanced.
66. We accept that the maintenance of requirements on where programming is produced, even if set at nations level, could place unnecessary restrictions and burdens on providers operating in the nations compared to services in England. However, the continued demand for commercial radio services which reflect the lives and needs of people living in different parts of the UK creates a strong incentive for the commercial radio sector to continue to supply locally made content. We believe the requirements to carry news and other local information sourced locally and the increased choice of services on digital will, in our view, create the right mix of incentives for existing nations stations to continue operating the majority of their services from locations in the nations.

## Revised licensing arrangements

Q12. We would welcome views on changes needed to Ofcom's powers to license new commercial radio services as part of the proposed changes to streamline and simplify the radio licensing regime.

### Summary of consultation responses

67. The proposals set out in the consultation would, cumulatively, have the effect of constraining Ofcom's ability to licence new commercial analogue stations. The consultation therefore asked for views on the changes that might be needed to the licensing structure.
68. Responses to this question reflected a wide range of views on how Ofcom should manage the licensing of analogue stations during future phases of the transition of radio to digital. A number of commercial radio stations disagreed with removing or constraining Ofcom's ability to advertise analogue service licences and suggested that Ofcom should soften its position on the advertisement of new commercial FM licences. They additionally said that there were still plenty of listeners in underserved areas who would be attracted to more choice of FM services.
69. Other suggested proposals included:
- the awarding of new commercial FM licences for areas with limited choice, which could be for short licences to be re-advertised every five years;
  - Ofcom should advertise any lapsed FM licences and any available new frequencies, where there is an indication of market interest;
  - the current 'beauty parade' could be retained for any new analogue commercial licences which are advertised by Ofcom, with Ofcom retaining the power to impose additional licence commitments on licensees in line with licence application commitments for a specific period; and
  - there could be limited extensions of FM areas for existing services which could enhance and support local services.
70. Other respondents agreed with the proposal saying that Ofcom should not license any new analogue commercial radio stations and should no longer re-advertise any licences which have been revoked or surrendered. They said that new services would struggle to make a return over a short timescale and that the improved local DAB coverage and development of small scale DAB created a wider range of options for new stations to come on air. We also

received representations from multiple respondents that said that Ofcom should conduct a review of analogue and digital spectrum.

## **Government response**

71. Overall there was no clear view from the consultation responses on whether there was any benefit in formally limiting Ofcom's powers to licence analogue commercial radio services. There was recognition from a number of respondents that these changes to Ofcom's powers would allow the repeal of substantial parts of the 1990 Broadcasting Act and would greatly help to simplify the regulatory regime. However, other respondents felt that encouraging new FM services could still play a role in opening listener choice with short licenses as a possible way of ensuring this supported the industry's move towards digital.
72. Overall, we believe the benefits of simplification are such that there would be benefit in removing Ofcom's powers to licence new or replacement FM and AM services. This would also maintain clear signals around the future direction of the industry as it transitions from analogue to digital broadcasting. However, we agree with respondents that there may be merit in Ofcom making greater use of its existing powers to work with local stations to enhance their local FM coverage areas where this is consistent with existing coverage of that service. Ofcom have already started to consider the wider spectrum needs of radio with regard to the future roll out of small scale DAB services.

Q13. Should the duration of national and local analogue licences renewed after a switchover has been announced last for a flexible period until the switchover takes place?

Q14. Should the duration of local analogue licences for those qualifying smaller stations choosing to continue to broadcast on analogue after a switchover be renewed for fixed period or an indefinite period?

## **Summary of consultation responses**

73. The consultation looked at the powers that may be needed - supplementing those introduced in the Digital Economy Act 2010 - to deal with licensing dates and expiring licenses related to the setting of future dates for radio switchover. For question 13, all respondents agreed that for national and

larger stations there should be a flexible period for licence renewals following an announcement of a future switchover to run until the service ends on analogue. The respondents said that a flexible period would be a welcome source of stability and security for many service providers, however one respondent warned that this should not be used as a mechanism to delay a digital switchover.

74. One respondent, whilst supporting the proposal, said that it was too early to make this decision and that it should be re-visited once digital listening figures had hit the 50% trigger mark. Two respondents offered additional suggestions as to how this flexible period could be applied, such as FM expiry dates being synchronised so that competing services leave FM together, and that this flexible period should be extended to non-commercial services.
75. For question 14, the majority of respondents also considered that a fixed period would be preferable for licence durations for smaller stations as opposed to indefinite licences. Supporters included: members of the public, an academic, service providers, a consultant, multiplex operators and one organisation. The proposed duration of the fixed licences varied, with some respondents saying that these should last for 8 or 12 years, or that all licences should automatically be extended up until the date of digital switchover with a time limited renewal at that point.
76. A smaller proportion of respondents preferred indefinite licences rather than fixed licence durations. Many of these respondents said that the decision to cease analogue broadcasting by smaller stations was different to larger groups and should be made by service providers. One respondent said that indefinite licences should be based on a continued commitment to local programming. However, some supporters of fixed licence durations had concerns if indefinite licences were to be implemented, with one respondent saying that an indefinite licence wouldn't ensure that we have the best service providers.
77. A further small number of respondents were uncertain regarding this proposal but thought there was merit in Ofcom having flexibility here, or that it is too early at the present moment to consider this.

## **Government response**

78. As set out in the consultation, we believe that there will be a need for a significant degree of flexibility in terms of renewals and extensions for

analogue commercial radio licenses. For smaller stations<sup>5</sup>, we are more attracted to an open-ended approach, with licences renewed across a period covered by a future radio switchover, recognising that the value to stations in terms of listeners is likely to decline once a switchover takes place. We intend to maintain the two-year notice period<sup>6</sup> for these licences and clarify the legislation so it is clear it can be exercised after a switchover of larger services has been completed.

## Renewals and requirements to simulcast on DAB

Q15. We would welcome views on whether the requirement for analogue stations to simulcast on a relevant DAB multiplex for the term of the licence as a condition of its renewal should only apply for stations that have benefited from previous renewals.

Q16. We would also welcome views on the effect of any changes to the simulcast conditions for renewal on stations and on commercial radio to national and local multiplex operators and on efforts to support the transition to digital.

## Summary of consultation responses

79. Some local stations and smaller radio groups have argued for some time that there should be a relaxation in the requirement for stations to have to be carried on DAB to qualify for an automatic renewal of analogue licenses. These stations have highlighted the the high costs of carriage for smaller stations serving small local areas and the impact of fixed license renewal dates in being able to secure the best carriage arrangements for DAB carriage. Other respondents (including some multiplex operators) highlighted that the existing regime had worked well overall, supporting the steady migration of listeners to DAB as well as investment by local multiplex operators in local DAB coverage expansion. However, as part of this consultation, we wanted to understand whether the changes to national and local radio markets rendered such requirements (and the complexities of having such a requirement) unnecessary.
80. For question 15, the majority of respondents said that the current requirements should stay in place and automatic renewals should only apply to stations who have previously benefited from this practice. The main justification was to continue to reward and incentivise stations that had

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<sup>5</sup> By smaller stations we are referring to local commercial stations whose measured coverage area is 40% of an overlapping local multiplex area.

<sup>6</sup> The provisions are set out in s97A of the Broadcasting Act 1990.

invested in DAB. A smaller number of respondents agreed that the current requirement for analogue stations to have to simulcast on a relevant DAB multiplex in order to secure a license renewal was no longer needed. Some respondents went further and suggested that expiring licences should be re-advertised and competed for.

81. Many of those who wanted to retain the current requirements were service providers and also included a multiplex operator, Radiocentre and one other organisation. Respondents said that the existing renewal regime had worked well so far and that they would not want to act in a way that would undermine the progress towards a digital switchover.

82. Radiocentre made this clear in their response:

“The policy of allowing commercial radio stations to secure a renewal of their FM/AM licence in return for a commitment to simulcast on a relevant DAB multiplex has been very successful in underpinning a significant level of investment from commercial radio stations in DAB, whether in terms of content, coverage or expansion of radio station brands. Removing this incentive entirely would risk destabilising the radio industry, create uncertainty in the market and have a negative impact on listeners, who could lose access to their favourite radio stations as a result of the sort of 'churn' of stations on DAB”.

[Radiocentre]

83. However, many of the respondents argued that smaller stations should be allowed to renew their licences without taking DAB carriage. For many small stations, taking up DAB carriage is currently impractical as the coverage did not match their needs or it is simply unaffordable. Some respondents suggested that this could be established by an exemption, applied only to small services that don't have a relevant multiplex option or where the overlapping multiplex is less than 40% of the station's current measured coverage area (MCA).

84. Two respondents offered alternative approaches relating to incentives or rewards for DAB carriage. One suggested limiting renewals to stations that have previously committed to DAB (without a requirement to do so in the future). The second also suggested that DAB carriage costs must be reviewed for stations with Total Surveyed Areas (TSA) for RAJAR under £500k.

85. The responses to question 16 provided views on the potential impacts of removing the DAB carriage requirements as a condition of automatic renewals. Although relatively few respondents answered this question, we

received response from service providers, one multiplex operator, an academic, members of the public and Radiocentre. Concerns were expressed about the signals to the radio industry in terms of supporting future investment in DAB:

“We recognise here the balance that DCMS is trying to strike between the longer-term objective for the radio platform and the particular needs of smaller radio stations. Nonetheless, we are concerned here also that the proposals being put forward may risk undermining an orderly and successful future radio switchover programme. The reasons for this are that there should ideally be clear and unambiguous signals set out by government and Ofcom about digital radio switchover and that all parts of the value chain should have sufficient market preparation time.  
[Arqiva, multiplex operator].

86. Arqiva acknowledged that there may be an array of views on this issue coming from a number of differing perspectives arguing that this was a reason why the final transition from analogue to digital radio in the UK needs to take place in a framework set out by government and Ofcom.
87. Respondents offered a range of possible solutions to smooth some of the potential negative impacts but without any consensus on the best approach. Suggestions included:
- As some DAB multiplexes cover a larger area than analogue MCA, licensees will spend large amounts of money with little marketing interest and therefore this should be relaxed for smaller stations where this situation occurs;
  - stations should have to produce marketing plans to Ofcom prior to switching to digital which will explain how they will inform listeners of the change;
  - all analogue services should simulcast on DAB or DAB+ where possible, including on a small scale DAB multiplex;
  - there will need to be an appropriate way for future licensing for small stations that have never been on DAB and are not currently. These stations should have the option to renew their licences at the end of their existing term and subsequent renewals should be for 12 year durations;
  - all stations on FM should be allowed to make DAB a part of its licence renewal offering but it shouldn't be a condition of renewal. The rollover process should be removed and all FM licences should be re-advertised on a normalised basis which could include a DAB offering;

- analogue operators providing a service on a small scale DAB should have the option to renew their analogue licence in the same way as larger stations.

## Government response

88. The current arrangements which allow for an automatic renewal of analogue licences for stations that either simulcast on otherwise provide a DAB have worked very well up to now. Providing incentives to commercial radio in the form of licence extensions has given the sector a strong incentive to invest in improvements to national and local DAB coverage. However, with DAB now established at a national and local level and with coverage now broadly matching FM coverage in most parts of the UK, the question to consider now is whether the requirements need to be retained.
89. We were generally persuaded by the arguments put forward by smaller commercial stations that the requirement for them to choose between declining to take a renewal, or renewing and having to take carriage on the appropriate local DAB multiplex creates unfairness and may affect their ability to determine their optimum business strategy. In particular, smaller stations said they wanted to be able to have the flexible option of taking carriage on new small-scale DAB multiplexes.
90. We have also carefully noted the points made by multiplex operators about the potential impact on the viability of some local multiplexes. We need to consider further the practical implications and effects of the changes and the balance between simplifying the regime, the effects on small stations facing renewal, and impacts on local multiplex operators. One option we want to consider in more detail with industry stakeholders is whether allowing the requirement to be satisfied by carriage on a small scale multiplex (once new arrangements are set up and where services are licensed) and exempting small stations (defined as having coverage of 40% or less in measured coverage area of a local multiplex<sup>7</sup>) would be a better approach and avoid regulatory complexity. We will therefore hold further discussions with the radio industry on the detailed arrangements.

## Provision for commercial stations wanting to vacate analogue licences

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<sup>7</sup> The Government confirmed in July 2013 that this would be the base measure for determining whether a station was a small station and so would not be required to surrender its analogue licence as part of a digital radio switchover. *DCMS: Connectivity, Content and Consumers - July 2013*. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/225783/Connectivity\\_Content\\_and\\_Consumers\\_2013.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/225783/Connectivity_Content_and_Consumers_2013.pdf).

Q17. We would welcome views on possible impacts and benefits of allowing more flexibility for stations to reduce expensive analogue broadcasting and of limiting the use of vacated analogue spectrum to non-commercial services e.g. community radio.

## Summary of consultation responses

91. Over the next couple of years, the continuing decline in analogue listening and concurrent shift to DAB will have reached a point where it would be possible for analogue stations to reduce analogue coverage or close down analogue services to reduce distribution costs. At the moment it is not possible for an analogue commercial radio service to cease broadcasting without surrendering its license. Ofcom has a duty to maximise the use of spectrum and would need to consider reletting the license with the local frequencies. The consultation asked whether powers were needed to encourage the handback of licenses without fear that they would be re-let to local rivals.
92. Nearly all respondents were supportive of allowing radio stations to have the flexibility to be able to reduce their analogue broadcasting costs and to be able to hand back licenses without fear of a commercial competitor using their frequencies. Supporters included: members of the public, academics, service providers, Radiocentre and one other organisation.
93. Service providers particularly welcomed this proposal, with one respondent commenting that they should have more freedom to operate their businesses how they see fit:

“Stations should be allowed to adapt to market conditions. If it makes sense to close certain analogue services in advance of digital switchover, this should be allowed and the frequencies released should not be re-advertised for commercial services, as this would undermine the progress towards switchover.” [Bauer Media Group, UK-wide radio group]
94. One respondent commented that the decision to cease analogue transmission in favour of digital-only should be a decision for businesses’ owners to make and that the vacant spectrum will be welcomed in other areas of the radio sector. Another respondent said that this would be particularly welcome for AM transmission due to electricity costs. Another respondent welcomed the proposal although warned that DAB coverage differs in various parts of the

UK, particularly in the nations, and that if commercial stations decide to give up their analogue licences in favour for digital there was a risk that this would leave some listeners un-served.

95. A small number of respondents did not agree with the proposal. One respondent, an organisation with interests in the radio sector, commented that this proposal may leave some listeners unserved:

“It would be detrimental for audiences if current licence holders were to be allowed to hand back or vacate their analogue licences. This would narrow the range of choice of services for listeners who have not yet switched over to DAB.” [Voice of the Listener & Viewer]

96. One respondent noted that the proposal appears to conflict with policy positions in other related government areas, that it is unclear how it would work in practice, and that it could risk undermining the commercial agreements which underpin the long-term stability of the radio platform with resultant risks on an orderly radio switchover.
97. With regard to whether vacated analogue spectrum should be given to local non-commercial services, the majority of respondents agreed with this proposal. A member of the public said that community stations often suffer from poor coverage and therefore any changes that allow these stations to increase transmitter powers and utilise freed up spectrum is welcomed by the sector. Service providers were supportive that community services should be able to improve their coverage subject to spectrum availability. One respondent supported this proposal, however, highlighted a risk of a platform divide between community and commercial radio if unused analogue spectrum is given to community stations instead of digital.
98. However, some respondents did not agree that any vacant spectrum should be given to non-commercial services or urged caution in relation to this proposal. Those in this group of respondents consisted of mostly service providers, but also included Radiocentre and one other organisation who have interest in the radio industry. One respondent warned that the use of analogue spectrum released by a station vacating its analogue frequency should be limited as this may delay a digital switchover. Other respondents said that an increase in community stations could undermine small scale commercial broadcasting, or that vacant spectrum should be considered for commercial services first before non-commercial services.

## **Government response**

99. Over the coming years we expect to see analogue listening decline in favour of digital and internet-based audio services service providers. With the BBC's programme of switching off BBC local services on MW<sup>8</sup> now underway, this is likely to affect AM services carried on MW first. We believe there is a strong rationale for allowing commercial stations to hand back analogue licenses in order to save costs on transmission and without the fear of the licence being re-advertised.
100. We will work with Ofcom on how best to achieve this policy objective. In the longer term, we believe that with the introduction of small scale DAB, community stations will be able to access the digital platform in an easier and more cost-effective way and that this will largely avoid risk of a two-tier system being created.

### Consequential changes

101. The consultation highlighted two consequential impacts of the radio deregulation: (a) Ofcom's powers to secure a range of choice of services on current and future multiplex licensing arrangements (including variations to licences resulting from stations coming on and off national and local multiplexes (questions 18 and 19) and (b) the implications of license extensions of community radio licenses (question 20).

### Multiplex licensing

Q18. We would welcome views on removing Ofcom's powers to oversee changes to station line ups on national and local multiplexes and whether these changes have any impacts on competition.

### Summary of consultation responses

102. The majority of respondents agreed that there was no longer a need for Ofcom to oversee station line ups on multiplexes and approve changes. A small number of respondents disagreed with the proposal citing risks in terms of listener choice, and a further similar number suggested that there should be a partial relaxation of the rules. Some respondents offered alternative suggestions.
103. Of those who supported the proposal, the respondents included: service providers, multiplex operators, Radiocentre and a radio sector consultant.

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<sup>8</sup> Changes to some BBC local MW services - the BBC. August 2017.  
<http://www.bbc.co.uk/reception/news/item82>

Many respondents said that in line with the Government's general approach to deregulation, it makes sense to remove this responsibility from Ofcom, with one respondent saying that it goes against the general direction of proposals for radio deregulation deregulation if one platform is to have restrictions removed to then find them retained them on another form. Some respondents said that given the number of services available on digital, the market will provide diversity without the need for Ofcom to regulate this and that this relaxation may lead to increased innovation in the radio market as businesses are able to efficiently respond to changing audience tastes and needs.

104. Those who did not support the proposal were members of the public. None of the responses provided reasoning for why Ofcom's powers should be retained. A small number of respondents provided alternative suggestions to this proposal. Some respondents said that Ofcom should continue to retain the power to oversee station lineups but only intervene infrequently or as an emergency measure. Other responses said that there should be more regulation than currently, suggesting that minimum content specification should be set for each multiplex to ensure diversity of choice.

105. Two respondents commented on whether the removal of Ofcom's power will have any effect on competition. Both said that it will either have little to no effect on competition or that it will result in increased competition between service providers.

### **Government response**

106. The removal of Ofcom's power to oversee station lineups on national and local multiplexes would allow for much simpler arrangements between multiplex operators and Ofcom and reduce the number of contacts between them. The responses have demonstrated that this would be a welcome change and would lead to increased competition and innovation between service providers. As Ofcom has other powers to ensure that multiplex operators act properly and do not unfairly discriminate against a station, we consider that it is no longer necessary for Ofcom to regulate station lineups.

<p>Q19. We would welcome views on whether the criteria for Ofcom to determine applications for national and local multiplex licences also need to be updated in line with the wider proposals for deregulation set out in this consultation.</p>
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### **Summary of consultation responses**

107. The majority of respondents agreed that the criteria needs updating, although some of the respondents said that there isn't an urgent need to amend the

criteria given the current length of multiplex licences and digital switchover. A small number of respondents said that there is no need to amend the current criteria. Of those who agreed that the criteria needs updating, the respondents included: members of the public, service providers, an academic, a multiplex operator, Radiocentre and two other organisations. Respondents offered their suggestions as to how the criteria could be improved, which included:

- only multiplexes should be licensed rather than individual stations;
- if the minimum content specifications were to be determined by Ofcom at the time a multiplex licence is advertised or re-advertised then content would not need to be an assessment criterion. Applications could be assessed based on coverage, service reliability and coverage costs;
- there should be stricter rules around the ownership of multiplexes;
- there should be criteria for minimum sound quality levels for applications for national and local multiplex licences;
- Ofcom needs to have the powers to intervene if any national, local or small scale radio multiplex service licence holder is seen to not be equitably giving access to its multiplex;
- a provision should be put in place to allow for the Secretary of State to extend national DAB multiplexes for a further 10 years beyond their current expiry date, subject to his or her review at the appropriate time;
- the process for licensing small-scale DAB multiplexes should be based on statutory criteria, which should be amended to consider whether an applicant provides an appropriate balance of community, specialist and commercial services appropriate to the area;
- maintaining the requirement for Ofcom to maintain a wide range of choice of services;
- existing analogue services should be given priority access to multiplexes to help the transition to digital; and
- the criteria for multiplex licences should be coverage, reliability, efficiency and cost. If an operator commits to low charges they should get credit in a beauty parade.

## **Government response**

108. As a range of responses was given, there was no single consensus view. However, from the responses on this question there was support for the criteria being updated and simplified in line with the proposals set out in this consultation. We believe the removal of Ofcom's role here would be a significant simplification and fit with the overall approach taken with requirements linked to formats and choice of services. We will therefore

discuss detailed approaches with the industry - including multiplex operators - and with Ofcom.

## Community Radio

Q20. We would welcome views on whether the same arrangements for extending the duration of analogue commercial radio licences (see Q13) in the run up to a future radio switchover should also apply to community radio.

### Summary of consultation responses

109. The majority of respondents agreed that a flexible period should be introduced for analogue licences leading up to switchover and this includes extending licence durations. A small number of respondents did not agree with this proposal, and a further small number of respondents offered additional recommendations. Of those who supported the proposal, the respondents consisted of service providers and organisations. Respondents said that community radio should be treated equally and that these services should also be given certainty leading up to a digital switchover.

110. The Community Media Association, the representative body for the community radio industry, welcomed the proposals to extend licences and also argued for a longer fixed period in order to preserve resources:

“Licence renewal places a huge administrative burden on stations that are already underfunded and diverts resources away from delivering the business of the station. It is therefore only reasonable that the length of community radio licences is extended to at least 8 years and possibly up to the full 12 years permitted for local commercial analogue radio stations.” [The Community Media Association]

111. However, some respondents disagreed with this proposal and said that the current licensing system based on five year terms should remain for community radio. The respondents included service providers and members of the public. One respondent, citing the differences between commercial and community radio, explained that licence extensions would not be appropriate for community radio due to funding arrangements and their reliance on volunteers. Some respondents also said that there should be a clear

distinction between commercial and community radio and therefore the licensing system should not change.

112. A further number of respondents suggested additional recommendations, such as: community radio should be able to take up DAB carriage on the relevant local multiplex, community radio licences should be synchronised by area so that they expire at the same time, and community stations should be free to be licensed as commercial services.
113. While Radiocentre did not oppose further licence renewals for community services, they did warn that:

“this should be on the requirement that community radio stations are required to provide social gain and are compliant with the regulatory framework and key commitments they are obliged to deliver”.

### **Government response**

114. The government will support all service providers leading up to a digital switchover, and respondents have demonstrated that a flexible period in the transition up to a switchover will be a welcome measure to the radio industry.
115. Community radio has a different objective to commercial radio and offers a meaningful contribution to the communities that they serve. While community services are currently able to take up DAB carriage if they wish, the introduction of small scale DAB will increase accessibility to the platform for these services.
116. We therefore believe it would be useful for Ofcom to be able to set flexible periods for all analogue licences in the run up to a future switchover (subject to the two-year notice period in s97A of the Broadcasting Act 1990), and intend to introduce powers to be able to extend similar arrangements for community radio services services in order to be able to smooth the process of licenses expiring in the run up to a future radio switchover.

## Additional issues raised

117. Two issues were raised consistently throughout the consultation that we did not consult on individually. These issues were raised repeatedly by many respondents in written submissions and during the four roundtable events held with stakeholders in Edinburgh, Manchester, Cardiff and London.

### **Spectrum analysis**

118. We received many representations from a number of service providers and Radiocentre who recommended that Ofcom should conduct a full review of both analogue and digital spectrum use by broadcast radio services. Respondents said that the analysis of spectrum could be used to improve the coverage of existing analogue services and lapsed frequencies could become available to the market. The analysis could also consider the best use of DAB spectrum and improvements in Ofcom's approach to allocating frequencies.
119. The management of spectrum for analogue and digital radio services is the responsibility of Ofcom. Ofcom have noted the views of the industry on this issue.

## Next steps

120. Following the publication of this response, DCMS will progress work to develop the detail of the new arrangements with a view to seeking legislation when parliamentary time allows. The proposals will require major changes to the Broadcasting Act 1990, the Broadcasting Act 1996 and the Communications Act 2003.
  
121. The next phase is for DCMS to begin the detailed work to develop the new legislative structure and to bring forward legislation prior to the analogue licenses coming up for renewal in 2022. However, the legislation that underpins commercial radio licensing is complex and this is a major undertaking. Legislation will be brought forward when Parliamentary time allows. In the meantime, the Government is open to and would support any moves by Ofcom to consider, in the light of the consultation responses received, whether there is scope to changes to its rules and guidance in lieu of longer-term reform.

## **Annex A: List of respondents**

A total of 67 responses were received from members of the public and individuals and organisations working within a variety of sectors. Of the respondents, five have requested anonymity and therefore have not been listed.

1. 103 The Eye
2. 8Radio Vision Ltd
3. Alison Bremner
4. Anne Beetham & Bob Beetham
5. Arqiva
6. Ash Elford
7. Bauer Media Group
8. Caroline Hustings
9. Colin Marks
10. Communicorp
11. Community Media Association
12. Daisy Payne
13. Daniel Rose
14. David Hine
15. David Stack
16. Dawn Ferguson
17. Declan McGrath
18. Dee Radio Group
19. Denis Naughten TD & Joe McHugh TD
20. Diane Green
21. Dr Daffyd Williams
22. Dr Paul Groves
23. Folder Media
24. Future Digital Norfolk Ltd
25. Glenn Wilson
26. Global
27. Graham M Phillips
28. Heart of the Nation Broadcasting Team
29. John Rosborough
30. Josh Coupe
31. KMFM
32. Lilian Greenwood
33. Lincs FM Group
34. Marc Webber
35. Martin John Reynolds
36. Mat King
37. Michael Fallon
38. Nation Broadcasting
39. New Wave Media
40. News Media Association
41. Niocast Digital
42. Ofcom Advisory Committee for Wales
43. Pete Wagstaff
44. Peter Kearns
45. Phil Ray
46. R Stein
47. Radio Exe
48. Radio Independents Group
49. Radiocentre
50. Richard Purcell
51. Ronan McMahon
52. RTÉ
53. Sheena Ironside
54. Shetland Islands Broadcasting Company
55. Simon Thomson
56. Stuart McDonald
57. The Advisory Committee for Northern Ireland
58. The All-Party Parliamentary Group for Commercial Radio
59. The Society for Motor Manufacturers and Traders
60. UK Music
61. Voice of the Listeners & Viewer
62. Wireless Group

## **Annex B: Roundtable notes**

### **Edinburgh consultation roundtable**

**14:00 – 16:00, Wednesday 8th March 2017, Hilton DoubleTree,  
34 Bread Street, Edinburgh, EH3 9AF**

In attendance:

Ian O'Neill (Chair)	Head of Radio	DCMS
Naomi Tredrea	Senior Policy Adviser	DCMS
Matt Payton	Director of External Affairs	Radiocentre
Siobhan Kenny	Chief Executive	Radiocentre
Michael Ireland	External Affairs Manager	Radiocentre
Gavin Bruce	Regional Managing Director	Communicorp
Heather Kane	Head of News & Programming	Communicorp
Kirsty Leith	Head of Public Affairs	Global
Robert Walshe	Managing Director & Head of Programmes	Q Radio
Jonathan Gold	Programme Manager	Q Radio
Graham Bryce	Group Managing Director	Bauer
Spencer Pryor	CEO	YOUR Radio
Adam Findlay	Managing Director	New Wave Media

Representatives from service providers in Northern Ireland attended this event.

### **Section 1: Ofcom, music choice formats**

Attendees said:

- There was overall agreement that due to the large variety of services that are currently available to listeners, Ofcom should no longer be responsible to ensure a wide range of choice in services.
- The regulations were built for a different time when there was a narrower choice of services available.

- The commercial radio sector has since evolved and consumers now have a huge choice of stations to listen to.
- Ofcom already holds a strong role as a complaints regulator and should focus on output rather than input.
- There was some concern that music playlists could become narrower, however, it was also noted that the majority of commercial radio stations are already playing popular music.
- There was agreement that there is an appetite for Republic of Ireland services in Northern Ireland and the rest of the UK, particularly on a DAB platform and that changes here were welcome. The Q radio attendees were supportive of this.
- One delegate mentioned that they would welcome commercial radio services from the EU into UK radio market providing they had 24-hour contact based in the UK able to deal with technical issues and regulatory matters.

## **Section 2: Updating the duty around news and local information, producing other locally-relevant output**

Attendees said:

- There was wide agreement that the way in which the news on radio is delivered needs to be updated to take advantage of new technologies and that the current rules were a barrier.
- There should be freedom and flexibility for news and it should be up to radio stations as to how they choose to deliver that.
- Local news is one of the main reasons as to why people still value radio as it's easy to access and with immediate results. Other methods require more input to access news that is relevant to the local area.
- Particularly in areas away from cities, there remains a significant appetite for local radio because of its provision of news that reflects the local area and communities.
- People connect with brands and that includes local radio stations as radio remains a highly trusted broadcasting medium.
- It should no longer be Ofcom's responsibility to regulate the input of local radio with regards to news production – rather, they should focus on the regulation of output.
- The location of where news is produced should not be relevant - new technologies mean high quality news can be produced in other areas of the country and still reflect local areas and communities.
- For example, listeners in Dumfries have a local commercial station that provides local news for that area, however, many listeners have a strong association with Carlisle. In this instance it would be ideal to also source some news from Carlisle in addition to Dumfries, however, this is restricted by the current regulations.

- With regard to securing future news provision on DAB, one delegate thought that multiplex operators should not be responsible for what stations provide but that this should be left to the market. Other attendees took the view that without requirements there would be a significant risk of under provision in some markets.
- To conclude, attendees discussed that the restrictive nature and format of the current regulations has likely contributed to the end of some commercial radio stations such as River FM which went off-air in January 2007.

### **Section 3: Revised licensing arrangements**

### **Section 4: Renewals and requirements to simulcast on DAB**

### **Section 5: Miscellaneous**

Attendees said:

- There was agreement that attendees thought that community radio was currently at the right size and level and should not increase except in areas that were unserved by local commercial radio.
- Ofcom should examine the current regulation of community radio stations as many felt that current levels of enforcement were not adequate.
- One station felt there was demand for new FM services and that Ofcom should be able to offer new licenses as part of changes. Others felt this was the wrong approach with DAB growing towards 50% of listening.
- There was a broad consensus that it should be a priority for DCMS to work with Ofcom in order to relax some of the current requirements set by Ofcom which are not underpinned in legislation.

## Manchester consultation roundtable

11:00 – 13:00, Friday 17 March 2017, Key 103, Castle Quay, Castlefield,  
Manchester, M15 4PR

In attendance:

Ian O'Neill	Head of Radio	DCMS
Naomi Tredrea	Senior Policy Adviser	DCMS
Matt Payton	Director of External Affairs	Radiocentre
Michael Ireland	External Affairs Manager	Radiocentre
Michael Betton	Chief Executive	Lincs FM
Usha Parmar	Chief Executive	Sunrise Radio
Raj Parmar	Events & Marketing Director	Sunrise Radio
Chris Hurst	Chief Executive	Dee 106 / Silk 106
Mark Lee	Chief Executive	Communicorp
Jamie Griffiths	Programme Controller	Communicorp
Richard Willoughby	United Christian Broadcasters	Company Secretary
David Withers	United Christian Broadcasters	Broadcasting & Publishing Director
Steve Jenner	Founding Director	High Peak Radio
David Duffy	Managing Director	Niocast Digital

### **Section 1: Ofcom, music choice formats**

Attendees said:

- The radio environment has changed drastically in the last two decades.
- Radio choice for listeners has grown at a rapid rate to the point where there is so much choice compared to when the regulations were first implemented.
- Radio stations have benefited from the relaxed requirements towards music formats.
- There is so much choice on the market to access information and content that there is no need for Ofcom to regulate formats anymore.
- One station pointed out that stations serving niche audiences may be at a disadvantage with regard to removing music formats if another station that

covers the same area were able change their format and target another station's advertisers and audience, in addition to community radio.

- Other stations commented that formats are holding stations back from growing though there was a concern that some listeners in the middle age range may feel left out if music formats were to change.
- Regarding carriage of Irish and overseas stations on DAB, attendees said that is not possible to have an infinite number of stations on DAB. Some multiplexes are already full and it wouldn't be appropriate to allow all stations from abroad onto DAB. Existing stations in UK that need capacity should always receive priority.
- There was a concern how Ofcom can regulate stations from abroad. For example, would Ofcom be able to assess them as being "fit and proper" under the Broadcasting Code?

### **Section 2: Updating the duty around news and local information, producing other locally-relevant output**

Attendees said:

- News is one of the most important elements of radio and it distinguishes commercial stations from other providers.
- High quality news can easily be produced anywhere in the UK.
- The news should be about output regulation rather than input regulation by Ofcom.
- News hubs are used effectively.
- A radio station's news output should be kept in line with its audience.
- Generally speaking, the simpler the regulation, the more effective the regulator will be; the complexity of the rules and consents added to burdens.
- With regard to news requirements on DAB, commercial stations were meeting listeners needs and many commercial stations go above and beyond by exceeding their output requirement for this.
- An expansion of news hubs would allow for more third party news providers to reduce costs for smaller stations whilst still delivering locally-relevant content.

### **Section 3: Revised licensing arrangements**

### **Section 4: Renewals and requirements to simulcast on DAB**

### **Section 5: Miscellaneous**

Attendees said:

- Some stations require flexibility to stay on the FM spectrum due to geographical challenges - for example in hilly or mountainous areas.

- There was general support for removing the link between analogue renewals and DAB carriage for smaller stations; the simpler that license renewal is towards DAB, the better.
- For small stations, the cost of moving onto DAB is a huge challenge for small stations due to cost. Costs of transmission are significantly cheaper on FM.
- With regard to vacant analogue spectrum, attendees voiced concerns about giving it to community radio as certain areas are oversaturated with many different commercial and community radio stations. One operator highlighted that they would like to apply for spare FM spectrum in order to improve coverage of an existing service.
- One station raised concerns that community stations operating in their area were operating in breach of requirements. Others agreed that this was an issue and that DCMS should ask Ofcom to review this area.
- It was summarised that implementation of the proposed changes is a long way off and in the interim Ofcom should explore flexibility under the current legislation.

## London consultation roundtable

14:00 – 16:00, Tuesday 4th April 2017, Radiocentre,  
55 New Oxford Street, London, WC1A 1BS

In attendance:

Ian O'Neill (Chair)	Head of Radio	DCMS
Naomi Tredrea	Senior Policy Adviser	DCMS
Siobhan Kenny	Chief Executive	Radiocentre
Matt Payton	Director of External Affairs	Radiocentre
Michael Ireland	External Affairs Manager	Radiocentre
John Heasman	Senior Broadcasting Licensing Executive	Ofcom
Travis Baxter	Content & External Affairs Director	Bauer
Ford Ennals	Chief Executive	DRUK
Will Harding	Chief Strategy Officer	Global
Surjit Ghuman	Managing Director	Panjab
Danny Rose	Broadcast Consultant	
Gregory Watson	Managing Director	Folder Media
Jason Bryant	Executive Chairman	Nation Broadcasting
Geraldine Allinson	Chairman	KM Group
Jimmy Buckland	Director of Strategy	Wireless Group
Iain Fowler	Managing Director	Wireless Group
John Quinn	Chief Operating Officer	GTN
Colin Everitt	Chief Operating Officer	Communicorp
Daniel Owen	Regulatory Affairs Consultant	Celador
John Rosborough	Radio Consultant	Nocturne Media
Peter Wilson	Broadcasting Regulation Consultant	Heart of the Nation Broadcasting
Charmaine	Director of Content	Premier Christian Radio

Noble-McLean

Paul Nero	Managing Director	Radio Exe
Ian Walker	Chief Executive Officer	Jack FM
Adam Findlay	Managing Director	New Wave Media

Due to the large number of attendees in this session, the agenda was changed to focus the discussion on two main topics.

### **Section 1: Ofcom's role as a regulator**

- Music choice formats
- Overseas licensing
- Analogue licensing

Attendees said:

- The radio environment changed but legislation hasn't - we're still adhering to legislation that was built for the radio industry decades ago.
- It's evident that we don't need the current regulations to maintain diversity and choice in services. There is a huge amount of choice in services.
- The current regulations are an obstacle for improving business.
- With regard to the independent regulator, one delegate said that there is still a need for the regulator and the radio industry enjoys a good relationship with Ofcom. Dialogue with Ofcom needs to continue.
- Many attendees said that they had a preference to remove formats but ensure to protect necessary radio characteristics such as news, traffic and weather updates.
- One delegate said that there was such huge diversity in the market already that they questioned whether there was a need for music formats anymore. There was a broad consensus for this view.
- It was mentioned by one delegate that we need to be mindful of audiences when it came to removing music formats. By removing them, it could result in the same music being played and some audiences with specific tastes could be left out or ignored. For example, radio stations that specialise in particular types of music that are not mainstream could change their format to mainstream popular music, therefore leaving less choice for audiences whose tastes do not fall into that category.
- There is a risk that removing music formats could lead to the possibility of losing more niche and smaller services if they change their format, although it was highlighted that specialist stations are unlikely to radically alter their unique selling point.
- One delegate mentioned that if you live outside a metropolitan area then there is less choice in services unless you have access to DAB/online.

- One delegate said that they believed that there was no need for music formats in today's radio industry. The market has since moved on. Again, there was a broad consensus for this view.
- There is undoubtedly a myriad of ways to access music and content now compared to when the regulations were first introduced, particular with the development of technology.

## **Section 2: Local news and news requirement arrangements**

- Ofcom's role in securing news requirements
- News requirements for DAB
- Local production arrangements
- News requirements in the nations

Attendees said:

- One delegate said that they don't believe that every commercial station needs to provide news.
- The current regs on analogue with providing news works well and should not change.
- Most stations already now provide more news than is required.
- Ofcom should look at the provision and effectiveness of news to ensure that this continues after a switchover.
- One delegate said that they thought that it would be a sensible idea for the multiplex operator to be responsible for their digital stations ensure that they provide news updates. They said that the multiplex operators should be responsible for taking all reasonable steps to ensure this.
- In contrast, another delegate later commented that multiplex operators shouldn't have regulatory control for news provision and that this responsibility should lie with Ofcom.
- There was a concern that ensuring news provision on digital would be difficult in the current environment.
- One delegate did not see the need for intervention in terms of providing news on DAB.
- It was mentioned that if news wasn't provided on the radio then it would not have a huge impact on listeners as they would get their news updates from elsewhere - there is a breadth of technology available to people now to access information.
- News provision should not apply to small-scale DAB stations. It should be left up to the market rather than it being a requirement.
- The provision of news does not work for some niche services such as children's radio.
- Why shouldn't businesses be allowed to run their businesses as they see fit? This should include whether they want to provide news or not.

- As legislation is locked in for a significant period of time it is important to get changes right and ensure sufficient flexibility in future legislation.

### **Section 3: AOB**

Attendees said:

- There is a clear lack of development pathway for commercial radio in terms of how to progress - there is too much of focus on community radio.
- Commercial radio stations that are currently on analogue are put off by simulcasting or are unable to do so due to high cost of entry to get onto DAB.
- Are there other opportunities to equip AM/FM commercial stations to be as successful as they can be?
- One delegate said that they want their analogue stations to have guaranteed access to DAB multiplexes.
- Ofcom should review the best use of free spectrum of both FM and DAB.
- One delegate said that they would not have invested in DAB if they weren't already on FM.
- There needs to be a route map to get to DAB that is fair and affordable for all commercial radio stations.
- Attendees agreed that there is underutilised FM spectrum.
- One delegate noted the challenge that is finding spare FM spectrum in urban areas.
- There was a shared concern that more community stations will be licensed.
- There needs to be help for small/medium services in order to access DAB in order to move forward.
- Overall a broad consensus for proposals and support for interim changes to be introduced as soon as practicable. DCMS urged to work with Ofcom on utilising maximum available flexibility under legislation.

## Cardiff consultation roundtable

**11:00 - 13:00, Friday 21st April 2017, Heart South Wales, Red Dragon Centre,  
Hemingway Road, Cardiff, CF10 4JY.**

In attendance:

Ian O'Neill (Chair)	Head of Radio	DCMS
Naomi Tredrea	Senior Policy Adviser	DCMS
Matt Payton	Director of External Affairs	Radiocentre
Michael Ireland	External Affairs Manager	Radiocentre
Carina Tillson	Principal, Broadcast Licensing	Ofcom
Lauren Cleverly	Principal, Broadcast Licensing	Ofcom
Martin Munford	Group Managing Director	Nation Broadcasting
Jason Bryant	Executive Chairman	Nation Broadcasting
Kirsty Leith	Head of Public Affairs	Global
David Collins	Regional SPI Director	Global
Kristy John	Station Director	Communicorp
Neil Sloan	Programme Controller	Communicorp

### **Section 1: Ofcom, music choice formats**

Attendees said:

- The range of services now available to listeners has grown significantly compared to 20 to 30 years ago.
- The radio environment has changed drastically in the last few decades and is unrecognisable compared to when the regulations were first introduced.
- Listeners have benefited from the growth in technology and are able to listen to the radio via digital and online services.
- Competition has been proven to be a good thing and stations should have freedom to choose what music they want to play when they want. There is no longer a need for music formats.
- It is important to get a level playing field across the whole of the radio industry.

- It has been recognised that commercial radio is a key player within local areas and communities.
- Concerns were raised with regard to Ofcom's draft operating licence and its regulation of the BBC – Ian O'Neill invited views on this from attendees in writing.

## **Section 2: Updating the duty around news and local information, producing other locally-relevant output**

Attendees said:

- There was a general consensus from attendees that there should be a preference to focus on quality and output rather than where the information is produced.
- High quality news can be produced from anywhere in the country as technology has evolved to the high standard that we have today.
- How news is produced should be up to the radio stations rather than the regulator.
- The regulations for where news is produced is no longer relevant in today's industry.
- One attendee is against enhanced requirements set by Ofcom for the nations.
- It should be up to stations to decide whether they want to provide news services. They can compete with each other for listeners and this should be left to the market.
- Travel news is not subject to the same regulations regarding the locality of news production. For example traffic news can be produced from hubs. One attendee uses a hub in Bristol because there were no seats left in the Wales hub and yet the output is still of a very high quality - the same can be expected of news production.
- The legislation doesn't recognise local news within devolved nations.
- What defines "local relevance"? There needs to be a clearer structure.
- With regard to news and local services on DAB and the duty on multiplex operators to ensure news – this could work in practice however it cannot be guaranteed.

## **Section 3: Revised licensing arrangements**

## **Section 4: Renewals and requirements to simulcast on DAB**

## **Section 5: Miscellaneous**

Attendees said:

- With regard to a digital switchover – this will be much more of a challenge in Wales as digital listening is much lower than other places in the UK.
- FM is still seen as the primary platform for radio while DAB is seen as the secondary or development platform.
- It was also highlighted that given that securing legislation will take quite some time DCMS should work with Ofcom in the interim in order to explore flexibility under the current legislation.
- Following the announcement of the General Election Ian O’Neill confirmed that the consultation will continue, including preparation of a Government response.